



TREK 2000 INTERNATIONAL LTD (Registration Number 199905744N)

## First Quarter of FY2017 Financial Statements

### 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 FIRST QUARTER ENDED 31 MARCH 2017

##### (i) Consolidated Income Statement

	1 <sup>st</sup> Qtr 2017	1 <sup>st</sup> Qtr 2016 (Restated) [2]	Increase/ (Decrease)
	US\$'000	US\$'000	%
<b>Revenue</b>	41,771	32,845	27.18
Cost of sales	(35,101)	(29,256)	19.98
<b>Gross profit</b>	<u>6,670</u>	<u>3,589</u>	85.85
<b>Other items of income:</b>			
Interest income	237	148	60.14
Other income	132	166	(20.48)
<b>Other items of expense:</b>			
Research and development	(520)	(1,408)	(63.07)
Marketing and distribution	(1,798)	(492)	265.45
General administration	(1,463)	(839)	74.37
Other expenses	(1,814)	(139)	1,205.04
Finance costs	(18)	(34)	(47.06)
Profit before income tax [1]	<u>1,426</u>	<u>991</u>	43.90
Income tax expense	(306)	(11)	2,681.82
<b>Profit for the period</b>	<u><u>1,120</u></u>	<u><u>980</u></u>	14.29
Profit for the period attributable to:			
Owners of the Company	1,246	742	67.92
Non-controlling interests	(126)	238	(152.94)
	<u><u>1,120</u></u>	<u><u>980</u></u>	14.29
Earnings per share attributable to owners of the Company (expressed in cents per share):			
- Basic	<u>0.38</u>	<u>0.23</u>	
- Diluted	<u>0.38</u>	<u>0.23</u>	

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

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

	1 <sup>st</sup> Qtr 2017	1 <sup>st</sup> Qtr 2016 (Restated) [2]	Increase/ (Decrease)
	US\$'000	US\$'000	%
Interest income from:			
– Short-term deposits	56	23	143.48
– Quoted investments	181	125	44.80
Net gain on disposal of property, plant and equipment	–	5	(100.00)
Allowance for doubtful debts, net	(330)	(19)	1,636.84
Depreciation of property, plant and equipment	(184)	(254)	(27.56)
Amortisation of intangible assets	(222)	(290)	(23.45)
Intangible assets written off	–	(417)	(100.00)
Allowance for stock obsolescence	(224)	–	100.00
Net foreign exchange gain/(loss)	54	(139)	138.85
Interest expense on:			
– Hire purchase payables	(2)	(4)	(50.00)
– Term loans and bank overdrafts	(16)	(30)	(46.67)

[2] Comparative results for the first quarter ended 31 March 2016 (“1QFY2016”) 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	(176)	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.
Decrease in foreign currency translation	(5)	Decrease in foreign currency translation and increase in non-controlling interests are due to reversal of depreciation charges in relation to the certain assets as explained above.
Increase in non-controlling interests	142	

**(iii) Statement of consolidated comprehensive income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial period**

	Group		
	US\$'000		%
	1 <sup>st</sup> Qtr 2017	1 <sup>st</sup> Qtr 2016 (Restated)*	Increase/ (Decrease)
<b>Profit for the period</b>	<b>1,120</b>	<b>980</b>	<b>14.29</b>
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Fair value changes on quoted investments	253	(39)	748.72
Foreign currency translation	389	177	119.77
Other comprehensive income for the period, net of tax	642	138	365.22
Total comprehensive income for the period attributable to:	1,762	1,118	57.60
Owners of the Company	1,869	880	112.39
Non-controlling interests	(107)	238	(144.96)
	1,762	1,118	57.60

\*- Refer to 1(a)(ii)[2]

**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 Mar 2017 US\$'000	31 Dec 2016 US\$'000	31 Mar 2017 US\$'000	31 Dec 2016 US\$'000
<b>Non-current assets</b>				
Property, plant and equipment	2,186	10,314	11	13
Intangible assets	3,321	3,566	1,544	1,601
Investment in subsidiaries	–	–	1,603	3,485
Investment in associates	–	–	5	5
Quoted investments	13,520	12,244	13,520	12,244
Unquoted investments	–	180	–	–
	<b>19,027</b>	<b>26,304</b>	<b>16,683</b>	<b>17,348</b>
<b>Current assets</b>				
Inventories	9,319	10,294	–	–
Trade and other receivables	2,685	17,107	542	563
Prepayments	174	259	96	76
Short term deposits	24,853	16,519	9,557	7,794
Cash at banks and on hand	9,426	12,716	546	1,287
	<b>46,457</b>	<b>56,895</b>	<b>10,741</b>	<b>9,720</b>
<b>Total assets</b>	<b>65,484</b>	<b>83,199</b>	<b>27,424</b>	<b>27,068</b>
<b>Current liabilities</b>				
Trade payables and accruals	13,895	14,464	119	121
Other payables	4,638	5,106	1,640	1,069
Hire purchase payables	–	151	–	–
Term loans and bank overdrafts	–	1,774	–	–
Income tax payable	1,238	1,244	–	–
	<b>19,771</b>	<b>22,739</b>	<b>1,759</b>	<b>1,190</b>
<b>Net current assets</b>	<b>26,686</b>	<b>34,156</b>	<b>8,982</b>	<b>8,530</b>
<b>Non-current liabilities</b>				
Term loans	–	434	–	–
Deferred taxation	240	698	–	–
Hire purchase payables	–	159	–	–
	<b>240</b>	<b>1,291</b>	<b>–</b>	<b>–</b>
<b>Total liabilities</b>	<b>20,011</b>	<b>24,030</b>	<b>1,759</b>	<b>1,190</b>
<b>Net assets</b>	<b>45,473</b>	<b>59,169</b>	<b>25,665</b>	<b>25,878</b>
<b>Equity attributable to the owners of the Company</b>				
Share capital	37,828	37,828	37,828	37,828
Treasury shares	(262)	(298)	(262)	(262)
Revenue reserve	2,156	3,648	(12,939)	(12,473)
Capital reserve	2,717	2,717	–	–
Asset revaluation reserve	1,235	2,029	–	–
Translation reserve	(633)	(1,003)	–	–
Other reserves	1,041	(2,749)	1,038	785
	<b>44,082</b>	<b>42,172</b>	<b>25,665</b>	<b>25,878</b>
Non-controlling interests	1,391	16,997	–	–
<b>Total equity</b>	<b>45,473</b>	<b>59,169</b>	<b>25,665</b>	<b>25,878</b>
<b>Total equity and liabilities</b>	<b>65,484</b>	<b>83,199</b>	<b>27,424</b>	<b>27,068</b>

**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 March 2017 US\$'000		As at 31 December 2016 US\$'000	
Secured	Unsecured	Secured	Unsecured
–	–	1,925	–

**Amount repayable after one year**

As at 31 March 2017 US\$'000		As at 31 December 2016 US\$'000	
Secured	Unsecured	Secured	Unsecured
–	–	593	–

**Details of any collateral :**

The Group's motor vehicles, plant and equipment with carrying amount of US\$Nil (31 December 2016: US\$480,798) are pledged as collaterals to the 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 CASH FLOW STATEMENT for the 3 months period ended 31 March**

	<b>2017</b>	<b>2016</b>
	<b>US\$'000</b>	<b>(Restated) US\$'000</b>
<b>Cash flow from operating activities:</b>		
Profit before income tax	1,426	991
Adjustments for:		
Amortisation of intangible assets	222	290
Depreciation of property, plant and equipment	184	254
Intangible assets written off	–	417
Loss on disposal of a subsidiary	1,303	–
Net fair value gain on quoted investments (transferred from equity on disposal of quoted investments)	–	(6)
Net gain on disposal of property, plant and equipment	–	(5)
Allowance/(Reversal) for doubtful debts, net	330	19
Allowance for stock obsolescence	224	–
Share based payment	5	–
Interest income	(237)	(148)
Interest expense	18	34
Unrealised foreign exchange (gain)/loss	(87)	63
<b>Operating profit before changes in working capital</b>	<b>3,388</b>	<b>1,909</b>
Decrease/(Increase) in trade and other receivables, and prepayments	7,174	(832)
(Increase)/Decrease in inventories	(3,436)	4,962
Increase/(Decrease) in trade and other payables	3,254	(11,102)
<b>Cash generated from/(used in) operating activities</b>	<b>10,380</b>	<b>(5,063)</b>
Income tax paid	(26)	(8)
Interest received	56	23
Interest paid	(18)	(34)
<b>Net cash generated from/(used in) from operating activities</b>	<b>10,392</b>	<b>(5,082)</b>
<b>Cash flow from investing activities</b>		
Proceeds from disposal of property, plant and equipment	42	6
Proceeds from disposal of quoted investments	–	1,104
Purchase of property, plant and equipment	(13)	(516)
Purchase of quoted investments	(1,024)	–
Net cash outflow from disposal of a subsidiary	(3,672)	–
Payment for patent and trademark registration expenses	–	(3)
Payment for development expenditures	(1)	(140)
Interest income from quoted investments	181	125
<b>Net cash (used in)/generated from investing activities</b>	<b>(4,487)</b>	<b>576</b>
<b>Cash flow from financing activities</b>		
Purchase of treasury shares	–	(15)
Repayment of hire purchase instalments	(30)	(45)
Repayment of term loans	(20)	(62)
Proceeds from term loans	–	174
<b>Net cash (used in)/generated from financing activities</b>	<b>(50)</b>	<b>52</b>
Net increase/(decrease) in cash and cash equivalents	5,855	(4,454)
Cash and cash equivalents at beginning of period	28,424	23,453
Effect of foreign exchange difference	–	6
<b>Cash and cash equivalents at end of period</b>	<b>34,279</b>	<b>19,005</b>

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

	<b>31 Mar 2017</b>	<b>31 Mar 2016</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Cash at banks and on hand	9,426	9,181
Short-term deposits	24,853	11,154
Bank overdrafts	–	(1,330)
	<b>34,279</b>	<b>19,005</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							Non-Controlling Interests US\$'000	Total Equity US\$'000	
	Share Capital US\$'000	Treasury Shares US\$'000	Revenue Reserve US\$'000	Capital Reserve US\$'000	Asset Revaluation Reserve US\$'000	Translation Reserve US\$'000	Other Reserves US\$'000			Total US\$'000
<b>THE GROUP</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)
Total comprehensive income for the period	–	–	742	–	–	177	(39)	880	238	1,118
<b>Balance at 31 March 2016 (Restated)</b>	<b>37,828</b>	<b>(298)</b>	<b>(1,728)</b>	<b>2,717</b>	<b>2,029</b>	<b>(748)</b>	<b>(2,997)</b>	<b>36,803</b>	<b>16,426</b>	<b>53,229</b>
<b>Balance at 1 January 2017</b>	37,828	(298)	3,648	2,717	2,029	(1,003)	(2,749)	42,172	16,997	59,169
Disposal of a subsidiary	–	36	(2,738)	–	(794)	–	3,532	36	(15,499)	(15,463)
Grant of equity-settled share options to employees	–	–	–	–	–	–	5	5	–	5
Total comprehensive income for the period	–	–	1,246	–	–	370	253	1,869	(107)	1,762
<b>Balance at 31 March 2017</b>	<b>37,828</b>	<b>(262)</b>	<b>2,156</b>	<b>2,717</b>	<b>1,235</b>	<b>(633)</b>	<b>1,041</b>	<b>44,082</b>	<b>1,391</b>	<b>45,473</b>
<b>THE COMPANY</b>										
<b>Balance at 1 January 2016</b>	37,829	(248)	3,714	–	–	–	639	41,934	–	41,934
Share buyback	–	(14)	–	–	–	–	–	(14)	–	(14)
Transaction cost in relation to share buyback	(1)	–	–	–	–	–	–	(1)	–	(1)
Total comprehensive income for the period	–	–	(356)	–	–	–	(39)	(395)	–	(395)
<b>Balance at 31 March 2016</b>	<b>37,828</b>	<b>(262)</b>	<b>3,358</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>600</b>	<b>41,524</b>	<b>–</b>	<b>41,524</b>
<b>Balance at 1 January 2017</b>	37,828	(262)	(12,473)	–	–	–	785	25,878	–	25,878
Total comprehensive income for the period	–	–	(466)	–	–	–	253	(213)	–	(213)
<b>Balance at 31 March 2017</b>	<b>37,828</b>	<b>(262)</b>	<b>(12,939)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,038</b>	<b>25,665</b>	<b>–</b>	<b>25,665</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 first quarter ended 31 March 2017 ("1QFY2017"), 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 March 2017 is as follows:

	First Quarter Ended	
	FY2017	FY2016
	No. of share options	No. of share options
<b>Unexercised share options</b>		
Balance as at 1 January	4,982,500	6,727,500
Share options forfeited during the period	–	(150,000)
<b>Balance as at 31 March</b>	<u>4,982,500</u>	<u>6,557,500</u>

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

As at 31 March 2017, the share capital of the Company is as follows:

<b>Ordinary shares issued and fully paid</b>		
	No. of shares	US\$
Balance as at 1 January 2017	322,887,925	37,566,187
Movement in ordinary shares during the period	–	–
<b>Balance as at 31 March 2017</b>	<u>322,887,925</u>	<u>37,566,187</u>

**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 period under review, no new treasury shares were acquired by the Company to acquire shares pursuant to the Share Purchase Mandate to be held as "Treasury Shares".

	Group		Company	
	No. of shares	US\$	No. of shares	US\$
Balance as at 1 January 2017	1,522,000	297,574	1,229,000	262,057
Disposal of a subsidiary	(293,000)	(35,517)	–	–
<b>Balance as at 31 March 2017</b>	<u>1,229,000</u>	<u>262,057</u>	<u>1,229,000</u>	<u>262,057</u>

As a result of the disposal of Racer Technology Pte Ltd and its subsidiaries ("Racer Group") in 1QFY2017, Racer Group's investment in the Company is no longer deemed as treasury shares.

	Group		Company	
	No. of shares	US\$	No. of shares	US\$
Balance as at 1 January 2016	1,450,100	283,123	1,157,100	247,606
Repurchase of shares and held as Treasury Shares	71,900	14,451	71,900	14,451
<b>Balance as at 31 March 2016</b>	<u>1,522,000</u>	<u>297,574</u>	<u>1,229,000</u>	<u>262,057</u>

**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 2016.

**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	First Quarter Ended	
	FY2017	FY2016 (Restated)
Profit net of tax attributable to ordinary equity holders of the Company used in computation of basic earnings per share (US\$'000)	1,246	742
Weighted average number of ordinary shares for basic earnings per share computation (in '000)	324,117	324,117
Weighted average number of ordinary shares for diluted earnings per share computation (in '000)	324,117	324,190
<b>(Amount in USD cents)</b>		
Earnings per ordinary share for the period after deducting any provision for preference dividends:-		
(i) Basic earnings per share (in cents)	<b>0.38</b>	<b>0.23</b>
(ii) Diluted earnings per share (in cents)	<b>0.38</b>	<b>0.23</b>

**Note:**

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

*Diluted earnings per share amounts are calculated by dividing profit for the period that is attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period 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 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
Number of ordinary shares (in '000)	322,888	322,595	322,888	322,888
<b>(Amount in USD cents)</b>				
Net assets value per ordinary share based on issued share capital at the end of the period	<b>13.65</b>	<b>13.07</b>	<b>7.95</b>	<b>8.01</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 1QFY2017, the Group reported a 27.2% quarter on quarter ("qoq") increase in revenue from US\$32.8 million for 1QFY2016 to US\$41.8 million. Gross profit increased by 85.9% from US\$3.6 million in 1QFY2016 to US\$6.7 million in 1QFY2017, while gross profit margin increased from 10.9% to 16.0%. The Group reported an increase in net profit after tax attributable to owners of the Company from US\$0.7 million in 1QFY2016 to US\$1.2 million in 1QFY2017 by 67.9%.

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

**Revenue**

The increase in revenue of 27.2% 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 98.5% of the overall revenue in 1QFY2017.

**Profitability**

Gross profit margin improved from 10.9% to 16.0% qoq in 1QFY2017, 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\$5.6 million in 1QFY2017 (1QFY2016: US\$2.9 million) representing an increase of 92.8% qoq. The factors contributing to the changes are:

- Research and development expenses reported a decrease of 63.1% qoq to US\$0.5 million in 1QFY2017 (1QFY2016: US\$1.4 million). The decrease was mainly due to a decrease in intangible assets written off, amortisation expenses of intangible assets and staff cost in 1QFY2017.
- Marketing and distribution expenses increased 265.5% qoq to US\$1.8 million in 1QFY2017 (1QFY2016: US\$0.5 million) mainly due to increase in regional marketing activities, provision for new product launches, staff cost and professional fees.
- General administrative expenses increased 74.4% qoq to US\$1.5 million in 1QFY2017 (1QFY2016: US\$0.8 million) mainly due to increase in staff cost and professional fees.
- Other expenses increased 1,205.0% qoq to US\$1.8 million in 1QFY2017 (1QFY2016: US\$0.1 million) mainly due to provision for one-time sales commission amounting to US\$0.5 million and loss from disposal of Racer Group amounting to US\$1.3 million. Refer to the Company's announcement released on 14 March 2017 for details on the disposal of Racer Group.

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

The Group reported a net profit attributable to owners of the Company of US\$1.2 million in 1QFY2017 (1QFY2016: US\$0.7 million) despite the challenging environment.

**Other Financial Highlights**

- **Property, plant and equipment** – The decrease in the Group's property, plant and equipment was mainly due to the disposal of the equity interest in Racer Group.
- **Intangible assets** – The Group's intangible assets decreased by US\$0.2 million was mainly due to amortisation during the year.
- **Quoted investments** – The Group's investment in quoted investment increased by US\$1.3 million to US\$13.5 million as at 31 March 2017 compared to US\$12.2 million as at 31 December 2016. This was mainly due to additional investments made in quoted investments.
- **Inventories** – The Group's inventories amounted to US\$9.3 million as at 31 March 2017, a decrease by US\$1.0 million from US\$10.3 million as at 31 December 2016. Inventory turnover days is 24 days in 1QFY2017 (1QFY2016: 55 days).
- **Trade and other receivables** – The decrease in the Group's trade and other debtors was mainly due to the disposal of Racer Group's trade and other receivables, and receipts from customers and other debtors.
- **Trade payables and accruals** – The Group's trade payables and accruals amounted to US\$13.9 million as at 31 March 2017 compared to US\$14.5 million as at 31 December 2016. Trade payable turnover is 39 days in 1QFY2017 (1QFY2016: 44 days).



**Cashflow**

The Group's cash and cash equivalents as at 31 March 2017 amounted to US\$34.3 million compared to US\$28.4 million as at 31 December 2016 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 11.

**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 March 2017, the Group has US\$34.3 million in net cash and cash equivalents, and quoted investments of US\$13.5 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 11.

**11. Dividend**

**(a) Current Financial Period 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 interim 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 Company 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 a cautionary statement set out in the Appendix on page 11.

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.**

The Company has not issued any interim financial statements which may render the interim financial statements to be false or misleading, in any material aspect pursuant to Rule 705(5).

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**

Not applicable.

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.**

Not applicable.

18. **A breakdown of sales**

Not applicable.

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.

BY ORDER OF THE BOARD

### **EDWIN LONG MING FAI**

Executive Director  
9 May 2017

## **CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

The directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial statements for the period ended 31 March 2017 to be false and misleading in any material respect.

On behalf of the Directors

Signed

HENN TAN  
Director

9 May 2017

Signed

EDWIN LONG MING FAI  
Director

## **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.