



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

**Third Quarter and 9 months Financial Statement Announcement for the period ended 30 September 2015**

**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 THIRD QUARTER AND 9 MONTHS ENDED 30 SEPTEMBER 2015**

**(i) Consolidated Income Statement**

	Third Quarter		Increase/ (decrease) %	9 months ended		Increase/ (decrease) %
	2015 US\$'000	2014 US\$'000		2015 US\$'000	2014 US\$'000	
<b>Revenue</b>	44,063	35,580	23.84	112,710	77,009	46.36
Cost of sales	(40,225)	(32,551)	23.58	(101,732)	(67,928)	49.76
<b>Gross profit</b>	<u>3,838</u>	<u>3,029</u>	26.71	<u>10,978</u>	<u>9,081</u>	20.89
<b>Other items of income</b>						
Interest Income	211	171	23.39	535	476	12.39
Other income	239	227	5.29	767	595	28.91
<b>Other items of expense</b>						
Research and development	(1,808)	(928)	94.83	(4,264)	(2,899)	47.09
Marketing and distribution	(729)	(648)	12.50	(1,959)	(1,951)	0.41
General administration	(961)	(806)	19.23	(2,820)	(2,664)	5.86
Finance costs	(24)	(33)	(27.27)	(90)	(115)	(21.74)
Other operating expenses	(201)	(238)	(15.55)	(658)	(498)	32.13
<b>Profit before income tax [1]</b>	<u>565</u>	<u>774</u>	(27.00)	<u>2,489</u>	<u>2,025</u>	22.91
Income tax expense	(16)	(16)	-	(38)	18	(311.11)
<b>Profit after tax for the period</b>	<u><b>549</b></u>	<u><b>758</b></u>	<b>(27.57)</b>	<u><b>2,451</b></u>	<u><b>2,043</b></u>	<b>19.97</b>
<b>Profit attributable to :</b>						
Owners of the Company	1,043	1,032	1.07	2,668	1,698	57.13
Non-Controlling Interest	(494)	(274)	80.29	(217)	345	(162.90)
<b>Profit for the period</b>	<u><b>549</b></u>	<u><b>758</b></u>	<b>(27.57)</b>	<u><b>2,451</b></u>	<u><b>2,043</b></u>	<b>19.97</b>
Earnings per share attributable to owners of the Company (expressed in cents per share) :						
- Basic	0.34	0.35		0.88	0.57	
- Diluted	<u>0.34</u>	<u>0.35</u>		<u>0.88</u>	<u>0.57</u>	

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

NM denotes not meaningful

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

	Third Quarter		Increase/ (decrease)	9 months		Increase/ (decrease)
	2015 US\$'000	2014 US\$'000	%	2015 US\$'000	2014 US\$'000	%
Interest income :						
- fixed deposits	16	20	(20.00)	39	47	(17.02)
- available for sale financial assets	195	151	29.14	496	429	15.62
Gain on disposal of property, plant & equipment	38	-	NM	79	29	172.41
Provision for doubtful debts	(17)	(25)	(168.00)	(4)	(205)	(98.05)
Depreciation of fixed assets	(506)	(330)	53.33	(1,360)	(1,059)	28.42
Amortization of intangible assets	(458)	(431)	6.26	(1,398)	(1,301)	7.46
Net foreign exchange (loss)/gain	(65)	(237)	(72.57)	(244)	(498)	(51.00)
Interest expenses – hire purchase	(4)	(5)	(20.00)	(12)	(14)	(14.29)
Interest on term loan/bank overdrafts	(21)	(29)	(27.59)	(79)	(102)	(22.55)

**(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		%	US\$'000		%
	Q3 FY2015	Q3 FY2014	Increase/ (decrease)	9 Months FY2015	9 Months FY2014	Increase/ (decrease)
<b>Profit for the period</b>	<b>549</b>	<b>758</b>	<b>(27.57)</b>	<b>2,451</b>	<b>2,043</b>	<b>19.97</b>
Other comprehensive Income:						
Fair value adjustment on investment securities	(304)	(412)	(26.21)	(284)	(164)	73.17
Foreign currency translation	(978)	108	(1,005.56)	(1,596)	(249)	540.96
<b>Other comprehensive Income, net of tax:</b>	<b>(1,282)</b>	<b>(304)</b>	<b>(99.58)</b>	<b>(1,880)</b>	<b>(413)</b>	<b>355.21</b>
<b>Total Comprehensive Income for the period</b>	<b>(733)</b>	<b>454</b>	<b>(261.45)</b>	<b>571</b>	<b>1,630</b>	<b>(64.97)</b>
<b>ATTRIBUTABLE TO:</b>						
<b>Owners of the Company</b>	(240)	549	(143.72)	788	1,105	(28.69)
<b>Non-Controlling Interest</b>	(493)	(95)	419.95	(217)	525	(141.33)
	<b>(733)</b>	<b>454</b>	<b>(261.45)</b>	<b>571</b>	<b>1,630</b>	<b>(64.97)</b>

**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 SHEET as at	GROUP		COMPANY	
	30 Sep 2015 US\$'000	31 Dec 2014 US\$'000	30 Sep 2015 US\$'000	31 Dec 2014 US\$'000
<b>Non-Current Assets</b>				
Property, plant and equipment	13,926	11,736	7	7
Intangible assets	11,899	11,229	4,418	4,500
Investment in subsidiaries	-	-	5,441	5,441
Investment in associates	-	-	5	5
Quoted investments	13,208	9,408	13,208	9,408
Unquoted investments	182	197	-	-
	39,215	32,570	23,079	19,361
<b>Current assets</b>				
Trade receivables	10,776	26,194	24	13
Inventories	25,304	12,883	-	-
Amounts due from subsidiaries	-	-	20,895	17,992
Amounts due from associates	453	186	-	-
Other receivables	4,127	4,593	864	986
Prepayments	787	1,678	16	354
Fixed deposits	3,142	3,170	-	-
Cash and bank balances	6,991	8,879	364	462
	51,580	57,583	22,163	19,807
<b>Total assets</b>	<b>90,795</b>	<b>90,153</b>	<b>45,242</b>	<b>39,168</b>
<b>Current liabilities</b>				
Trade payables and accruals	18,872	20,674	123	101
Other payables	1,904	8,417	404	326
Amounts due to subsidiaries	-	-	-	54
Hire purchase payables	193	239	-	-
Term loans and bank overdrafts	1,707	6,914	-	-
Income tax payable	783	838	-	-
	23,459	37,082	527	481
<b>Net current assets</b>	28,121	20,501	21,636	19,326
<b>Non-current liabilities</b>				
Term Loans	520	682	-	-
Deferred Taxation	689	696	-	-
Hire purchase payables	175	193	-	-
	1,384	1,571	-	-
<b>Total liabilities</b>	24,843	38,653	527	481
<b>Net assets</b>	<b>65,952</b>	<b>51,500</b>	<b>44,715</b>	<b>38,687</b>
<b>Capital and reserves attributable to the equity holders of the Company</b>				
Share capital	37,715	29,605	37,715	29,605
Treasury shares	(154)	(257)	(119)	(222)
Other reserves	390	579	390	579
Revaluation reserve	2,029	2,029	-	-
Revenue reserve	10,115	8,570	6,729	8,725
Capital reserve	2,717	2,717	-	-
Translation reserve	(2,199)	(603)	-	-
Non-controlling interest	15,339	8,860	-	-
<b>Total Equity</b>	<b>65,952</b>	<b>51,500</b>	<b>44,715</b>	<b>38,687</b>
<b>Total equity and liabilities</b>	<b>90,795</b>	<b>90,153</b>	<b>45,242</b>	<b>39,168</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 30 September 2015 US\$'000		As at 31 December 2014 US\$'000	
Secured	Unsecured	Secured	Unsecured
1,900	-	7,153	-

Amount repayable after one year

As at 30 September 2015 US\$'000		As at 31 December 2014 US\$'000	
Secured	Unsecured	Secured	Unsecured
695	-	875	-

Details of any collateral :

The Group's motor vehicles at net book value of US\$487,285 (FY 2014: US\$703,839) 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 periods ended 30<sup>th</sup> September**

	3Q 2015 US\$'000	3Q 2014 US\$'000	9mths 2015 US\$'000	9mths 2014 US\$'000
<b>Cash flow from operating activities:-</b>				
Profit before income tax	565	774	2,489	2,025
Adjustments for:-				
Amortisation of intangible assets	458	431	1,398	1,301
Depreciation of property, plant and equipment	506	330	1,360	1,059
Provision for doubtful debts	17	25	4	205
Gain on disposal of property, plant and equipment	(38)	-	(79)	(29)
Interest expense	24	34	90	116
Interest income	(211)	(171)	(535)	(476)
Translation difference	(497)	730	(714)	564
Gain on disposal of investment securities	-	-	-	(30)
<b>Operating profit before changes in working capital</b>	<b>824</b>	<b>2,153</b>	<b>4,013</b>	<b>4,735</b>
Decrease/(increase) in trade receivables, other receivables and prepayments	5,205	(8,808)	16,503	(9,506)
Increase in inventories	(7,673)	(972)	(12,421)	(3,433)
(Decrease)/increase/ in trade and other payables	(6,462)	7,518	(8,315)	14,010
<b>Cash (utilitised)/ generated from operating activities</b>	<b>(8,106)</b>	<b>(109)</b>	<b>(220)</b>	<b>5,806</b>
Income tax paid	9	9	(71)	56
Interest received	16	20	39	47
Interest paid	(24)	(34)	(90)	(116)
<b>Net cash (utilitised)/generated from operating activities</b>	<b>(8,105)</b>	<b>(114)</b>	<b>(342)</b>	<b>5,793</b>
<b>Cash flow from investing activities</b>				
Proceeds from disposal of investment securities	-	-	600	1,030
Proceeds from disposal of property, plant and equipment	89	1	188	35
Proceeds from disposal of subsidiary	-	676	-	676
Purchase of property, plant and equipment	(33)	(831)	(4,028)	(1,232)
Payment for patent and trademark registration expenses	(107)	(64)	(231)	(221)
Payment for development expenditures	(1,219)	(355)	(1,998)	(1,095)
Purchase of quoted investments	(4,026)	(795)	(4,714)	(2,440)
Interest income from available-for-sale investment	195	151	496	429
<b>Net cash used in investing activities</b>	<b>(5,101)</b>	<b>(1,217)</b>	<b>(9,687)</b>	<b>(2,818)</b>
<b>Cash flow from financing activities</b>				
Repayment of Loans & Borrowings	(52)	(40)	(4,634)	(133)
Repurchase of treasury shares	(118)	-	(118)	-
Proceeds from issue of share capital	8,046	-	8,046	-
Proceeds from disposal of treasury shares	317	-	317	-
Repayment of hire purchase instalments	(96)	(45)	(193)	(215)
Capital contribution from non-controlling interest	-	-	6,696	-
Employees' share option exercised	-	3	64	10
Payment of dividends	-	-	(1,123)	-
<b>Net cash generated from/ (used in) financing activities</b>	<b>8,097</b>	<b>(82)</b>	<b>9,055</b>	<b>(338)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(5,109)</b>	<b>(1,413)</b>	<b>(974)</b>	<b>2,637</b>
Cash and cash equivalents at beginning of period	14,168	12,507	10,162	8,455
Effect of foreign exchange difference	(174)	5	(303)	7
<b>Cash and cash equivalents at end of period</b>	<b>8,885</b>	<b>11,099</b>	<b>8,885</b>	<b>11,099</b>

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

	30 <sup>th</sup> Sep 2015 \$'000	30 <sup>th</sup> Sep 2014 \$'000
Cash and Bank Balances	6,991	8,840
Fixed Deposits	3,142	4,065
Bank Overdrafts	(1,248)	(1,806)
	<b>8,885</b>	<b>11,099</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**

	Equity attributable to equity holders of the Company							Total	Non-Controlling Interest	Total Equity
	Share Capital	Treasury Shares	Capital Reserve	Foreign Currency Translation Reserve	Revenue Reserve	Other Reserve	Revaluation reserve			
	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 2014</b>	29,595	(257)	2,717	581	6,025	580	334	39,575	6,505	46,080
Increase in Shares through exercise of share options.	7	-	-	-	-	-	-	7	-	7
Total comprehensive income for the period	-	-	-	(534)	460	38	-	(36)	(346)	(382)
Balance at 31 March 2014	29,602	(257)	2,717	47	6,485	618	334	39,546	6,159	45,705
Total comprehensive income for the period	-	-	-	177	206	210	-	593	966	1,559
Balance at 30 June 2014	29,602	(257)	2,717	224	6,691	828	334	40,139	7,125	47,264
Increase in Shares through exercise of share options	3	-	-	-	-	-	-	3	-	3
Total comprehensive income for the period	-	-	-	108	1,032	(155)	-	985	(95)	890
<b>Balance at 30 Sep 2014</b>	<b>29,605</b>	<b>(257)</b>	<b>2,717</b>	<b>332</b>	<b>7,723</b>	<b>673</b>	<b>334</b>	<b>41,127</b>	<b>7,030</b>	<b>48,157</b>
<b>Balance at 1 January 2015</b>	29,605	(257)	2,717	(603)	8,570	579	2,029	42,640	8,860	51,500
Increase in Shares through exercise of share options.	64	-	-	-	-	-	-	64	-	64
Capital contribution From non-controlling Interest	-	-	-	-	-	-	-	-	1,252	1,252
Total comprehensive income for the period	-	-	-	(435)	544	167	-	276	177	453
Balance at 31 March 2015	29,669	(257)	2,717	(1,038)	9,114	746	2,029	42,980	10,289	53,269
Tax exempt (one-Tier) dividends @ 0.005 cts @ 1.322 = US\$0.00378 per share	-	-	-	-	(1,123)	-	-	(1,123)	-	(1,123)
Capital contribution From non-controlling Interest	-	-	-	-	-	-	-	-	5,444	5,444
Total comprehensive income for the period	-	-	-	(183)	1,081	(147)	-	751	99	850
Balance at 30 June 2015	29,669	(257)	2,717	(1,221)	9,072	599	2,029	42,608	15,832	58,440

	Equity attributable to equity holders of the Company								Non-Controlling Interest	Total Equity
	Share Capital	Treasury Shares	Capital Reserve	Foreign Currency Translation Reserve	Revenue Reserve	Other Reserve	Revaluation reserve	Total		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>THE GROUP</b>										
Sale of treasury shares via placements of shares	-	221	-	-	-	95	-	316	-	316
Issuance of new shares through placement exercise	8,046	-	-	-	-	-	-	8,046	-	8,046
Share buyback purchased	-	(118)	-	-	-	-	-	(118)	-	(118)
Total comprehensive income for the period	-	-	-	(978)	1,043	(304)	-	(239)	(493)	(732)
<b>Balance at 30 Sep 2015</b>	<b>37,715</b>	<b>(154)</b>	<b>2,717</b>	<b>(2,199)</b>	<b>10,115</b>	<b>390</b>	<b>2,029</b>	<b>50,613</b>	<b>15,339</b>	<b>65,952</b>
<b>THE COMPANY</b>										
<b>Balance at 1 January 2014</b>	29,595	(222)	-	-	9,867	580	-	39,820	-	39,820
Increase in Shares through exercise of share options.	7	-	-	-	-	-	-	7	-	7
Total comprehensive income for the period	-	-	-	-	(305)	38	-	(267)	-	(267)
<b>Balance at 31 March 2014</b>	29,602	(222)	-	-	9,562	618	-	39,560	-	39,560
Total comprehensive income for the period	-	-	-	-	(374)	210	-	(164)	-	(164)
<b>Balance at 30 June 2014</b>	29,602	(222)	-	-	9,188	828	-	39,396	-	39,396
Increase in Shares through exercise of share options.	3	-	-	-	-	-	-	3	-	3
Total comprehensive income for the period	-	-	-	-	(598)	(155)	-	(753)	-	(753)
<b>Balance at 30 Sep 2014</b>	<b>29,605</b>	<b>(222)</b>	<b>-</b>	<b>-</b>	<b>8,590</b>	<b>673</b>	<b>-</b>	<b>38,646</b>	<b>-</b>	<b>38,646</b>
<b>Balance at 1 January 2015</b>	29,605	(222)	-	-	8,725	579	-	38,687	-	38,687
Increase in Shares through exercise of share options.	64	-	-	-	-	-	-	64	-	64
Total comprehensive income for the period	-	-	-	-	(345)	167	-	(178)	-	(178)
<b>Balance at 31 March 2015</b>	29,669	(222)	-	-	8,380	746	-	38,573	-	38,573
Tax exempt (one-Tier) dividends @ 0.005 cts @ 1.322 = US\$0.00378 per Share	-	-	-	-	(1,123)	-	-	(1,123)	-	-
Total comprehensive income for the period	-	-	-	-	(322)	(147)	-	(469)	-	(469)
<b>Balance at 30 June 2015</b>	29,669	(222)	-	-	6,935	599	-	36,981	-	36,981

	Equity attributable to equity holders of the Company							Total	Non-Controlling Interest	Total Equity
	Share Capital	Treasury Shares	Capital Reserve	Foreign Currency Translation Reserve	Revenue Reserve	Other Reserve	Revaluation reserve			
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Sale of treasury shares via placements of shares	-	221	-	-	-	95	-	316	-	316
Issuance of new shares through placement exercise	8,046	-	-	-	-	-	-	8,046	-	8,046
Share buyback purchased	-	(118)	-	-	-	-	-	(118)	-	(118)
Total comprehensive income for the period	-	-	-	-	(206)	(304)	-	(510)	-	(510)
<b>Balance at 30 Sep 2015</b>	<b>37,715</b>	<b>(119)</b>	<b>-</b>	<b>-</b>	<b>6,729</b>	<b>390</b>	<b>-</b>	<b>44,715</b>	<b>-</b>	<b>44,715</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 was no change in the issued and paid-up capital of the Company since the previous period reported on.

During the 3Q 2015 no share options were granted under the Trek 2000 International Share Options Scheme.

The outstanding share options under Trek 2000 International Share Options Scheme as at 30 September 2015 is as follows:

Unexercised Share Option	No. of shares
Balance as at 1 <sup>st</sup> January 2015	3,082,500
Share option granted during the period	4,090,000
Share option exercised during the period	(445,000)
Share option expired/lapsed during the period	(115,000)
<b>Balance as at 30 September 2015</b>	<b>6,612,500</b>

**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 30 September 2015, share capital of the Company is as follows:

Ordinary Shares Issued and fully paid	No. of shares	US\$
Balance as at 1 January 2015	297,671,925	29,605,242
Movement in Shares	26,445,000	8,205,300
<b>Balance as at 30 September 2015</b>	<b>324,116,925</b>	<b>37,810,542</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 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".

	No. of shares	US\$
Balance as at 1 January 2015	1,293,000	(256,914)
Sale of Treasury Shares through share placement	(1,000,000)	221,397
Repurchase of shares and held as Treasury Shares	550,800	(118,194)
<b>Balance as at 30 September 2015</b>	<b>843,800</b>	<b>153,711</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**

Except as disclosed in Paragraph 5 below, the Group has adopted the same accounting policies and method of computation in the consolidated financial statements for the current financial period as compared with the audited financial statement for the financial year ended 31 December 2014.

**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**

The Group has adopted all the new and revised Singapore Financial Reporting Standards ("FRSs") and Interpretations of FRS ("INT FRS") that are relevant.

**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			YTD	YTD
	Q3 FY 2015	Q3 FY 2014	30 Sept 2015	30 Sept 2014
Profit after tax (US\$'000)	1,043	1,032	2,668	1,698
Weighted average number of ordinary shares in issue (in '000)	303,822	296,342	303,822	296,342
Weighted average number of ordinary shares in issue along with dilution effect (in '000)	304,499	298,656	304,499	298,656
<b>(Amount in USD cents)</b>				
Earnings per ordinary share for the period after deducting any provision for preference dividends:-				
(i) Based on existing issued share capital	<b>0.34</b>	<b>0.35</b>	<b>0.88</b>	<b>0.57</b>
(ii) On a fully diluted basis	<b>0.34</b>	<b>0.35</b>	<b>0.88</b>	<b>0.57</b>

**Note:**

Basic earnings per share amounts are calculated by dividing profit for the period that is attributable to the ordinary equity holders 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 ordinary equity holders 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.

For 3Q FY15, some of the outstanding share options do not have any dilutive effect on the earnings per share as the exercise prices for the outstanding share options were higher than the average market price during the financial period.

**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	
	30 Sept 2015	30 Dec 2014	30 Sept 2015	30 Dec 2014
Number of ordinary shares (in '000)	303,822	297,644	303,822	297,644
<b>(Amount in USD cents)</b>				
Net assets value per ordinary share based on issued share capital at the end of the period	<b>21.71</b>	<b>17.30</b>	<b>14.72</b>	<b>13.00</b>



**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 three months ended 30 September 2015 (3QFY15), the Group reported a 23.8% year-on-year (YoY) increase in revenue to US\$44.1 million. Gross profit increased 26.7% YoY to US\$3.8 million while gross profit margin improved to 8.7% from 8.5% in the previous corresponding period. The Group reported a net profit after tax of US\$0.5 million, compared to US\$0.7 million in the previous corresponding period. If not for our subsidiaries (Racer Group) recording losses of US\$0.6 million in 3QFY15, the Group would have reported a higher net profit after tax of US\$1.1 million.

For the 9 months ended 30 September 2015, the Group reported a 46.3% YoY increase in revenue to US\$112.7 million. Gross profit increased 20.1% YoY to US\$10.9 million in 9 months period, although the gross profit margin moderated to 9.7% from 11.8% in the previous corresponding period. The Group reported a 20.0% YoY increase in profit after tax of US\$2.5 million. The Group would have reported a higher net profit after tax of US\$3.0 million for 9 months ended 30 September 2015 had Racer not incurred losses of \$0.6 million in 3QFY15.

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

#### **Revenue**

- The 23.8% increase in 3QFY15 revenue to US\$44.1 million was mainly contributed by the Group's Interactive Consumer Solutions (ICS) Business segment which increased 25.0% to US\$41 million.
- Licensing revenue in 3QFY15 increased by 33% to US\$0.8 million, as the Group's third party licensing customers experienced improved sales for the quarter.

#### **Profitability**

- Gross profit margin improved from 8.5% to 8.7% YoY in 3QFY15 attributed to the Group's ability to tap on economies of scales.

#### **Expenses**

The Group's total expenses amounted to US\$3.7 million in 3QFY15 (3QFY14: US\$2.6 million) representing an increase of 40.4% YoY. This increase was mainly attributable to a 94.5% increase in Research and Development (R&D) activities to US\$1.8 million (3QFY14: US\$1.0 million) due to development in Medtech and the filing of three new patents.

#### **Other Financial Highlights**

- **Property, plant and equipment** – Property, plant and equipment reported an increase of US\$2.2 million from US\$11.7 million as at 31 December 2014 to US\$14.0 million as at 30 September 2015. The increase was attributable mainly to the Group's principal subsidiary, Racer Technology Pte. Ltd. acquiring fixed assets in 2QFY15, in line with the Group's announcement filed on 10 April 2015.
- **Intangible Assets** – Intangible assets reported an increase of US\$0.7 million as at 30 September 2015 compared to US\$11.2 million as at 31 December 2014. As a leader in the technology space, the Group continues to focus and investment in R&D to grow its existing portfolio of 436 granted patents.
- **Quoted Investments** - Investments in quoted investments increased by US\$3.8 million to US\$13.2 million as at 30 September 2015 compared to US\$9.4 million as at 31 December 2014. This was a result of mark to market valuations and acquisition of bond investments during the period.
- **Unquoted Investments** - Investments in unquoted investments remained unchanged at US\$0.2 million.
- **Trade Receivables** – Trade receivables stands at US\$10.8 million as at 30 September 2015 from US\$26.2 million as at 31 December 2014.
- **Inventories** – The Group's inventories increased to US\$25.3 million as at 30 September 2015 from US\$12.9 million as at 31 December 2014. The higher inventory is due to lead time requirements for production as reflected in revenue.

**Cashflow**

The Group's cash & cash equivalents as at 30 September 2015 stood at US\$10.1 million compared to US\$12.0 million as at 31 December 2014.

There were no other significant factors that affected the revenues, costs, and earnings of the Group for the current quarter under review.

Besides the factors mentioned above, there were no other material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current quarter under review.

There are no interested persons transactions during the current quarter under review.

**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**

Staying on track with the Group's vision to be a regional technology centre for eco-solutions, the Group maintains its focus on three key areas within the Internet of Things (IoT) market - Consumer Wearable, Medical and Cloud Technologies. With regard to Wearable and Medical Technologies, Trek is currently collaborating with partners on the development and commercialisation of various products within these spaces.

As the Group makes headway into the IoT market with its dedication through new innovations and development of disruptive technologies, it continues to exercise prudence in its operations and remains focused on streamlining operations to manage costs. Leveraging on the Group's asset light business model, it is positioned to mitigate the current global uncertainties.

**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.

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 have 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).

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

15. **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

16. **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

17. **A breakdown of sales**

Not Applicable

18. **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

**GURCHARAN SINGH**

Executive Director  
6 November 2015

**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 30 September 2015 to be false and misleading in any material respect.

On behalf of the Directors

Signed

HENN TAN  
Director

6 November 2015

Signed

GURCHARAN SINGH  
Director