

TREK 2000 INTERNATIONAL LTD
(the “**Company**”)
(Incorporated in the Republic of Singapore)
(Company Registration No. 199905744N)

1. **REPORT MADE BY THE AUDITORS TO ACRA**
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1. **REPORT MADE BY THE AUDITORS TO ACRA**

On 21 April 2016, the Company was informed that its auditors, Ernst & Young LLP (the “**Auditors**”), have made a report (the “**Report**”) to the Accounting and Corporate Regulatory Authority of Singapore (“**ACRA**”) under Section 207(9) of the Companies Act (Cap. 50) of Singapore (“**Companies Act**”) of matters that have come to the Auditors’ attention in the course of their audit of the financial statements for the year ended 31 December 2015 of the Company and its subsidiaries (the “**FY2015 Results**”).

Section 207(9) of the Companies Act provides that if an auditor, in the course of the performance of his duties as auditor of a company, is satisfied that: (a) there has been a breach or non-observance of any of the provisions of the Companies Act; and (b) the circumstances are such that in his opinion the matter has not been or will not be adequately dealt with by comment in his report on the financial statements or consolidated financial statements or by bringing the matter to the notice of the directors of the company or, if the company is a subsidiary company, of the directors of the parent company, he shall immediately report the matter in writing to the Registrar¹.

The Company is not privy to the actual contents of the Report as the Report was not made available to the Company. Nonetheless, the Auditors have informed that the Report is accompanied by correspondence between the Auditors and the Company for the period of 21 March 2016 up to 19 April 2016 (“**Correspondence**”). Such Correspondence comprise queries and clarification sought by the Auditors in respect of matters related to (i) the documentation deficiencies; (ii) further audit works performed in view of the documentation deficiencies; and (iii) the IPT Inquiry.

Documentation Deficiencies

As announced by the Company on 14 March 2016, the documentation deficiencies relate to documentation for certain sale transactions between a subsidiary of the Company and a customer, with an aggregate value of approximately USD 3.2 million.

The Auditors have preliminarily observed that there are discrepancies in respect of (i) the identity of the customer to the said sale transactions, as reflected in the Company’s sales system and in the Company’s books; (ii) the delivery orders acknowledged by the customer and the airway bill relating to the shipment of the goods under the said sale transactions; and (iii) the identity of the payor as stated on certain bank transfer notices showing payments of approximately USD 2.65 million made by the customer to the Group. Further information can be found in the announcements made by the Company on 1 March 2016 and 17 March 2016.

¹ Registrar refers to the designated officer of ACRA appointed as the Registrar of Companies.

IPT Inquiry

The IPT Inquiry is an independent inquiry and review of certain interested party transactions entered into by the Company with T-Data Systems (S) Pte. Ltd. (“**T-Data**”) from 27 November 2007 to 26 March 2014.

TSMP Law Corporation (“**TSMP**”) has been appointed by the Audit Committee of the Company (“**AC**”) to perform the IPT Inquiry and report accordingly to the AC. The IPT Inquiry involves *inter alia* the review of sales and other relevant documentation related to transactions with T-Data, and also interviews and meetings with management on the circumstances under which the transactions were entered into. The IPT Inquiry is presently ongoing as TSMP’s appointment was only formalised on 7 April 2016. Further information can be found in the announcements made by the Company on 25 February 2016, 1 March 2016, 17 March 2016 and 7 April 2016.

2. REQUEST FOR VOLUNTARY SUSPENSION OF TRADING

The Company is in the process of addressing the queries and further clarification sought by the Auditors, and intends to release further announcements to apprise shareholders of the same. Pending the release of such announcements, there is uncertainty as to the implications arising from the matters raised by the Auditors in the Correspondence.

In view of the above, and in the interests of ensuring that shareholders are apprised of developments in the Company before trading in the Company’s shares resumes, the Company has requested for the trading halt² to be converted into a voluntary suspension of trading with effect from 26 April 2016.

The Company wishes to assure shareholders that it will continue rendering full and prompt cooperation to the Auditors in addressing the queries and further clarification sought by them, as well as provide all reasonable assistance required to complete the IPT Inquiry. The IPT Inquiry is presently scheduled to complete on or around end May 2016. The Company intends to make further announcements to inform shareholders of material developments on the same.

3. EXTENSION OF TIME SOUGHT TO ANNOUNCE FY2015 RESULTS AND CONVENE AGM

The Company has applied for (i) a further extension of time to announce its FY2015 Results; and (ii) an extension of time to convene its annual general meeting (“**AGM**”), which was initially intended to be convened by end April 2016. Further announcements will be released on the outcome of the applications and the exact duration of the time extensions sought.

Timely further announcements, as may be appropriate, will be made when there are material developments on the above.

By Order of the Board

Gurcharan Singh
Executive Director

26 April 2016

² Announced by the Company on 21 April 2016.