



TREK 2000 INTERNATIONAL LTD (Registration Number 199905744N)

**Full Year Financial Statement and Dividend Announcement
for the year ended 31 December 2015**

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. 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 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. Shareholders and investors are further reminded that the FY2015 financial statements as presented below have not been reviewed or audited by the auditors. They are therefore cautioned against placing undue reliance on the same.

**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 FULL YEAR ENDED 31 DECEMBER 2015

(i) Consolidated Income Statement

	<u>Year Ended</u>		<u>Increase/ (decrease)</u>
	<u>Unaudited</u>		
	<u>2015</u>	<u>Restated 2014 [2]</u>	%
	US\$'000	US\$'000	
Revenue	149,135	110,906	34.47
Cost of goods sold	(145,156)	(99,032)	46.63
Gross profit	3,979	11,874	(66.5)
Other items of income			
Interest income	714	649	10.02
Other income	949	650	46.00
Other items of expense			
Research and development expenses	(4,838)	(4,396)	10.05
Marketing and distribution expenses	(3,069)	(2,600)	18.04
General administration expenses	(5,004)	(3,565)	40.36
Finance costs	(153)	(150)	2.00
Other expenses	(352)	(812)	(56.65)
(Loss)/profit before tax [1]	(7,774)	1,650	(571.15)
Income tax	204	25	716.00
(Loss)/profit after tax	(7,570)	1,675	(551.67)
(Loss)/profit attributable to:			
Non-controlling interest	848	(528)	260.61
Equity holders of the Company	(6,722)	1,148	(595.47)
	(7,570)	1,675	(551.67)
Earnings per share attributable to equity holders of the company (expressed in cents per share) :			
- Basic	(2.18)	0.39	
- Diluted	(2.18)	0.39	

(ii) Breakdown and Explanatory notes to Consolidated Income Statement

NM denotes not meaningful

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

	Year Ended		
	2015	Restated	Increase/
	US\$'000	2014	(decrease)
		US\$'000	%
Interest income from:			
- Fixed deposits	47	76	(38.16)
- Available for sale financial assets	667	573	16.40
Net writeback for doubtful debts	52	141	(63.12)
Depreciation of plant, property and equipment	(1,759)	(1,398)	25.82
Amortisation of intangible assets	(1,374)	(1,457)	(5.70)
Gain on disposal of plant, property and equipment	77	18	327.78
Impairment of Assets – Property, plant and equipment	915	-	nm
Impairment of Assets – Intangible	1,162	-	nm
Foreign exchange gain	60	-	na
Foreign exchange loss	(353)	(810)	(56.43)
Interest expenses on:			
- Obligations under finance leases	(15)	(18)	(16.67)
- Term loans	(56)	(56)	-

[2] Comparative results for FY2014 have been restated to include adjustments resulting in restatements of the following items as set out below by:

	US\$'000	Explanation
Decrease in licensing revenue	(2,043)	The licensing revenue has been factored into the cost of goods sold.
Decrease in cost of goods sold	(1,234)	Due to price rebate.
Increase in research and development expenses	368	Increase in amortisation.
Increase in marketing and distribution expenses	220	Expenses for patent licensing fee.

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

	Group		
	US\$'000		%
	FY2015	Restated FY2014	Increase/ (decrease)
(Loss)/Profit after tax for the year	(7,570)	1,676	(351.67)
Other comprehensive income:			
Net gain/(loss) on investment securities:			
- Fair value adjustment	(149)	29	(613.79)
-Transfer to profit or loss upon disposal	(328)	(30)	993.33
Net surplus on revaluation of freehold and leasehold land and buildings	-	2,572	NA
Foreign currency translation	(1,417)	(1,184)	19.68
Other comprehensive income, net of tax	(1,894)	1,389	(236.55)
Total comprehensive income for the year	(9,464)	3,063	(408.98)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the Company	(8,616)	2,535	(439.88)
Non-controlling interests	(848)	528	(260.61)
	(9,464)	3,063	(408.98)

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	
	31 Dec 2015	Restated 31 Dec 2014 [1]	31 Dec 2015	Restated 31 Dec 2014 [1]
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets				
Plant, property and equipment	12,959	11,736	6	7
Intangible assets	5,751	7,402	1,809	3,123
Investment in subsidiaries	-	-	5,225	5,441
Investment in associates	-	-	5	5
Quoted investments	8,749	9,408	8,749	9,408
Unquoted investments	182	197	-	-
	27,641	28,743	15,794	17,984
Current assets				
Trade and other receivables	11,436	31,014	714	999
Inventories	22,734	13,680	-	-
Amounts due from subsidiaries	-	-	25,425	17,992
Prepayments	265	1,678	8	354
Fixed deposits	4,781	3,170	-	-
Cash and bank balances	19,475	8,879	393	462
	58,691	58,421	26,540	19,807
Total assets	86,332	87,164	42,334	37,791
Current liabilities				
Trade payables and accruals	28,391	21,570	81	101
Other payables	2,298	8,416	319	326
Amounts due to subsidiaries	-	-	-	54
Hire purchase payables	154	239	-	-
Term loans and bank overdrafts	1,249	6,914	-	-
Income tax payable	768	838	-	-
	32,860	37,977	400	481
Net current assets	25,831	20,443	26,140	19,326
Non-current liabilities				
Term loans	500	682	-1	-
Deferred taxation	457	696	-	-
Hire purchase payables	150	193	-	-
	1,107	1,571	-	-
Total liabilities	33,967	39,548	400	481
Net assets	52,364	47,616	41,935	37,310
Capital and reserves attributable to the equity holders of the Company				
Share capital	37,829	29,605	37,829	29,605
Treasury shares	(283)	(257)	(247)	(222)
Other reserves	80	579	639	579
Revaluation reserve	2,029	2,029	-	-
Revenue reserve	(3,160)	4,685	3,714	7,348
Capital reserve	2,717	2,717	-	-
Translation reserve	(1,145)	(603)	-	-
Non-controlling interest	14,298	8,860	-	-
Total equity	52,364	47,616	41,935	37,310
Total equity and liabilities	86,332	87,163	42,334	37,791

Note [1] Comparative results for FY2014 have been restated to include adjustments which results in a corresponding restatements of the following items as set out below by:

	Group	Company	Explanation
	US\$'000	US\$'000	
Decrease in intangible assets	(3,828)	(1,377)	Non-recurring engineering expenses and projects with no commercial viability.
Increase in inventories	797	-	Cut-off timing adjustments
Increase in trade receivables	42	-	Cut-off timing adjustments
Increase in trade payables and accruals	896	-	Cut-off timing adjustments
Decrease in revenue reserves	(3,886)	-	Attributed to intangible assets re-statement.

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 December 2015 US\$'000		As at 31 December 2014 US\$'000	
Secured	Unsecured	Secured	Unsecured
1,404	-	7,153	-
Amount repayable after one year As at 31 December 2015 US\$'000		As at 31 December 2014 US\$'000	
Secured	Unsecured	Secured	Unsecured
649	-	875	-

Details of any collateral :

The Group's motor vehicles and plants & equipments with net carrying amount of US\$384,732 (2014: US\$561,058) were 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 STATEMENTS for the Full Year ended 31st December

	Year Ended 31 December 2015	Restated 2014
	US\$'000	US\$'000
Cash flow from operating activities		
(Loss)/profit before income tax	(7,774)	1,651
Adjustments for:-		
Amortisation of intangible assets	1,374	2,185
Depreciation of plant, property and equipment	1,759	1,398
Patent written off	298	930
Patent maintenance charges	43	-
Development costs written off	1,163	-
Gain on disposal of property, plant and equipment	(77)	(18)
Fixed assets written off	915	-
Gain on disposal of quoted investments	(328)	(30)
Write-back for doubtful debts	(221)	(250)
Provision for doubtful debts	169	109
Equity-settled share options expense	351	90
Interest income	(714)	(649)
Interest expense	153	150
Loss on disposal of Subsidiary	-	2
Translation difference	(462)	-
Operating cash flow before changes in working capital	(3,352)	5,568
Decrease/(increase) in trade and other receivables and prepayments	21,043	(14,535)
Increase in inventories	(9,055)	(5,011)
Increase in trade and other payables	792	15,367
Cash generated from operating activities	9,428	1,389
Interest received	47	87
Interest paid	(153)	(150)
Income tax (paid)/refund	(77)	76
Net cash generated from operating activities	9,245	1,402
Cash flow from investing activities:		
Proceeds from disposal of property, plant and equipment	211	35
Proceeds from disposal of quoted and unquoted investments	7,346	1,130
Net cash outflow from disposal of subsidiary	-	(541)
Purchase of plant, property and equipment	(4,682)	(1,175)
Purchase of quoted investments	(6,865)	(2,439)
Payment for patent and trademark registration expenses	(285)	(273)
Payment for development expenditures	(945)	(1,456)
Interest income from available-for-sale investments	668	573
Net cash used in investing activities	(4,552)	(4,146)
Cash flow from financing activities:		
Repurchase of treasury shares	(248)	-
Employees' share option exercised	64	10
Proceeds from share placement exercise	8,225	-
Proceeds from disposal of treasury shares	317	-
Repayment of hire purchase instalments	(257)	(335)
Repayment of term loans	(4,669)	(1,179)
Proceeds from term loans	-	5,500

Capital contribution from non-controlling interest	6,652	468
Payment of dividends	(1,123)	-
Net cash from financing activities	8,949	4,464
Net increase in cash and cash equivalents	13,590	1,720
Cash and cash equivalents as beginning of year	10,162	8,455
Effect of foreign exchange difference	(298)	(13)
Cash and cash equivalents at end of year	23,454	10,162

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

	2015	2014
	\$'000	\$'000
Cash and Bank Balances	19,476	8,879
Fixed Deposits	4,781	3,170
Bank Overdrafts	(803)	(1,887)
	23,454	10,162

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									
	Share Capital	Treasury Shares	Capital Reserve	Foreign Currency Translation Reserve	Revenue Reserve	Other Reserve	Revaluation reserve	Total	Non-Controlling Interest	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
THE GROUP										
Balance at 1 January 2014 (Restated)	29,595	(257)	2,717	581	3,537	580	334	37,088	6,505	43,592
Increase in Shares through exercise of share options	10	-	-	-	-	-	-	10	-	10
Capital contribution from non-controlling Interest	-	-	-	-	-	-	-	-	469	469
Disposal of Subsidiary	-	-	-	-	-	-	-	-	179	179
Total comprehensive income for the period	-	-	-	(1,184)	1,877	(1)	1,695	1,657	1,182	3,375
Balance at 31 December 2014 (Restated)	29,605	(257)	2,717	(603)	4,685	579	2,029	38,755	8,860	47,616

THE GROUP

Balance at 1 January 2015	29,605	(257)	2,717	(603)	4,685	579	2,029	38,755	8,860	47,615
Increase in Shares through exercise of share options	64	-	-	-	-	-	-	64	-	64
Capital contribution from non-controlling interest	-	-	-	-	-	-	-	-	6,652	6,652
Tax exempt (one-tier) dividends @ 0.005 cts @ 1.322 = US\$0.00378 per Share	-	-	-	-	(1,123)	-	-	(1,123)	-	(1,123)
Sale of treasury shares via placements of shares	-	221	-	-	-	95	-	316	-	316
Issuance of shares through placement exercise	8,160	-	-	-	-	-	-	8,160	-	8,160
Share buyback Purchased	-	(248)	-	-	-	-	-	(248)	-	(248)

	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 Reserves	Revaluation reserves	Total		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Grant of equity-settled share options to employees	-	-	-	-	-	442	-	442	-	442
Dilution of subsidiary	-	-	-	875	-	(559)	-	316	559	875
Total comprehensive income for the period	-	-	-	(1,417)	(6,721)	(477)	-	(8,615)	(1,773)	(10,388)
Balance at 31 December 2015	37,829	(284)	2,717	(1,145)	(3,159)	80	2,029	38,067	14,298	52,365

THE COMPANY

Balance at 1 January 2014 (restated)	29,595	(222)	-	-	8,708	580	-	38,661	-	38,661
Increase in Shares through exercise of share options	10	-	-	-	-	-	-	10	-	10
Total comprehensive income for the period	-	-	-	-	(2,090)	(1)	-	(2,091)	-	(2,091)
Balance at 31 December 2014 (restated)	29,605	(222)	-	-	6,618	579	-	36,580	-	36,580

Balance at 1 January 2015	29,605	(222)	-	-	6,618	579	-	36,580	-	36,580
Increase in Shares through exercise of share options	64	-	-	-	-	-	-	64	-	64
Tax exempt (one-tier) dividends @ 0.005 cts @ 1.322 = US\$0.00378 per Share	-	-	-	-	(1,123)	-	-	(1,123)	-	(1,123)
Sale of treasury shares via placements of shares	-	221	-	-	-	95	-	316	-	316
Issuance of new shares through placement exercise	8,160	-	-	-	-	-	-	8,160	-	8,160
Share buyback Purchased	-	(248)	-	-	-	-	-	(248)	-	(248)
Grant of equity-settled share options to employees	-	-	-	-	-	442	-	442	-	442
Total comprehensive income for the period	-	-	-	-	(1,781)	(477)	-	(2,258)	-	(2,258)
Balance at 31 December 2015	37,829	(249)	-	-	3,714	639	-	41,933	-	41,933

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 4Q 2015 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 December 2015 is as follows:

Unexercised Share Option	No. of shares
Balance as at 1 st January 2015	3,082,500

Share option granted during the period	4,090,000
Share option exercised during the period	(445,000)
Balance as at 31 December 2015	6,727,500

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 December 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	8,223,700
Balance as at 31 December 2015	324,116,925	37,828,942

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 year, 1,157,100 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	1,157,100	(247,606)
Balance as at 31 December 2015	1,450,100	(283,123)

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 LLP.

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	Year Ended 31 st December	
	2015	2014 (Restated)
(Loss)/profit after tax (US\$'000)	(6,722)	1,876
Weighted average number of ordinary shares in issue (in '000)	308,937	296,351

Weighted average number of ordinary shares in issue along with dilution effect (in '000)	309,562	298,534
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(Amount in USD cents)

Earnings per ordinary share for the period after deducting any provision for preference dividends:-

(i) Based on existing issued share capital	(2.18)	0.63
(ii) On a fully diluted basis	(2.18)	0.63

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.

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 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Weighted average number of ordinary shares in issue (in '000)	308,937	297,644	308,937	297,644
(Amount in USD cents)				
Net assets value per ordinary share based on issued share capital at the end of the year	16.95	16.00	13.57	13.00

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 full year ended 31 December 2015 (FY2015), the Group reported a 34.5% year-on-year (yoy) increase in revenue to US\$149.1 million (Restated FY2014 : US\$110.9 million). Gross profit decreased by 66.1% yoy to US\$4.0 million in FY2015 (Restated FY2014: US\$11.9 million). Following the profit warning announcement of 28 February 2016, the Group reported a net loss after tax of US\$7.6 million, as compared to a net gain after tax of US\$1.6 million in the restated FY2014.

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

Revenue

The Group's main Interactive Consumer Solutions (ICS) business reported a 95% yoy increase in revenue to US\$141.5 million for FY2015 (FY2014: US\$101.9 million), driven by increased sales of In-house solutions and WiFi Memory Modules.

Profitability

Gross profit decreased by 66.1% yoy to US\$4.0 million in FY2015 (Restated FY2014: US\$11.8 million) while gross profit margin decreased to 2.7% (Restated FY2014: 10.7%) largely attributable to:

- Write down of inventories and obsolescence amounting to US\$5.4 million.
- Reclassification of Research and Development (R&D) expenses to cost of goods sold worth US\$2.5 million.

Expenses

Total expenses amounted to US\$13.4 million in FY2015 (Restated FY2014: US\$11.5 million), representing an increase of 16.4% yoy. The factors contributing to the change are:

- R&D expenses reported an increase of 10.1% yoy to US\$4.8 million in FY2015 (Restated FY2014: US\$4.4 million). This increase was mainly attributable to an increase in the following R&D activities: a write-off of patents cost, increased amortisation and development cost relating to non-recurring engineering projects and filing cost of 3 new patents.
- Marketing and distribution expenses increased 18.0% yoy to US\$3.1 million for FY2015 (Restated FY2014: US\$2.6 million) mainly due to increase in marketing activities regionally.
- General administration expenses increased 40.4% yoy to US\$5.0 million for FY2015 (Restated FY2014: US\$3.6 million) contributed mainly by increased equity-settled share options issued during the year and increased in subsidiaries' manpower cost.
- Other expenses decreased 56.6% yoy to US\$0.4 million in FY2015 (Restated FY2014: US\$0.8 million) mainly due to reduced foreign exchange translation losses arising from consolidation.

Net (Loss)/Profit After Tax

On 28 February 2016, the Group made a profit warning announcement. The Group reported a net loss after tax of US\$7.5 million in FY2015. The reversal from a net profit after tax of US\$1.6 million in restated FY2014 is mainly attributed to a 46.6% rise in cost of goods sold; 10.1% increase in R&D expenses and 40.4% increase in General and Administrative expenses, offset by a 46.0% rise in other income and 56.6% reduction in other expenses.

Balance Sheet – Key Highlights

- **Plant, Property and Equipment** – Reported an increase of US\$1.2 million to US\$13.0 million in FY2015 (FY2014: US\$11.7 million). The increase was attributable mainly to the Group's principal subsidiary, Racer Technology Pte. Ltd. acquiring fixed assets in 2Q2015, in line with the Group's announcement filed on 10 April 2015.
- **Intangible Assets** – Stands at US\$5.7 million in FY2015 (Restated FY2014: \$7.4 million). The decrease in intangible assets are as a result of the Group's a write-off of patents cost, amortisation and development cost relating to non-recurring engineering projects.
- **Quoted Investments** – Investments in quoted investments decreased to US\$8.7 million in FY2015 (FY2014: US\$9.4 million) due to the maturing of some short-terms bonds.
- **Unquoted Investments** – There is no significant change in the unquoted investment which stands at US\$0.2 million in FY2015 (FY2014: US\$0.2 million).
- **Trade and other Receivables** – At the close of FY2015, the Group's trade and receivables balance stood at US\$11.4 million (FY2014: US\$31.0 million). Trade receivables turnover is 17 days in FY2015 (FY2014: 86 days).
- **Inventory** – The Group's inventory balance stood at US\$23.0 million taking into account inventory write-down and obsolescences. (FY2014: US\$13.7 million). Inventory turnover stood at 57 days in FY2015 (FY2014: 48 days).
- **Term loans and Bank overdrafts** – At the close of the FY2015, the Group's term loans and bank overdraft reduced to US\$1.7 million (FY2014: US\$7.6 million).
- **Shareholders' Funds** – The Group's shareholders' funds in FY2015 amounted to US\$52.3 million (Restated FY2014: US\$47.6 million) representing an increase of US\$4.7 million arising mainly from increased non-controlling interest ; share capital from placement shares issuance and a decrease on revenue reserves.

Cashflow

The Group's cash and cash equivalents as at 31 December 2015 amounted to US\$23.4 million (includes fixed deposits amounting to US\$4.8 million and bank overdrafts of US\$0.8 million).

IPT Inquiry and Other Matters

Apart from the above, shareholders and investors are advised to refer to the cautionary statement set out on the first page of this announcement.

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

In line with the Group's mission to become a regional technology leader in the Internet of Things (IoT), Trek continues to drive developments within three main areas of consumer wearable, medical and cloud technologies. In particular, the Group's key focus going forward lies in the Medical Technology industry, where an ageing population brings about a need for new and innovative solutions within healthcare to tackle the upcoming challenges. Globally, the Medtech industry is expected to grow at a CAGR of 6%, with an estimated value of US\$300 billion¹ in 2017. Within Asia Pacific, the market is projected to grow at a CAGR of more than 10%.

As a R&D-focused company and leveraging on the Group's strong balance sheet and track record for developing disruptive technologies, Trek remains committed to staying at the forefront of the technology industry despite global market sentiments.

IPT Inquiry and Other Matters

Apart from the above, shareholders and investors are advised to refer to the cautionary statement set out on the first page of this announcement.

11. Dividend

(a) Current Financial Year Reported On

No, an ordinary dividend is recommended.

(b) Corresponding Period of the Immediately Preceding Financial Year

Dividend declared and paid for the corresponding period of the immediately preceding financial year is as follows.

None

(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 the cautionary statement set out on the first page of this announcement, in particular on the disclosures made in respect of certain interested party transactions involving T-Data.

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.

Not Applicable

¹ "Medtech industry players target Asian solutions", A*STAR, 29 October 2015

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**

Results by Business Segment

	Customised Solutions	Interactive Consumer Solutions	Licensing	Adjustments	Note	Total
	US\$	US\$	US\$	US\$		US\$
Year ended 31 December 2015						
Sales to external customers	7,554,444	141,475,658	105,168	-		149,135,270
Inter-segment sales *	-	-	-	-		-
Total Revenue	7,554,444	141,475,658	105,168	-		149,135,270
RESULTS:						
Interest income	36,188	677,703	504	-		714,395
Depreciation and amortisation	89,099	2,874,284	169,613	-		3,132,996
Other non-cash expenses	(2,668)	(49,284)	-	-		(51,952)
Segment operating profit	(534,496)	(7,605,643)	(195,786)	561,335	A	(7,774,590)
Additions to non-current assets	160,597	5,751,997	-	-	B	5,912,594
Segment assets	3,679,958	67,970,080	5,751,033	8,931,039	C	86,332,110
Segment liabilities	1,576,185	29,112,684	-	3,278,419	D	33,967,288

	Customised Solutions	Interactive Consumer Solutions	Licensing	Adjustments	Note	Total
	US\$	US\$	US\$	US\$		US\$
Year ended 31 December 2014						
Sales to external customers	8,914,883	101,889,145	101,840	-		110,905,868
Inter-segment sales *	-	-	-	-		-
Total Revenue	8,914,883	101,889,145	101,840	-		110,905,868
RESULTS:						
Interest income	52,133	595,833	596	-		648,562
Depreciation and amortisation	112,374	3,349,708	121,208	-		3,583,289
Other non-cash expenses	(13,848)	(127,573)	-	-		(141,421)
Segment operating profit	10,736	1,127,448	13,396	498,965	A	1,650,544
Additions to non-current assets	48,901	2,855,295	-	-	B	2,904,196
Segment assets	5,644,604	63,784,141	8,129,880	9,604,768	C	87,163,393
Segment liabilities	2,437,942	27,548,795	-	9,561,543	D	39,548,280

* - There were no inter-segment sales during the year.

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A The following items are added to/(deducted from) segment profit/(loss) to arrive at "Profit before income tax" presented in the consolidated income statement:

	Group	
	2015	2014
	US\$	US\$
Interest income	714,394	648,562
Finance costs	(153,059)	(149,597)
	<u>561,335</u>	<u>498,965</u>

B Additions to non-current assets consist of addition to property, plant and equipment in the consolidated balance sheet.

C The following items are added to segment assets to arrive at total assets reported in the consolidated balance sheet:

	US\$	US\$
	2015	2014
Unquoted investments	182,163	197,065
Quoted investments - non-current	8,748,876	9,407,703
	<u>8,931,039</u>	<u>9,604,768</u>

D The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

	Group	
	2015	2014
	US\$	US\$
Hire purchase payables (current)	154,054	238,757
Hire purchase payables (non-current)	149,971	192,656
Income tax payable	768,245	838,408
Deferred taxation	456,996	695,582
Term loan (current)	1,249,078	6,913,665
Term loan (non-current)	500,075	682,475
	<u>3,278,419</u>	<u>9,561,543</u>

Segment Results by Geographical Segment

Sales to external customers

(US\$'000)	Revenue		Non-current Assets	
	2015	2014	2015	2014
ASEAN Countries	55,036	51,786	24,656	21,475
China/HK	68,215	38,480	5	7
Taiwan	10,119	991	-	-
United States	4,695	5,320	-	-
Japan	3,256	3,546	-	-
India	3,466	4,298	-	-
Europe	3,251	2,330	-	-
Others	1,097	4,155	1,271	1,483
TOTAL	149,135	110,906	25,932	22,965

ASEAN Countries was the main contributor for the Group's revenue in FY2015, with YOY growth by 8%. China/HK too saw an increase by 77% and Taiwan by 921%.

Revenues of approximately US\$106.8 million are derived from 5 external customers (FY2014: US\$52.5 million from 5 external customers).

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.

Segmental Analysis – by Business Segments

By business segments, its core Interactive Consumer Solutions (ICS) division dominates as the key revenue generator accounting for 95% of its revenue. The Group's ICS solutions/products comprise Thumbdrive®, Flucard®, Security Solution, WiFi Memory Modules for embedded devices continue to dominate as the main engine of growth for the ICS business segment.

Customised Solutions ("CS") division contributed 5.1% of the Group's aggregate revenue in FY2015. This is consistent with the Group's strategy to gradually diversify its resources to the other business segments within the Group while still maintaining its existing customer base.

Segmental Analysis – by Geography

In FY2015, notwithstanding the market competition, the Group focused on key markets like ASEAN which saw an increase by 8 %; China/HK increased by 77% and Taiwan by 921%

US saw a drop by 11% mainly due to End-of-Line of a major project. Japan and India saw a dip by 8% and 19% respectively due to shift in focus to China/HK.

17. A breakdown of sales

		US\$'000	Group	%
		Latest	Previous	Change
		Full Year 2015	Full Year 2014 Restated	
(a)	Sales reported for first half year	68,647	41,429	65.7%
(b)	Operating profit reported for first half year	1,902	1,285	48.0%
(c)	Sales reported for second half year	80,488	69,477	15.85%
(d)	Operating profit reported for second half year	(9,472)	391	nm

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	Latest Full Year 2015	Previous Full Year 2014
	US\$	US\$
Ordinary	1,123,102	-
Preference	-	-
Total	1,123,102	-

19. Disclosure of person occupying a managerial position in the issues of any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director/or CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Tan Boon Tat	57	Brother of Henn Tan*	Director of Trek Technology (Singapore) Pte Ltd (wholly-owned subsidiary of the Company) and Store Manager of the Company, since 31 October 1995. Duties:- - To oversee the proper distribution of inventory for the Company and its subsidiaries ("the Group"); and - To ensure that goods and materials are delivered to the Group's customers in a timely and proper manner.	Nil
Tan Boon Siong	53	Brother of Henn Tan*	Director of Trek Technology (Singapore) Pte Ltd (wholly-owned subsidiary of the Company), since 11 July 1989. But he retired on 22 January 2016. Duties:- to provide business advisory services.	Nil
Tan Boon Liew	50	Brother of Henn Tan*	Assistant Manager in the Company, since 15 July 1997. Duties:- to manage and oversee the despatch of goods to the Group's customers.	Nil
Tan Joon Yong Wayne	28	Son of Henn Tan *	Director of Cloud Stringers (S) Pte Ltd, a Subsidiary of Trek Technology (S) Pte Ltd, since 13 March 2014. Duties: To manage and oversee the business development and corporate action plans on its secured online ecosystem platform for content owners to store, view, share, exchange and transact with others.	Nil

* Henn Tan is the Chairman and Chief Executive Officer of Trek 2000 International Ltd

20. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

We hereby confirm that we have procured all the required undertakings from all the Directors and Executive Officers of the Company (in the format set out in Appendix 7H) under Rule 720(1).

BY ORDER OF THE BOARD

LONG MING FAI EDWIN
Executive Director
18 July 2016

On behalf of the Directors

Signed

HENN TAN
Director

18 July 2016

Signed

LONG MING FAI EDWIN
Director