

# **TREK 2000 INTERNATIONAL LTD**

Company No. 199905744N  
(Incorporated in the Republic of Singapore)

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## **RESPONSE TO QUERIES RAISED BY SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON THE COMPANY'S UNAUDITED FIRST QUARTER RESULTS FOR THE PERIOD ENDED 31 MARCH 2018**

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The Board of Directors (the “**Board**”) of Trek 2000 International Ltd (the “**Company**”) wishes to provide the following additional information in response to the queries raised by Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in their email dated 11 May 2018 in relation to the Company’s unaudited first quarter Results for the period ended 31 March 2018 announced on 8 May 2018:

### **Query by SGX-ST:**

1. We note that the Company had explained that the contraction in revenue “is attributed to acute strategic component shortage, board conflicts and the divestment of Racer in 2017.”
  - a) Please disclose the reasons for the fall in supply in the strategic component;
  - b) Please disclose more details on the board conflicts; and
  - c) Please disclose the percentage reduction in revenue contributed by the divestment of Racer.

### **Company’s Response:**

- a) The acute supply shortage was attributed to global supply shortage.
- b) The Board wishes to clarify that the Management and the Board were engaged in numerous discussions and debates in relation to the Company’s response to the Forensic Accountant in the preparation of the Forensic Accountant’s Report to the Audit Committee of the Company dated 23 April 2018. As a result, this served as a distraction to the Management and the Board.
- c) The reduction in sales contributed by Racer was \$2.8 million in 2017 or 7% of our contraction revenue.

### **Query by SGX-ST:**

2. We note that the Company expects improvement in the supply of strategic component from the vendor to facilitate the shipment of modules to the market. Please disclose the basis for this view.

### **Company’s Response:**

As the strategic vendor has assured that the production yield has improved, the Group is cautiously optimistic that 2<sup>nd</sup> Quarter (Apr-Jun) 2018 should be better than 1<sup>st</sup> Quarter (Jan – Mar) 2018.

By Order of the Board

Mr Kuan Mun Kwong  
Executive Director  
14 May 2018