



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

**Third Quarter and 9 months Financial Statement Announcement for the period ended 30 September 2014**

**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 2014**

**(i) Consolidated Income Statement**

	Third Quarter		Increase/ (decrease)	9 months ended		Increase/ (decrease)
	2014 US\$'000	2013 US\$'000	%	2014 US\$'000	2013 US\$'000	%
<b>Revenue</b>	35,580	16,268	118.71	77,009	49,562	55.38
Cost of sales	(32,551)	(13,576)	139.77	(67,928)	(41,473)	63.79
<b>Gross profit</b>	<u>3,029</u>	<u>2,692</u>	12.52	<u>9,081</u>	<u>8,089</u>	12.26
<b>Other items of income</b>						
Interest Income	171	137	24.82	476	363	31.13
Other income	227	306	(25.82)	595	764	(22.12)
<b>Other items of expense</b>						
Research and development	(928)	(914)	1.53	(2,899)	(2,746)	5.57
Marketing and distribution	(648)	(791)	(18.08)	(1,951)	(2,319)	(15.87)
General administration	(806)	(946)	(14.80)	(2,664)	(2,858)	(6.79)
Finance costs	(33)	(39)	(15.38)	(115)	(115)	-
Other operating expenses	(238)	(118)	101.69	(498)	(198)	151.52
<b>Profit before income tax [1]</b>	<u>774</u>	<u>327</u>	136.70	<u>2,025</u>	<u>980</u>	106.63
Income tax expense	(16)	(17)	(5.88)	18	11	63.64
<b>Profit after tax for the period</b>	<u><b>758</b></u>	<u><b>310</b></u>	<b>144.52</b>	<u><b>2,043</b></u>	<u><b>991</b></u>	<b>106.15</b>
<b>Profit attributable to :</b>						
Non-Controlling Interest	(274)	246	(211.38)	345	340	1.47
Owners of the Parent	1,032	64	1512.50	1,698	651	160.83
<b>Profit for the period</b>	<u><b>758</b></u>	<u><b>310</b></u>	<b>144.52</b>	<u><b>2,043</b></u>	<u><b>991</b></u>	<b>106.15</b>
Earnings per share attributable to owners of the Parent (expressed in cents per share) :						
- Basic	0.35	0.02		0.57	0.22	
- Diluted	<u>0.35</u>	<u>0.02</u>		<u>0.57</u>	<u>0.22</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)
	2014 US\$'000	2013 US\$'000	%	2014 US\$'000	2013 US\$'000	%
Interest income - fixed deposits	171	137	24.82	476	363	31.13
Gain on disposal of property, plant & equipment	-	23	NA	29	18	61.11
Allowance for doubtful debts	(25)	(185)	(113.51)	(205)	(556)	(136.87)
Depreciation of fixed assets	(330)	(308)	7.14	(1,059)	(1,053)	0.57
Amortization of intangible assets	(431)	(378)	14.02	(1,301)	(1,140)	(99.89)
Net foreign exchange (loss)/gain	(237)	(115)	106.09	(498)	69	(821.74)
Interest expenses – hire purchase	(5)	(3)	66.67	(14)	(9)	55.56
Interest on term loan	(29)	(15)	93.33	(102)	(40)	155.00

**(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 FY2014	Q3 FY2013	Increase/ (decrease)	9 Months FY2014	9 Months FY2013	Increase/ (decrease)
<b>Profit for the period</b>	<b>758</b>	<b>310</b>	<b>144.52</b>	<b>2,043</b>	<b>991</b>	<b>106.15</b>
Other comprehensive Income:						
Fair value adjustment on investment securities	(412)	99	(516.16)	(164)	(20)	720.00
Foreign currency translation	108	(32)	(437.50)	(249)	(489)	(49.08)
<b>Other comprehensive Income, net of tax:</b>	<b>(304)</b>	<b>67</b>	<b>(533.73)</b>	<b>(413)</b>	<b>(509)</b>	<b>(18.86)</b>
<b>Total Comprehensive Income for the period</b>	<b>454</b>	<b>377</b>	<b>20.42</b>	<b>1,630</b>	<b>482</b>	<b>238.17</b>
<b>ATTRIBUTABLE TO:</b>						
Owners of the Parent	549	131	319.08	1,105	157	603.82
Non-Controlling Interest	(95)	246	(138.62)	525	325	61.54
	<b>454</b>	<b>377</b>	<b>20.42</b>	<b>1,630</b>	<b>482</b>	<b>238.17</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 2014 US\$'000	31 Dec 2013 US\$'000	30 Sep 2014 US\$'000	31 Dec 2013 US\$'000
<b>Non-Current Assets</b>				
Property, plant and equipment	9,444	10,859	8	7
Intangible assets	11,364	11,341	4,561	4,697
Investment in subsidiaries	-	-	5,441	6,507
Investment in associates	-	-	5	5
Quoted investments	9,630	8,095	9,630	8,095
Unquoted investments	205	204	-	-
	30,643	30,499	19,645	19,311
<b>Current assets</b>				
Trade receivables	20,530	17,296	22	15
Inventories	12,743	10,775	-	-
Amounts due from subsidiaries	-	-	13,625	18,900
Amounts due from associates	185	185	-	-
Amounts due from related co	2,336	-	-	-
Other receivables	1,514	1,852	1,083	375
Prepayments	1,276	1,581	582	992
Fixed deposits	4,065	5,144	1,000	1,093
Cash and bank balances	8,840	4,913	3,681	166
	51,489	41,746	19,993	21,541
<b>Total assets</b>	<b>82,132</b>	<b>72,245</b>	<b>39,638</b>	<b>40,852</b>
<b>Current liabilities</b>				
Trade payables and accruals	24,876	17,009	106	233
Other payables	3,897	4,051	318	230
Amounts due to subsidiaries	-	-	54	55
Hire purchase payables	264	269	-	-
Term loans and bank overdrafts	2,364	2,184	-	-
Income tax payable	473	506	183	183
	31,874	24,019	661	701
<b>Net current assets</b>	<b>19,615</b>	<b>17,727</b>	<b>19,332</b>	<b>20,840</b>
<b>Non-current liabilities</b>				
Term Loans	759	861	-	-
Deferred Taxation	1,064	1,089	331	331
Hire purchase payables	278	200	-	-
	2,101	2,150	331	331
<b>Total liabilities</b>	<b>33,975</b>	<b>26,165</b>	<b>992</b>	<b>1,032</b>
<b>Net assets</b>	<b>48,157</b>	<b>46,080</b>	<b>38,646</b>	<b>39,820</b>
<b>Capital and reserves attributable to the equity holders of the Company</b>				
Share capital	29,605	29,595	29,605	29,595
Treasury shares	(257)	(257)	(222)	(222)
Other reserves	673	580	673	580
Revaluation reserve	334	334	-	-
Revenue reserve	7,723	6,025	8,590	9,867
Capital reserve	2,717	2,717	-	-
Translation reserve	332	581	-	-
Non-controlling interest	7,030	6,505	-	-
<b>Total Equity</b>	<b>48,157</b>	<b>46,080</b>	<b>38,646</b>	<b>39,820</b>
<b>Total equity and liabilities</b>	<b>81,932</b>	<b>72,245</b>	<b>39,638</b>	<b>40,852</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 2014		As at 31 December 2013	
US\$'000		US\$'000	
Secured	Unsecured	Secured	Unsecured
2,628	-	2,453	-

Amount repayable after one year

As at 30 September 2014		As at 31 December 2013	
US\$'000		US\$'000	
Secured	Unsecured	Secured	Unsecured
1,037	-	1,061	-

Details of any collateral :

The Group's motor vehicles at net book value of US\$703,839 (FY 2013: US\$645,986) 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 2014 US\$'000	3Q 2013 US\$'000	9mths 2014 US\$'000	9mths 2013 US\$'000
<b>Cash flow from operating activities:-</b>				
Profit before income tax	774	327	2,025	980
Adjustments for:-				
Amortisation of intangible assets	431	378	1,301	1,140
Depreciation of property, plant and equipment	330	308	1,059	1,053
Gain on disposal of property, plant and equipment	-	(23)	(29)	(18)
Provision for doubtful debts	25	185	205	556
Interest expense	34	39	116	115
Interest income	(171)	(137)	(476)	(363)
Translation difference	730	192	564	(106)
Gain on disposal of investment securities	-	-	(30)	(16)
<b>Operating profit before changes in working capital</b>	<b>2,153</b>	<b>1,269</b>	<b>4,735</b>	<b>3,341</b>
(Increase)/decrease in trade receivables, other receivables and prepayments	(8,808)	3,286	(9,506)	3,487
Increase in inventories	(972)	(1,206)	(3,433)	(2,283)
Increase/(decrease) in trade and other payables	7,518	(1,804)	14,010	(741)
<b>Cash generated from operating activities</b>	<b>(109)</b>	<b>1,545</b>	<b>5,806</b>	<b>3,804</b>
Income tax paid	9	-	56	61
Interest received	171	137	476	363
Interest paid	(34)	(39)	(116)	(115)
<b>Net cash generated from operating activities</b>	<b>37</b>	<b>1,643</b>	<b>6,222</b>	<b>4,113</b>
<b>Cash flow from investing activities</b>				
Proceeds from disposal of investment securities	-	-	1,030	620
Proceeds from disposal of property, plant and equipment	1	52	35	84
Proceeds from disposal of subsidiary	676	-	676	-
Purchase of property, plant and equipment	(831)	(157)	(1,232)	(557)
Payment for patent and trademark registration expenses	(64)	(159)	(221)	(556)
Payment for development expenditures	(355)	(360)	(1,095)	(1,163)
Purchase of quoted investments	(795)	(1,995)	(2,440)	(1,995)
Purchase of unquoted investments	-	(58)	-	(58)
<b>Net cash used in investing activities</b>	<b>(1,368)</b>	<b>(2,677)</b>	<b>(3,247)</b>	<b>(3,625)</b>
<b>Cash flow from financing activities</b>				
Repayment of Loans & Borrowings	(40)	(145)	(133)	(230)
Proceeds from term loans	-	-	-	746
Repayment of hire purchase instalments	(45)	(89)	(215)	(202)
Employees' share option exercised	3	-	10	14
Payment of dividends	-	-	-	(601)
<b>Net cash (used in)/from financing activities</b>	<b>(82)</b>	<b>(234)</b>	<b>(338)</b>	<b>(273)</b>

	3Q 2014 US\$'000	3Q 2013 US\$'000	9mths 2014 US\$'000	9mths 2013 US\$'000
<b>Cash flow from operating activities:-</b>				
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,413)</b>	<b>(1,268)</b>	<b>2,637</b>	<b>215</b>
Cash and cash equivalents as beginning of period	12,507	9,290	8,455	6,349
Effect of foreign exchange difference	5	(7)	7	(45)
<b>Cash and cash equivalents at end of period</b>	<b>11,099</b>	<b>8,015</b>	<b>11,099</b>	<b>6,519</b>

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

	30 <sup>th</sup> Sep 2014 \$'000	30 <sup>th</sup> Sep 2013 \$'000
Cash and Bank Balances	8,840	5,259
Fixed Deposits	4,065	2,756
Bank Overdrafts	(1,806)	(1,496)
	<b>11,099</b>	<b>6,519</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 2013</b>	29,580	(257)	2,717	809	5,620	857	334	39,660	6,233	45,893
Total comprehensive income for the period	-	-	-	(182)	482	29	-	329	(72)	257
Balance at 31 March 2013	29,580	(257)	2,717	627	6,102	886	334	39,989	6,161	46,150
Total comprehensive income for the period	-	-	-	(260)	105	(148)	-	(303)	151	(152)
Increase in Shares through exercise of share options.	15	-	-	-	-	-	-	15	-	15
Tax exempt (one-tier) dividends @ 0.0025 cts @ 1.233= US\$0.00203 per share	-	-	-	-	(601)	-	-	(601)	-	(601)
Balance at 30 June 2013	29,595	(257)	2,717	367	5,606	738	334	39,100	6,312	45,412
Total comprehensive income for the period	-	-	-	(32)	64	99	-	131	246	377
<b>Balance at 30 Sep 2013</b>	<b>29,595</b>	<b>(257)</b>	<b>2,717</b>	<b>335</b>	<b>5,670</b>	<b>837</b>	<b>334</b>	<b>39,231</b>	<b>6,558</b>	<b>45,789</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

	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
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>

	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
<b>THE COMPANY</b>										
<b>Balance at 1 January 2013</b>	29,580	(222)	-	-	11,238	857	-	41,453	-	41,453
Total comprehensive income for the period	-	-	-	-	(299)	29	-	(270)	-	(270)
Balance at 31 March 2013	29,580	(222)	-	-	10,939	886	-	41,183	-	41,183
Total comprehensive income for the period	-	-	-	-	(391)	(148)	-	(539)	-	(539)
Increase in Shares through exercise of share options.	15	-	-	-	-	-	-	15	-	15
Tax exempt (one-tier) dividends @ 0.0025 cts @ 1.233= US\$0.00203 per share	-	-	-	-	(601)	-	-	(601)	-	(601)
Balance at 30 June 2013	29,595	(222)	-	-	9,947	738	-	40,058	-	40,058
Total comprehensive income for the period	-	-	-	-	(228)	99	-	(129)	-	(129)
<b>Balance at 30 Sep 2013</b>	<b>29,595</b>	<b>(222)</b>	<b>-</b>	<b>-</b>	<b>9,719</b>	<b>837</b>	<b>-</b>	<b>39,929</b>	<b>-</b>	<b>39,929</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)
Balance at 31 March 2014	29,602	(222)	-	-	9,562	618	-	39,560	-	39,560
Total comprehensive income for the period	-	-	-	-	(374)	210	-	(164)	-	(164)
Balance at 30 June 2014	29,602	(222)	-	-	9,188	828	-	39,396	-	39,396

	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
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>-</b>	<b>38,646</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 2014 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 2014 is as follows:

Unexercised Share Option	No. of shares
Balance as at 1 <sup>st</sup> January 2014	3,542,500
Share option exercised	(90,000)
Share option expired	(250,000)
<b>Balance as at 30 September 2014</b>	<b>3,202,500</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 2014, share capital of the Company is as follows:

Ordinary Shares Issued and fully paid	No. of shares	US\$
Balance as at 1 January 2014	297,581,925	29,594,866
Movement in Shares	90,000	10,376
<b>Balance as at 30 September 2014</b>	<b>297,671,925</b>	<b>29,605,242</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 2014	1,293,000	(256,914)
Repurchase of shares and held as Treasury Shares	-	-
<b>Balance as at 30 September 2014</b>	<b>1,293,000</b>	<b>(256,914)</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 2013.

**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 not adopted the following new/amended FRSs which have become effective from 1 January 2014.

- Revised FRS 27 *Separate Financial Statements*
- Revised FRS 28 *Investments in Associates and Joint Ventures*
- FRS 110 *Consolidated Financial Statements*
- FRS 111 *Joint Arrangements*
- FRS 112 *Disclosure of Interests in Other Entities*
- Amendments to FRS 32 *Offsetting Financial Assets and Financial Liabilities*
- Amendments to FRS 36 *Recoverable Amount Disclosure for Non-financial Assets*

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements of the Group in the period of initial application.

**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	Q3 FY		YTD	
	2014	2013	30 Sept 2014	30 Sept 2013
Profit after tax (US\$'000)	1,032	64	1,698	651
Weighted average number of ordinary shares in issue (in '000)	296,222	296,289	296,222	296,289
Weighted average number of ordinary shares in issue along with dilution effect (in '000)	298,536	297,020	298,536	297,020
<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>0.35</b>	<b>0.02</b>	<b>0.57</b>	<b>0.22</b>
(ii) On a fully diluted basis	<b>0.35</b>	<b>0.02</b>	<b>0.57</b>	<b>0.22</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 FY14, 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 2014	30 Sept 2013	30 Sept 2014	30 Sept 2013
Number of ordinary shares (in '000)	296,515	296,582	296,515	296,582
<b>(Amount in USD cents)</b>				
Net assets value per ordinary share based on issued share capital at the end of the period	<b>16.17</b>	<b>15.47</b>	<b>13.03</b>	<b>13.46</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 2014 ("3QFY14"), the Group reported a 118.71% quarter-on-quarter ("QoQ") increase in revenue to US\$35.6 million. Gross profit increased 12.52% QoQ to US\$3.0 million while gross profit margin decreased to 8.5% from 16.5% in the previous corresponding period. The Group reported a net profit after tax of US\$0.8 million, recording a 144.52% QoQ growth.

For the 9 months ended 30 September 2014, the Group reported a 55.38% year-on-year ("yoy") increase in revenue to US\$77.0 million. Gross profit increased 12.26% yoy to US\$9.0 million in 9 months period, although the gross profit margin moderated to 11.8% from 16.3% in the previous corresponding period. The Group reported a 106.15% yoy increase in profit after tax of US\$2.0 million.

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

**Revenue**

- The 118.71% increase in 3QFY14 revenue to US\$35.6 million was mainly contributed by the Group's Interactive Consumer Solutions Division (formerly known as Mobile Media Solutions), which increased 140% to US\$32.8 million driven by sales to a number of new MNC customers.
- Licensing revenue in 3QFY14 increased by 23% to US\$ 0.6million, as the Group's third party licensing customers experienced improved sales for the quarter.

**Profitability**

- Gross profit margin decreased from 16.5% (3QFY13) to 8.5% QoQ in 3QFY14. The decrease in Gross profit margin was primarily due to an absence of an extraordinary gains which boosted the gross margin to 16.5% in 3QFY13 and a loss attributed to a subsidiary for the current quarter.

**Expenses**

Group's total expenses amounted to US\$2.6 million in (3Q FY13: US\$2.6 million) representing a decrease by 5.5% arising mainly from decrease by 18.0% and 14.8% respectively in Marketing and General Administration activities.

**Other Financial Highlights**

- **Property, plant and equipment** – Property, plant and equipment reported a decrease of US\$1.4 million from US\$10.8 million to US\$9.4 million as at 30 September 2014.
- **Intangible Assets** – Intangible assets remained stable at US\$11.4 million as at 30 September 2014 compared to US\$11.3 million as at 31 December 2013. Being a leader in the technology space, the Group continues to emphasize and invest in research and development.
- **Quoted Investments** - Investments in quoted investments increased US\$1.5 million to US\$9.6 million as at 30 September 2014 compared to US\$8.1 million as at 31 December 2013. 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\$20.5 million as at 30 September 2014 from US\$17.3 million as at 31 December 2013 in line with Revenue growth.
- **Inventories** – The Group’s inventories increased to US\$12.5 million as at 30 September 2014, from US\$10.8 million as at 31 December 2013.

### **Cashflow**

The Group’s cash & cash equivalents as at 30 September 2014 stood at US\$12.9 million compared to US\$10.0 million as at 31 December 2013.

There are 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 are 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**

With the Group’s new tagline “**Innovation: Inside Out**”, it will continue to pursue research and development activities so as to introduce new innovations to the market.

The Group’s proprietary FluCard® remains a versatile invention that has a wide range of application use such as interactive whiteboards and its Wi-Fi modules for children’s educational interactive devices. The FluCard® is also a vital component in Trek’s Cloudstringers solution, an award-winning online platform designed for public and media professional users which allow them to store, view, exchange and transact digital content on a secured marketplace. The FluCard® patent protection for 20 years across major jurisdictions worldwide is the first and core of a family of patents to come.

Longer term, we are targeting growth in 3 key areas in the next generation of consumer mobile technology with our development focus on consumer wearable, medical and cloud technologies. As always, our optimism in product development is balanced with vigilance and prudence in our operations in view of the continued challenging business conditions.

### **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  
7 November 2014

**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 2014 to be false and misleading in any material respect.

On behalf of the Directors

Signed

HENN TAN  
Director

7 November 2014

Signed

GURCHARAN SINGH  
Director