



TREK 2000 INTERNATIONAL LTD (Registration Number: 199905744N)

NEWS RELEASE

TREK REPORTS 74% JUMP IN NET PROFIT AND DOUBLES DIVIDEND

- **Revenue rose 13.2% to US\$116.3 million**
- **Net profit after tax rose 74.2% to US\$5.1 million**
- **Propose dividend of 2 cents per ordinary share, giving a 5% dividend yield**

SINGAPORE, 22 February 2007 – Mainboard listed engineering solutions provider and creator of the globally renowned *Thumbdrive*[®] solution, Trek 2000 International Ltd (“Trek” or the “Group”) today announced a 74.2% jump in net profit after tax to US\$5.1 million on the back of a 13.2% increase in revenue.

This year also saw significant improvement in the contributions from the Group’s licensing business. With its revenue contribution of US\$2.1 million in FY2006 which compares favourably with the US\$1.8 million in the previous financial year, licensing is fast becoming an increasingly important contributor to the Group’s business.

Commenting on Trek’s performance, Mr. Henn Tan – Chairman and CEO said: “we are pleased to present this set of good results to our shareholders. After years of perseverance and belief in our solutions and our intellectual property ownerships, we are now beginning to realize an improved stream of benefits from our library of intellectual property assets and our solutions. Going forward, as contributions from licensing grow, we hope to deliver an even better set of performance to our shareholders.”

At the close of FY2006, the Group’s operations generated cash flow of US\$3.6 million. Cash and cash equivalents rose from US\$33.2 million to US\$34.1 million.

Geographically, the ASEAN markets continue to dominate as the major revenue contributor accounting for approximately 57.8% of the Group’s total sales. This is followed by sales to the US, China, India and Japan which contributed about 36.2% in aggregate to the Group’s total sales. The balance of 6% comprises sales to Europe and other markets. The market in Europe is still in its infancy and the Group expects the contribution to grow as the market matures.

FY2006 also saw the Group expanding its library of family patents to 40 with the addition of 6 new patents being registered during the year. This is translated into a \$1.1 million increase in Trek's intangible assets and arises from the registration of these new patents for its core Mobile Media Solutions. The latter is the new name adopted for what was previously known as "Digital Technology".

On the litigation front although the Court in Singapore recently awarded Trek a partial cost recovery of approximately S\$1.5 million, both Trek and the defendants are still appealing against this decision due to their disagreement on the quantum of the recovery costs awarded. We will recognize this amount in the books once the outcome on the appeal is finalised. The damages assessment is still in progress.

"To reward our shareholders for their years of support and trust in Trek, we are proposing a doubling of the dividend for FY2006. This amount will translate into a dividend yield of approximately 5% when computed based on the current share price of Trek," said Mr.Henn Tan.

For the financial year ended 31 December 2006, the Board recommends a dividend of 2 cents per ordinary share, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

Commenting on the future prospects of Trek, Mr. Henn Tan said: "Going forward, we expect Mobile Media Solutions and IP licensing to continue and dominate as our growth drivers. While we are cautiously optimistic about our prospects, barring unforeseen circumstances, we expect that our business performance will continue to improve."

About Trek 2000 International:

Trek 2000 International Ltd, an industry leader, innovator and patent owner of the ThumbDrive® (i.e. USB flash Drive) offers state-of-the-art design solutions ranging from Mobile Media Solutions, Wireless, Anti-Piracy, Compression and Encryption to sophisticated Enterprise solutions all catering to the fast changing digital industry. Trek is represented all over the world and has offices in the U.S., Malaysia, Thailand, India, Hong Kong, Singapore, the Netherlands, China, the Philippines and Japan to serve the rapidly expanding markets in all regions. A public company on the Singapore Stock Exchange (SGX:TREK), Trek 2000 International Ltd is named by Forbes Global as one of the Best Small Companies in the World for 2000 and 2002. Trek 2000 International Ltd is also ranked as the Best Managed Small Company in Singapore by AsiaMoney (of Euromoney).

For more information, visit <http://www.trek2000.com.sg> and <http://www.thumbdrive.com>

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