



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

## **NEWS RELEASE**

---

### **TREK REPORTS 1H FY07 NET PROFIT RISE BY 12%**

**SINGAPORE, 7 August 2007** – Main board listed electronics solutions provider and creator of the *ThumbDrive*® external flash memory device, Trek 2000 International Ltd (“Trek” or the “Group”) today announced a 12% increase in net profit after tax to US\$2.7 million amid a decline in revenue in 1H FY07 by 13% to US\$51.0 million.

Notwithstanding the fluctuating NAND flash memory prices, Gross profit margin for 1H FY07 improved to 7.7% from 7.3% in 1H FY06. Net profit after tax rose to US\$2.7 million compared to US\$2.4 million (1H FY06) representing an increase of 12% over the same half last financial year.

The improvement in the Group’s net profitability is attributable to its ongoing focus on improving MMS business segment and to deemphasize the CS business segment and one-time contribution pertaining to the proceeds arising from the partial legal recovery for its IP enforcement.

The Group saw higher expenses in 1H FY07 due to incremental expenses incurred in the expansion of Trek’s R&D activities in India and an impairment of investment in an associate company. Total expenses rose from US\$2.4 million (1HFY06) to US\$2.7million.

The entry of new OEM customers this half also gave rise to an increase in the Group’s trade debtors’ balance which rose from US\$9.9 million as at 31 December 2006 to US\$18.1 million. The increment is due to the credit terms extended to these new customers. Trade creditors and accruals were also higher this half rising from US\$11.3 million as at 31 December 2006 to US\$20.7 million. Despite its higher working capital requirements, the Group remained self sufficient with its strong internal financial resources.

A total of US\$5.5 million was generated from operations compared to US\$0.5 million in 2Q FY06. Cash and cash equivalents stood at US\$33.1 million compared to US\$28.9 million in 2Q FY07.

Commenting on Trek's performance this quarter, Mr. Henn Tan – Chairman and CEO said: "the Group has performed well despite the difficult market conditions in the first half of FY07. Barring any unforeseen circumstances, we are confident that the Group will continue to remain profitable."

\*\*\*\*\*

#### **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>

**Trek®** and **ThumbDrive®** are trademarks or registered trademarks of Trek Group of Companies in Singapore and / or other countries.

\*\*\*\*\*

*For enquiry please contact:  
Trek 2000 International Ltd  
Tan Peck Hwa  
Asia Business Channels Pte Ltd  
Tel: 6749 8871 / 9635 4996  
email: [tphcomms@singnet.com.sg](mailto:tphcomms@singnet.com.sg)*