



Condensed Interim Financial Information for the Six Months Ended 30 June 2023

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group		(1)
		1-Jan-23 to 30-Jun-23	1-Jan-22 to 30-Jun-22	Change
		US\$'000	US\$'000	%
Revenue	4	21,077	24,066	(12.4)
Cost of sales		(16,560)	(15,629)	6.0
Gross profit		4,517	8,437	(46.5)
Other operating income		328	89	268.5
Distribution costs		(465)	(387)	20.2
Decrease in allowance for expected credit loss		13	41	(68.3)
Administration expenses		(1,361)	(1,369)	(0.6)
Other operating expenses		(489)	(540)	(9.4)
Finance costs		(2)	(5)	(60.0)
Profit before taxation	5	2,541	6,266	(59.4)
Income tax expense	6	(352)	(609)	(42.2)
Net profit for the period attributable to equity holders of the Company		<u>2,189</u>	<u>5,657</u>	(61.3)
Earnings per share for profit for the period attributable to equity holders of the Company (US Cents)				
- Basic		<u>6.27</u>	<u>16.08</u>	(61.0)
- Diluted		<u>6.27</u>	<u>16.08</u>	(61.0)

B. Condensed interim statements of financial position

	Note	Group		Company	
		30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
		US\$'000	US\$'000	US\$'000	US\$'000
Current Assets					
Cash and cash equivalents		16,970	17,783	263	400
Trade receivables		8,563	8,027	-	-
Other receivables and prepayments		611	537	23	12
Total current assets		<u>26,144</u>	<u>26,347</u>	<u>286</u>	<u>412</u>
Non-current Assets					
Investment in subsidiary		-	-	38,246	40,978
Property, plant and equipment	8	25,699	25,880	-	-
Other receivables and prepayments		545	490	-	-
Deferred tax assets		1,028	1,393	-	-
Total non-current assets		<u>27,272</u>	<u>27,763</u>	<u>38,246</u>	<u>40,978</u>
Total Assets		<u><u>53,416</u></u>	<u><u>54,110</u></u>	<u><u>38,532</u></u>	<u><u>41,390</u></u>
Current Liabilities					
Trade payables		2,419	2,412	-	-
Other payables		6,265	6,543	4,641	4,584
Lease liabilities	9	57	137	-	-
Income tax payable		511	607	-	-
Total current liabilities		<u>9,252</u>	<u>9,699</u>	<u>4,641</u>	<u>4,584</u>
Non-current Liabilities					
Lease liabilities	9	117	28	-	-
Deferred tax liabilities		76	24	-	-
Total non-current liabilities		<u>193</u>	<u>52</u>	<u>-</u>	<u>-</u>
Capital and Reserves					
Share capital	10	31,067	33,644	31,067	33,644
Treasury shares	10	(257)	(257)	(257)	(257)
Legal reserve		3,509	2,157	-	-
Merger reserve		(764)	(764)	-	-
Contributed surplus		-	-	2,295	2,295
Accumulated profits		10,416	9,579	786	1,124
Net shareholders' equity		<u>43,971</u>	<u>44,359</u>	<u>33,891</u>	<u>36,806</u>
Total Liabilities and Shareholders' Equity		<u><u>53,416</u></u>	<u><u>54,110</u></u>	<u><u>38,532</u></u>	<u><u>41,390</u></u>

C. Condensed interim statements of changes in equity

Group	Note	Share capital	Treasury shares	Legal reserve	Merger reserve	Accumulated profits	Net
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 Jan 2023		33,644	(257)	2,157	(764)	9,579	44,359
Profit for the period, representing total comprehensive income for the period		-	-	-	-	2,189	2,189
Capital reduction		(2,577)	-	-	-	-	(2,577)
Appropriation to legal reserve		-	-	1,352	-	(1,352)	-
Balance at 30 Jun 2023		31,067	(257)	3,509	(764)	10,416	43,971
Balance at 1 Jan 2022		33,644	-	1,194	(764)	4,388	38,462
Profit for the period, representing total comprehensive income for the period		-	-	-	-	5,657	5,657
Dividend paid		-	-	-	-	(5,139)	(5,139)
Appropriation to legal reserve		-	-	963	-	(963)	-
Repurchase of shares		-	(240)	-	-	-	(240)
Balance at 30 Jun 2022		33,644	(240)	2,157	(764)	3,943	38,740

Company	Note	Share capital	Treasury shares	Contributed surplus	Accumulated profits	Net
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 Jan 2023		33,644	(257)	2,295	1,124	36,806
Loss for the period, representing total comprehensive loss for the period		-	-	-	(338)	(338)
Capital reduction		(2,577)	-	-	-	(2,577)
Balance at 30 Jun 2023		31,067	(257)	2,295	786	33,891
Balance at 1 Jan 2022		33,644	-	2,295	6,893	42,832
Loss for the period, representing total comprehensive loss for the period		-	-	-	(334)	(334)
Transactions with owners, recognised directly in equity						
Dividend paid		-	-	-	(5,139)	(5,139)
Repurchase of shares		-	(240)	-	-	(240)
Balance at 30 Jun 2022		33,644	(240)	2,295	1,420	37,119



D. Condensed interim consolidated statement of cash flows

	Group 1-Jan-23 to 30-Jun-23 US\$'000	Group 1-Jan-22 to 30-Jun-22 US\$'000
Note		
Operating activities		
Profit before income tax	2,541	6,266
Adjustments for :		
Depreciation expense	3,169	3,184
Decrease in allowance for expected credit losses	(13)	(41)
Interest income	(277)	(8)
Interest expense	2	5
Operating profit before working capital changes	5,422	9,406
Trade receivables	(523)	174
Other receivables and prepayments	(97)	91
Trade payables	7	27
Other payables	(602)	(96)
Cash generated from operations	4,207	9,602
Income tax paid	(31)	(5)
Interest received	245	9
Net cash generated from operating activities	4,421	9,606
Investing activity		
Purchase of property, plant and equipment	A (2,509)	(3,983)
Net cash used in investing activity	(2,509)	(3,983)
Financing activities		
Repayment of lease liabilities	(146)	(443)
Purchase of treasury shares	-	(240)
Interest paid	(2)	(5)
Cash distribution from capital reduction	(2,577)	-
Dividend paid	-	(5,139)
Net cash used in financing activities	(2,725)	(5,827)
Net decrease in cash and cash equivalents	(813)	(204)
Cash and cash equivalents at the beginning of the period	17,783	11,706
Cash and cash equivalents at the end of the period	16,970	11,502

Note A : During the financial period, the Group entered into lease arrangements for certain plant and equipment amounting to US\$155,000 (30 June 2022: US\$ Nil) and purchased property plant and equipment with an aggregated cost of US\$2,833,000 (30 June 2022: US\$4,459,000), of which US\$756,000 (31 December 2022: US\$432,000) remained unpaid at end of period.



E. Notes to the condensed interim financial information

1. Corporate information

The Company (Registration number 200409582R) is incorporated in Singapore with its registered office at 9 Straits View, #06-07 Marina One West Tower, Singapore 018937 and its principal place of business at No. 75 Guangfu Rd., Hu-Kou, Hsin-Chu Industrial Park, Hsin-Chu County, 303 Taiwan, Republic of China. The Company is listed on the Singapore Exchange Securities Trading Limited. There were no changes to the Group structure or the principal activities of the Company and its subsidiary.

2. Basis of preparation

- 2.1** The condensed interim consolidated financial information for the six months ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial information do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual consolidated financial statements for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s.

The condensed interim consolidated financial statements are presented in United States dollar which is the Company's functional currency.

- 2.2** A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.
- 2.3** In preparing the condensed interim financial information, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 31 December 2022.

Management has determined that there is no impairment loss for the Group's property, plant and equipment and investment in subsidiaries as at 30 June 2023.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.



4. Segment and revenue information

Products and services from which reportable segments derive their revenues

Information is reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance. The Group's sole operating segment is the provision of testing services to customers in the semi-conductor industry.

As there is only one principal operating segment, the information regarding its revenue and result, assets and other information is represented by the financial statements as a whole. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of the Group's performance.

Disaggregation of revenue

	Group	
	1-Jan-23 to	1-Jan-22 to
	30-Jun-23	30-Jun-22
	US\$'000	US\$'000
Type of services:		
Rendering of services	21,076	24,049
Lease of equipment	1	17
Total	<u>21,077</u>	<u>24,066</u>
Timing of revenue recognition:		
At a point in time	21,076	24,049
Over time	1	17
Total	<u>21,077</u>	<u>24,066</u>

Geographical information

The Group's operations and its assets are located mainly in Taiwan, Republic of China. Its key customers are located mainly in Taiwan, Republic of China, Japan, the United States of America and Singapore. The Group's revenue from external customers and information about its non-current assets by geographical location are detailed below:

Revenue from external customers

	Group	
	1-Jan-23 to	1-Jan-22 to
	30-Jun-23	30-Jun-22
	US\$'000	US\$'000
Japan	7,730	10,070
Taiwan, Republic of China	5,545	6,577
United States of America	966	1,132
Singapore	3,755	4,202
Thailand	1,870	1,148
Others	1,211	937
Total	21,077	24,066

Non-current assets by geographical location

	30-Jun-23	31-Dec-22
	US\$'000	US\$'000
Taiwan	25,784	25,913

5. Profit before taxation

Profit before taxation includes the following items:

	Group	
	1-Jan-23 to	1-Jan-22 to
	30-Jun-23	30-Jun-22
	US\$'000	US\$'000
Income		
Interest income	277	8
Expenses		
Interest expense	2	5
Depreciation expense	3,169	3,184
Foreign currency exchange gain	(37)	(68)
Decrease in allowance for expected credit losses	(13)	(41)

There were no related parties transactions other than the following:

Compensation of directors and other key management personnel^(a)

	Group	
	1-Jan-23 to 30-Jun-23	1-Jan-22 to 30-Jun-22
	US\$'000	US\$'000
Director's fees	97	95
Salaries and other short-term benefits	131	139
Total	228	234

^(a) Other key management personnel refers to the Group's Acting Chief Executive Officer and Chief Financial Officer

The remuneration of directors and other key management personnel are determined by the Remuneration Committee having regard to the performance of the individuals and the performance of the Group.

6. Income tax expense

	Group	
	1-Jan-23 to 30-Jun-23	1-Jan-22 to 30-Jun-22
	US\$'000	US\$'000
Income tax expense recognized in profit or loss		
Current tax benefit (expense)	71	(183)
Deferred tax expense	(417)	(421)
Withholding tax	(6)	(5)
Net	(352)	(609)

Current tax expense relates to the tax on net profit and tax accrued on undistributed earnings for the period. Deferred tax benefits relates to the recognition of deferred tax assets from previous unrecognised unutilized tax losses and capital allowances in view of the expectation of sufficient taxable profits for the foreseeable future.

7. Net asset value

	30-Jun-23	30-Jun-22
Net asset value per share (US dollars)		
-The Group	1.26	1.11
-The Company	0.97	1.06



8. Property, plant and equipment

During the six months ended 30 June 2023, the Group acquired assets amounting to US\$2,988,000 (30 June 2022:US\$4,459,000) and disposed of assets amounting to US\$Nil (30 June 2022: US\$Nil).

9. Borrowings

	Group 30-Jun-23	Group 31-Dec-22
	US\$'000	US\$'000
<u>Lease liabilities - secured</u>		
Amount repayable in one year or less, or on demand	57	137
Amount repayable after one year	117	28
	<u>174</u>	<u>165</u>

Details of loans, borrowings and collateral

The Group obtained rights of use for certain plant and equipment under lease arrangements amounting to US\$155,000 (30 June 2022:US\$ Nil) during the financial period ended 30 June 2023.

The average lease term of the Group's plant and equipment is 2.6 years and all leases are on a fixed repayment basis and some with purchase options.

The carrying amount of rights of use assets as at 30 June 2023 amounted to US\$180,000 and are included in the line item of Property, plant and equipment.

Outstanding capital commitment as at 30 June 2023 is US\$330,000.

The Group has obtained the following facilities from Shin Kong Bank in July 2020. The bank facilities will expire in July 2023 and it has extended to 15 November 2023.

- (i) A revolving short-term credit facility of up to NTD300 million (Equivalent to USD10 million) for a tenure of 12-month; and
- (ii) A long-term credit facility of up to NTD350 million (Equivalent to USD11.6 million) for a tenure of 36-month.

The Bank facilities are secured against certain property and plant of the Group. As at 30 June 2023, there was no loan outstanding.

10. Share capital

Share Capital	Group and Company			
	30-Jun-23		31-Dec-22	
	Number of shares '000	Amount US\$'000	Number of shares '000	Amount US\$'000
Balance at beginning of period	35,204	33,644	35,204	33,644
Cash distribution from capital reduction	-	(2,577)	-	-
Balance at end of period	35,204	31,067	35,204	33,644

Treasury Shares	Group and Company	
	30-Jun-23	31-Dec-22
	Number of shares '000	Number of shares '000
Balance at beginning of period	292	-
Repurchase during the period	-	292
Balance at end of period	292	292

The Company undertook a capital reduction and cash distribution pursuant to Section 78C of the Companies Act and the shareholders' approval at the extraordinary general meeting held on 26 April 2023.

The Company made payment to the shareholders of S\$0.1 per share for the cash distribution pursuant to the capital reduction. The sum of US\$2,576,519 (S\$3,491,183) was distributed to shareholders on 30 June 2023.

The capital reduction reduced the issued and paid-up share capital of the Company by US\$2,576,519 (S\$3,491,183) from US\$33,643,982 (S\$39,091,476) to US\$31,067,463 (S\$35,600,293)

The Company purchased a total of Nil (31 December 2022: 291,800) shares through market purchase. The total amount paid to acquire shares for the period was US\$Nil (31 December 2022: US\$257,000) and has been separately recorded as treasury shares in shareholders' equity.

The Company's subsidiary does not hold any shares in the Company as at 30 June 2023 and 30 June 2022.

There are also no outstanding convertibles as at 30 June 2023 and as at the end of the corresponding period of the immediately preceding financial year.

11. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1 Review

The accompanying condensed interim financial information set out in Sections A to E, which comprise the condensed interim statements of financial position of the Group and Company as at June 30, 2023, and the condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows of the Group, and condensed interim statement of changes in equity of the Company for the six months period then ended, and the notes to the condensed interim financial information, have been reviewed by Deloitte & Touche LLP in Singapore in accordance with the Singapore Standard on Review Engagement 2410 – *Review of Interim Financial information Performed by the Independent Auditor of the Entity*.

2(i) 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.

Total number of issued shares excluding treasury shares as at the end of the current financial period is 34,911,827 (31 December 2022 : 34,911,827) shares.

2(ii) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the current financial period.

2(iii) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

Not Applicable.

3 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial period, after deducting any provision for preference dividends.

	Group	
	1- Jan-23 to 30-Jun-23	1- Jan-22 to 30-Jun-22
On a basic and fully diluted basis (US cents per share)	6.27	16.08
- Weighted average number of shares ('000)	34,912	35,176

The diluted earnings per share is the same as basic earnings per share as there is no potential dilutive ordinary shares.



- 4 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) 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; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of Operating Results

Revenue

Revenue for the current half year period decreased by 12.4% to US\$21.1 million, compared to US\$24.1 million in the corresponding period of 2022, mainly due to a decrease in customers' orders.

Cost of sales

Cost of sales for the current half year period increased by 6% to US\$16.6 million, compared to US\$15.6 million in the corresponding period of 2022 mainly due to an increase in short term equipment rental expense to meet customers' requirements.

Income tax expense

Income tax expense for the current half year period was US\$0.4 million, compared to income tax expense of US\$0.6 million in the corresponding period of 2022, mainly due to the current year's tax benefit arising from the decrease of net profit and tax accrued on undistributed earnings for the period which is partially offset by the tax incentives for the use of earnings to make domestic investments to upgrade production technology.

Financial position of the Group

Cash and cash equivalents

Cash and cash equivalents decreased by 4.6% to US\$17.0 million as at 30 June 2023, compared to US\$17.8 million as at 31 December 2022, mainly due to the payment of US\$2.6 million in capital distribution in 2Q 2023.

Trade receivables

Trade receivables increased by 6.7% to US\$8.6 million as at 30 June 2023, compared to US\$8.0 million as at 31 December 2022, reflecting the lower collections in 2Q 2023 compared to 4Q 2022.



Other payables

Other payables decreased by 4.2% to US\$6.3 million as at 30 June 2023, compared to US\$6.5 million as at 31 December 2022, mainly due to the provision of year-end bonus being paid in January 2023.

Share capital

Share capital decreased by 7.7% to US\$31.1 million as at 30 June 2023, compared to US\$33.6 million as at 31 December 2022, as a result of the capital reduction in 2Q 2023.

5 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

6 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 operating period and the next 12 months

With reference to the Group's FY2022 unaudited results announcement released on 23 February 2023, the Worldwide Semiconductor Market uncertainties and sales decline since the start of FY2023 has impacted the Group's 1H FY2023 results. The weakening global economic conditions, sluggish global demand for semiconductors and the tightening of monetary policies around the world cast an uncertainty on the industry, global market demand is expected to continue slowing down in 2H FY2023.

The Group, backed by its robust engineering capability and entrenched partnership with its suppliers and customers, will remain focused on delivering quality testing services, forging strong relationship with all its clients and strive to maintain our current level of business. The Group will also continue to be prudent in terms of any business expansion and remains cautiously optimistic on the outlook for FY2023.

7 Dividend

(a) Current financial period reported on

Any dividend recommended for the current financial period reported on? None.

(b) Corresponding period of the immediate preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?
None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.



8 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared / recommended for the current financial period reported on as dividend, if any, will be declared at the full year results announcement.

9 If the group has obtained a general mandate from shareholders for Interested Person Transactions (“IPT”), 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.

No IPT mandate has been obtained from shareholders. The Company and its subsidiary did not enter into any IPT during the financial period ended 30 June 2023.

10 Confirmation Pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results for 6-months ended 30 June 2023 of the Company and of the Group to be false or misleading, in any material aspect.

11 Confirmation Pursuant to Rule 720(1) of the Listing Manual

The Company has procured undertaking from all its directors and executive officers as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Chen Tie-Min
Senior Executive Director
4 August 2023