

CIRCULAR TO SHAREHOLDERS DATED 19 JULY 2016

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

This Circular is issued to Shareholders of Global Testing Corporation Limited (the “**Company**”). Its purpose is to provide Shareholders with information on, and to explain the rationale for (i) the proposed Dividend and (ii) the proposed Capital Reduction and Cash Distribution to be tabled at the Extraordinary General Meeting of the Company to be held at The Sheraton Towers Singapore, Diamond Room, Lower Lobby, 39 Scotts Road, Singapore 228230 on 11 August 2016 at 9.00 a.m..

**If you are in doubt about its contents or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.**

If you have sold or transferred all your ordinary shares in the issued and paid-up capital of the Company, please forward this Circular together with the Notice of Extraordinary General Meeting and the attached Proxy Form immediately to the purchaser or transferee or to the agent, bank or stockbroker through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading limited (“**SGX-ST**”) assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.



## **GLOBAL TESTING CORPORATION LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 200409582R)

### **CIRCULAR TO SHAREHOLDERS**

#### **IN RELATION TO**

- (1) THE PROPOSED DECLARATION OF A DIVIDEND OF S\$0.10 PER ORDINARY SHARE FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016; AND**
- (2) THE PROPOSED CAPITAL REDUCTION AND CASH DISTRIBUTION.**

#### **IMPORTANT DATES AND TIMES**

Last date and time for lodgment of Proxy Form	:	9 August 2016 at 9.00 a.m.
Date and time of Extraordinary General Meeting	:	11 August 2016 at 9.00 a.m.
Place of Extraordinary General Meeting	:	The Sheraton Towers Singapore, Diamond Room, Lower Lobby, 39 Scotts Road, Singapore 228230

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## DEFINITIONS

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In this Circular, the following definitions apply throughout except where the context otherwise requires or otherwise stated:

- “Act” or “Companies Act”* : The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
- “ACRA”* : The Accounting and Corporate Regulatory Authority of Singapore
- “Board” or “Directors”* : The board of directors of the Company for the time being
- “Books Closure Date”* : The time and date to be determined by the Directors, on and at which the Register of Members and share transfer books of the Company will be closed to determine the entitlements of Shareholders to the payment of the proposed Dividend and Cash Distribution
- “Capital Reduction”* : The proposed capital reduction exercise to be undertaken by the Company pursuant to section 78C of the Companies Act to reduce the issued and paid-up share capital of the Company
- “Cash Distribution”* : The proposed cash distribution by the Company to the Shareholders of S\$0.10 in cash for each Share held as at the Books Closure Date pursuant to the Capital Reduction
- “CDP”* : The Central Depository (Pte) Limited
- “Circular”* : This Circular to Shareholders dated 19 July 2016
- “Company”* : Global Testing Corporation Limited
- “Constitution”* : The constitution of the Company comprising the memorandum and articles of association of the Company, as amended, supplemented or modified from time to time
- “Dividend”* : The proposed dividend by the Company to the Shareholders of S\$0.10 in cash for each Share held as at the Books Closure Date, for the financial period ended 31 March 2016
- “Effective Date”* : The date on which the Capital Reduction becomes effective
- “EGM”* : The extraordinary general meeting of the Company to be convened and held on 11 August 2016, the notice of which is set out on page 15 of this Circular
- “EPS”* : Earnings per share
- “FY”* : Financial year ended or ending 31 December, as the case may be
- “Group”* : The Company and its subsidiaries
- “Income Tax Act”* : The Income Tax Act, Chapter 134 of Singapore, as amended, modified or supplemented from time to time
- “Latest Practicable Date”* : 11 July 2016, being the latest practicable date prior to the printing of this Circular

“Listing Manual”	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“NAV”	:	Net asset value
“Register of Members”	:	Register of members of the Company
“Securities Account”	:	A securities account maintained by a Depositor with the CDP but not including a securities sub-account maintained with a Depository Agent
“Securities and Futures Act”	:	Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SGXNET”	:	The SGXNET Corporate Announcement System, being a system network used by listed companies to send information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
“Shares”	:	Ordinary shares in the capital of the Company
“Shareholders”	:	Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors into whose Securities Accounts maintained with CDP are credited with the Shares
“Solvency Statement”	:	Has the meaning ascribed to it in Section 3.1 of this Circular
“Substantial Shareholder”	:	A person (including a corporation) who has an interest in not less than 5% of the total issued voting Shares of the Company
“S\$” and “cents”	:	Singapore dollars and cents, respectively
“U.S.”	:	United States of America
“US\$” and “US cents”	:	United States dollars and cents, respectively
“%” or “per cent”	:	Percentage or per centum

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the respective meanings ascribed to them in Section 81SF of the Securities and Futures Act. The term “**Subsidiary**” shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Securities and Futures Act, the Listing Manual or any modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act, the Securities and Futures Act, the Listing Manual or any modification thereof, as the case may be.

Any reference in this Circular to a time of day shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in figures included in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

**Exchange Rate**

Unless otherwise stated, the currency conversion between S\$ and US\$ on the exchange rate of S\$1 to US\$0.74 as at the Latest Practicable Date. This exchange rate should not be construed as a representation that the S\$ amount could have been, or could be, converted into US\$ at the rate stated, or at all, and vice versa.

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## LETTER TO SHAREHOLDERS

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### GLOBAL TESTING CORPORATION LIMITED

(Incorporated in the Republic of Singapore)  
(Registration No. 200409582R)

#### Directors

Chen, Tie-Min (Executive Chairman)  
Heng-Chun Ho (Executive Director)  
Geoffrey Yeoh Seng Huat (Lead Independent Director)  
Kenneth Tai, Chung-Hou (Independent Director)  
Chia Soon Loi (Independent Director)

#### Registered Office

9 Battery Road #15-01  
Straits Trading Building  
Singapore 049910

19 July 2016

To: The Shareholders of Global Testing Corporation Limited

Dear Sir/Madam

- (1) **THE PROPOSED DECLARATION OF A DIVIDEND OF S\$0.10 PER ORDINARY SHARE FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016; AND**
- (2) **THE PROPOSED CAPITAL REDUCTION AND CASH DISTRIBUTION.**

#### 1. INTRODUCTION

- 1.1 The purpose of this Circular is to provide Shareholders with information relating to, and to seek the approval of the Shareholders for the same at the Extraordinary General Meeting of the Company to be held on 11 August 2016 at 9.00 a.m. at The Sheraton Towers Singapore, Diamond Room, Lower Lobby, 39 Scotts Road, Singapore 228230 (the “**EGM**”), the following:
  - (a) the proposed declaration of the Dividend; and
  - (b) the proposed Capital Reduction and Cash Distribution,which were announced on 3 June 2016.
- 1.2 The Company proposes to make two separate payments to the Shareholders of (i) S\$0.10 per Share for the Dividend and (ii) \$0.10 per Share for the Cash Distribution pursuant to the Capital Reduction. Accordingly, if the resolutions relating to (i) the proposed declaration of the Dividend and (ii) the proposed Capital Reduction and Cash Distribution are approved by the Shareholders at the EGM, the Company shall make payment of an aggregate of S\$0.20 per Share to the Shareholders.
- 1.3 Details of (i) the Dividend and (ii) the Capital Reduction and Cash Distribution, including the rationale for and the benefits to the Company, are set out respectively in Sections 2 and 3 below. The notice of the EGM is set out on page 15 of this Circular.
- 1.4 Shareholders are advised that the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

## 2. THE PROPOSED DECLARATION OF A DIVIDEND OF S\$0.10 PER ORDINARY SHARE FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

The Directors propose to seek approval from the Shareholders for declaring a dividend of approximately S\$3,535,802.70 (equal to S\$0.10 per Share (excluding treasury shares) to Shareholders), based on the issued and paid-up share capital of the Company comprising 35,358,027 Shares (excluding treasury shares) as at the Latest Practicable Date.

Accordingly, an ordinary resolution will be proposed at the EGM to consider and, if thought fit, to approve the proposed declaration of the Dividend for the financial period ended 31 March 2016.

The Shareholders' entitlements to the Dividend will be based on the issued and paid-up share capital of the Company as at the Books Closure Date to be determined.

## 3. THE PROPOSED CAPITAL REDUCTION AND CASH DISTRIBUTION

### 3.1 Introduction

At the Annual General Meeting of the Company held on 29 April 2015, the Shareholders had approved a capital reduction and cash distribution pursuant to Section 78C of the Companies Act, to (i) write off accumulated losses of the Company amounting to S\$39,174,840 as at 31 December 2014 and (ii) return to the Shareholders surplus capital of the Company in excess of its needs by way of a cash distribution by the Company of S\$0.075 for each Share held by the Shareholders (the "**2015 Capital Reduction**") which was completed on 22 June 2015. The cash distribution pursuant to the 2015 Capital Reduction was subsequently paid to entitled Shareholders on 3 July 2015.

Following the 2015 Capital Reduction, the Company is proposing to undertake a further proposed Capital Reduction pursuant to Section 78C of the Companies Act.

Section 78C of the Companies Act requires that a public company proposing to undertake a capital reduction exercise should, *inter alia*, obtain the approval of its shareholders at a general meeting by way of a special resolution to be tabled at such general meeting.

The purpose of the proposed Capital Reduction is to return to the Shareholders surplus capital of the Company in excess of its needs by way of a cash distribution (the "**Cash Distribution**") by the Company of S\$0.10 for each Share held by the Shareholders.

The Company will make the Cash Distribution of the sum of approximately S\$3,535,802.70 (equal to S\$0.10 per Share (excluding treasury shares) to Shareholders), based on the issued and paid-up share capital of the Company of S\$53,724,836.61 comprising 35,358,027 Shares (excluding treasury shares) as at the Latest Practicable Date, subject to the conditions in Section 3.6 below having been satisfied.

The actual amount to be returned to Shareholders pursuant to the Capital Distribution will be based on the issued and paid-up share capital of the Company as at the Books Closure Date to be determined.

In determining the Cash Distribution to Shareholders, the Board has ensured that the Company has retained sufficient capital to support its existing operations and pay its debts, if any. Pursuant to this and in compliance with the provisions of Section 78C of the Act, all the Directors will each make a solvency statement (the "**Solvency Statement**") confirming that:

- (a) as regards the Company's situation at the date of the Solvency Statement, there is no ground on which the Company could be found to be unable to pay its debts;
- (b) the Company will be able to pay its debts as and when they fall due during the period of 12 months immediately following the date of the Solvency Statement; and

- (c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed Capital Reduction, become less than the value of its liabilities (including contingent liabilities).

Copies of the Solvency Statements signed by the Directors will be available for inspection at the EGM, as well as at the registered office of the Company throughout the six (6) weeks beginning with the date of the EGM.

The aggregate amount of cash to be paid to each Shareholder pursuant to the proposed Capital Reduction and Cash Distribution will be adjusted by rounding down any fractions of a cent to the nearest cent, where applicable.

**The Capital Reduction and Cash Distribution will not result in a cancellation of Shares, or a change in the number of Shares issued by the Company immediately after the Capital Reduction and Cash Distribution.**

### 3.2 Rationale of the Capital Reduction and Cash Distribution

The Directors are of the view that the Capital Reduction is in the best interests of the Company as the Cash Distribution comprises the paid-up capital in excess of the immediate requirements of the Company. The Capital Reduction and Cash Distribution, if effected, would result in the Company having a more efficient capital structure, thereby also improving Shareholders' return on equity. In determining the level of capital to be returned to the Shareholders, the Company has ensured that it retains sufficient capital for its business and operational needs.

Further, the Directors had explored various investment opportunities for the Company, but as there are currently no such suitable investment opportunities for the Company, the Directors have recommended the Capital Reduction to return cash in excess of its immediate requirements to the Shareholders whilst maintaining sufficient flexibility to position itself to take advantage of business opportunities which may arise in the near or medium term and to adequately cater for its growth and investment needs. The Company will continue to review any suitable investment opportunities which may arise from time to time. As and when any such suitable investment opportunities arise, the Company will fund such new investments by way of internal resources or if required, by external sources of funding, such as through the proceeds from equity and/or debt financing.

### 3.3 Details of the Capital Reduction and Cash Distribution

The Capital Reduction and Cash Distribution will be effected in the following manner:

- (a) reducing the issued and paid-up share capital of the Company by S\$3,535,802.70 from S\$53,724,836.61 (as at the Latest Practicable Date) to S\$50,189,033.91; and
- (b) the Cash Distribution of the sum of approximately S\$3,535,802.70 (equal to S\$0.10 per Share (excluding treasury shares) to Shareholders), based on the issued and paid-up share capital of the Company of S\$53,724,836.61 comprising 35,358,027 Shares (which excludes treasury shares) as at the Latest Practicable Date, will be paid out to the Shareholders.

The Cash Distribution amount of S\$3,535,802.70 comprises the issued and paid-up capital in excess of the immediate requirements of the Company.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$53,724,836.61. Upon completion of the Capital Reduction, the Company will have an issued and paid-up share capital of S\$50,189,033.91.



### 3.4 Illustration

The following illustrates the position of a Shareholder who holds 100 fully paid-up Shares as at the Books Closure Date:

	<b>Shareholder</b>
<b><u>Position before the Capital Reduction</u></b>	
Number of Shares currently held	100
<b><u>Position after the Capital Reduction</u></b>	
Cash Distribution received (S\$)	10.00
Number of Shares held after the Capital Reduction	100

In summary, Shareholders will receive S\$10.00 in cash for every 100 Shares (or S\$0.10 in cash for each Share) held as at the Books Closure Date. Shareholders holding odd lots of Shares (i.e. lots other than board lots of 100 Shares) will likewise receive S\$0.10 in cash for each Share held by them or on their behalf as at the Books Closure Date. The shareholding of each Shareholder in the Company shall remain unchanged immediately after the proposed Capital Reduction and Cash Distribution.

### 3.5 Financial Effects of the Capital Reduction and Cash Distribution

For illustrative purposes only and based on the latest audited consolidated financial statements of the Company for the financial year ended 31 December 2015 (“FY2015”), the pro forma financial effects of the Capital Reduction and Cash Distribution on the Company are set out below.

The pro forma financial effects are calculated based on the assumptions that:

- (i) the Capital Reduction and Cash Distribution were completed on 31 December 2015;
- (ii) the cash required for distribution will be generated through liquid cash resources on hand; and
- (iii) the estimated transaction costs of approximately S\$55,000 have been taken into account in the computation of the financial effects.

**The Directors note that the pro-forma financial effects have been prepared solely for illustrative purposes and do not purport to be indicative or a projection of the results and financial position of the Company after the Capital Reduction and Cash Distribution has been effected.**

#### (a) Share Capital

The Capital Reduction and Cash Distribution will not have any impact on the number of Shares held by Shareholders after the Capital Reduction and Cash Distribution. The pro forma financial effects of the Capital Reduction and Cash Distribution on the share capital of the Company for FY2015 are as follows:

	Before the Capital Reduction and Cash Distribution	After the Capital Reduction and Cash Distribution
Number of issued Shares	35,358,027	35,358,027
Number of issued Shares (excluding treasury shares) <sup>(1)</sup>	35,358,027	35,358,027
Amount of share capital (S\$)	53,724,836.61	50,189,033.91

Note:

- (1) As at the Latest Practicable Date, the Company does not have any treasury shares.

(b) Earnings per Share (“EPS”)

The Capital Reduction and Cash Distribution will have no impact on the EPS of the Company.

(c) Net Asset Value (“NAV”)

The pro forma financial effects of the Capital Reduction and Cash Distribution on the NAV of the Company for FY2015 are as follows:

	Before the Capital Reduction and Cash Distribution	After the Capital Reduction and Cash Distribution
Net asset (US\$'000)	50,570	47,939
Number of issued Shares	35,358,027	35,358,027
NAV per Share (US dollars)	1.43	1.36

(d) Gearing

The pro forma financial effects of the Capital Reduction and Cash Distribution on the gearing ratio of the Company for FY2015 are as follows:

	Before the Capital Reduction and Cash Distribution	After the Capital Reduction and Cash Distribution
Total borrowings (US\$'000)	0	0
Net assets (US\$'000)	50,570	47,939
Gearing (%)	0	0

(e) Return on Equity

The pro forma financial effects of the Capital Reduction and Cash Distribution on the return on equity of the Company for FY2015 are as follows:

	Before the Capital Reduction and Cash Distribution	After the Capital Reduction and Cash Distribution
Profit attributable to Shareholders (US\$'000)	3,958	3,958
Return on Equity (%)	7.83	8.26

### 3.6 Conditions of the Capital Reduction

The Capital Reduction is subject to, *inter alia*, the following conditions:

- (a) the Directors making the Solvency Statement in relation to the reduction of the share capital of the Company and compliance with other relevant solvency requirements as required by the Companies Act;
- (b) Shareholders' approval by way of a special resolution of the Capital Reduction at the EGM, to be approved by a majority of not less than three-fourths of the Shareholders present and voting at the EGM, of which not less than twenty-one (21) days' notice of the EGM shall have been given;
- (c) the Company complying with the relevant publicity requirements as prescribed in the Companies Act;

- (d) lodgment with ACRA of copies of the Solvency Statements and the Capital Reduction resolution, within fifteen (15) days beginning with the resolution date;
- (e) no application being made for the cancellation of the Capital Reduction resolution by any creditor of the Company within the timeframe prescribed in the Companies Act, or if such application was made, the dismissal thereof by the judicial authorities; and
- (f) lodgment of the relevant documents with ACRA after the end of six (6) weeks (but before the end of eight (8) weeks) beginning with the resolution date.

### 3.7 **Effective Date of Capital Reduction**

As set out in Section 3.6 above, the Capital Reduction is subject to the satisfaction or, *inter alia*, the conditions set out therein.

After Shareholders' approval has been obtained for the Capital Reduction at the EGM, the Company will lodge with ACRA a notice containing the text of the Capital Reduction resolution. If no creditor of the Company objects to, and applies to the High Court for the cancellation of, the Capital Reduction resolution, the Company will lodge further requisite documents with ACRA as provided under Section 78E(2) of the Act after the end of six (6) weeks, and before the end of eight (8) weeks, beginning with the date of the Capital Reduction resolution upon which the Capital Reduction will take effect.

The Company will then publicly announce and notify Shareholders of the Effective Date of the Capital Reduction through an SGXNET announcement.

### 3.8 **Administrative procedures for the Capital Reduction and Cash Distribution**

The following paragraphs set out the administrative procedures for the Capital Reduction and Cash Distribution.

#### Books Closure Date

Persons registered in the Register of Members and Depositors whose Securities Accounts are credited with Shares as at the Books Closure Date will be considered for purposes of the Capital Reduction on the basis of the number of such Shares registered in their names or standing to the credit of their Securities Accounts as at the Books Closure Date (the "**Entitled Shareholders**"). Accordingly, the Entitled Shareholders will receive a sum of S\$0.10 for each Share held by them as at the Books Closure Date to be determined.

If, however, a creditor objects to, and makes an application to the High Court of Singapore for the cancellation of, the Capital Reduction resolution, within the prescribed time periods, the Capital Reduction will only take effect if the High Court of Singapore dismisses the creditor's application.

The Company will make announcement(s) to notify Shareholders of (a) the Books Closure Date as soon as reasonably practicable after the EGM; and (b) the effective date of the Capital Reduction and the date of payment pursuant to the Cash Distribution in due course.

#### Payment of the Cash Distribution

Payment pursuant to the Cash Distribution will be made in the following manner:

##### (a) Shareholders holding Scrip Shares

Shareholders whose Shares are registered in the Register of Members as at the Books Closure Date will have the cheques for payment of their entitlements to the Cash Distribution under the Capital Reduction despatched to them by ordinary post at their own risk addressed to their respective addresses in the Register of Members on the Books Closure Date to be announced in due course (the "**Expected Payment Date**"). The Company shall not be liable for any loss in transmission.

(b) Depositors

Shareholders who are Depositors and who have Shares standing to the credit of their Securities Accounts as at the Books Closure Date will have the cheques for payment of their respective entitlements to the Cash Distribution under the Capital Reduction despatched to them by CDP by ordinary post at their own risk on the Expected Payment Date. Neither the Company nor CDP shall be responsible or liable for any loss in transmission. Alternatively, such Depositors will have payment of their respective entitlements to the Cash Distribution under the Capital Reduction made in such other manner as they may have agreed with CDP for the payment of dividends or other distributions on the Expected Payment Date.

Shareholders who hold Shares registered in their own names in the Register of Members and who wish to deposit their Shares with CDP prior to the Books Closure Date must deliver their existing share certificates in respect of their Shares, together with the duly executed instruments of transfer in favour of CDP, at least twelve (12) Market Days prior to the Books Closure Date in order for their Securities Accounts to be credited with the relevant Shares by the Books Closure Date.

### 3.9 Taxation

**Shareholders should note that the following statements are not to be regarded as advice on the tax position of any Shareholder or on any tax implications arising from the Capital Reduction and Cash Distribution. Shareholders who are in doubt as to their respective tax positions or any such tax implications or who may be subject to tax in a jurisdiction outside Singapore should consult their own professional advisers.**

Section 10I of the Income Tax Act provides that where a Singapore resident company makes a payment to its shareholders upon a reduction of its share capital and such a capital reduction is made out of “contributed capital” of the company, the payment to the shareholders will be treated as a return of capital and not as a payment of dividend. For Singapore income tax purposes, a return of capital would generally be treated as capital in nature and would not be taxable to the shareholders in Singapore, except in certain cases, such as shareholders who are traders in securities or who have classified their investments as trading stocks, marketable securities or short-term investments. However, where such a capital reduction is not made out of “contributed capital” of the company, the payment to the shareholders will be deemed as dividends paid by the company to its shareholders. Dividends paid by a Singapore resident company after 1 January 2008 are tax exempt for its shareholders pursuant to Section 13(1)(za) of the Income Tax Act.

In relation to the Cash Distribution to be made to Shareholders pursuant to the Capital Reduction, the amounts which are to be paid to Shareholders out of the paid-up share capital of the Company will likely be regarded as a return of capital and should not be treated as a distribution of dividend to Shareholders for purposes of Singapore income tax.

Shareholders are advised to consult their own tax advisors as to the precise tax consequences of the Cash Distribution pursuant to the Capital Reduction.

#### 4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

4.1 The interests of the Directors and the Substantial Shareholders in the share capital of the Company as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed Interest	
	No. of Shares	(%)	No. of Shares	(%)
<b>Director</b>				
Mr Chen, Tie-Min	3,785,549	10.71	774,427	2.19
Mr Heng-Chun Ho	–	–	–	–
Mr Kenneth Tai, Chung-Hou	12,500	0.04	–	–
Mr Geoffrey Yeoh Seng Huat	–	–	–	–
Mr Chia Soon Loi	1,474,250	4.17	–	–
<b>Substantial Shareholders</b>				
Yageo Corporation	8,232,388	23.28	1,838,953	5.20
Mr Chen, Tie-Min	3,785,549	10.71	774,427	2.19
Kuo Shin Investment Corporation	1,838,953	5.20	–	–
<b>Other shareholders of less than 5% who are related to Directors or Substantial Shareholders</b>				
Ms Lee Hwei Jan	148,045	0.42	626,382	1.77
Hsu Chang Investment Limited	626,382	1.77	–	–

Other than as disclosed in this section of this Circular, none of the Directors or Substantial Shareholders has any interest, direct or indirect, in (i) the Dividend and (ii) the Capital Reduction and Cash Distribution (other than through their shareholdings, if any, in the Company).

#### 5. APPROVALS AND DIRECTORS' RECOMMENDATION

##### 5.1 Dividend

After having considered, amongst other things, the financial condition of the Company, the Directors are of the view that the Dividend is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of the Dividend.

##### 5.2 Capital Reduction and Cash Distribution

After having considered, amongst other things, the terms and/or rationale of the Capital Reduction and Cash Distribution, the Directors are of the view that the Capital Reduction and Cash Distribution are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of the Capital Reduction and Cash Distribution.

5.3 In giving the above recommendations, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Directors recommend that any individual Shareholder who may require specific advice in relation to his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser.

**6. EXTRAORDINARY GENERAL MEETING**

The EGM, notice of which is set out on page 15 of this Circular, will be convened at The Sheraton Towers Singapore, Diamond Room, Lower Lobby, 39 Scotts Road, Singapore 228230 on 11 August 2016 at 9.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications the resolutions relating to (i) the Dividend and (ii) the Capital Reduction and Cash Distribution.

**7. ACTION TO BE TAKEN BY SHAREHOLDERS**

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 9 Battery Road, #15-01 Straits Trading Building, Singapore 049910 not later than 48 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM in person if he so wishes. In such event, the relevant Proxy Form will be deemed to be revoked.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by the CDP as at 72 hours before the EGM.

**8. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about (i) the Dividend and (ii) the Capital Reduction and Cash Distribution, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

**9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at 9 Battery Road, #15-01 Straits Trading Building, Singapore 049910 during normal business hours from the date of this Circular up to and including the time and date of the EGM:

- (a) the Constitution of the Company; and
- (b) the annual report of the Company for FY2015.

Yours faithfully  
For and on behalf of the Board of Directors of  
**GLOBAL TESTING CORPORATION LIMITED**

Chen Tie-Min  
Executive Chairman

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### GLOBAL TESTING CORPORATION LIMITED

(Incorporated in the Republic of Singapore)  
(Registration No. 200409582R)

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (“**EGM**”) of Global Testing Corporation Limited (the “**Company**”) will be held at The Sheraton Towers Singapore, Diamond Room, Lower Lobby, 39 Scotts Road, Singapore 228230 on 11 August 2016 at 9.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, with or without modifications:

*All capitalised terms in the resolutions below and defined in the circular to Shareholders of the Company dated 19 July 2016 (the “**Circular**”) shall, unless otherwise defined in this Notice bear the respective meanings ascribed thereto in the Circular.*

#### Ordinary Resolution:

(1) **THE PROPOSED DECLARATION OF A DIVIDEND OF S\$0.10 PER ORDINARY SHARE FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016**

Resolved that:

- (a) approval be and is hereby given for the Company to declare a dividend (the “**Dividend**”) to the Shareholders, being registered holders of the Shares other than the Company, except that where the registered holder is The Central Depository (Pte) Limited, the term “**Shareholders**” shall mean the Depositors (other than the Company) as defined under the Companies Act on the basis of S\$0.10 for each issued ordinary share in the capital of the Company held by a Shareholder or on his/her behalf as at the Books Closure Date to be determined by the Directors of the Company; and
- (b) the Directors and each of them be and are hereby authorised to do all acts and things (including, without limitation, executing all such documents as may be required) as they or each of them deem desirable, necessary or expedient to give effect to the proposed declaration of the Dividend as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company.

#### Special Resolution:

(2) **THE PROPOSED CAPITAL REDUCTION AND CASH DISTRIBUTION**

Resolved that pursuant to Article 70 of the Constitution of the Company and Section 78C of the Companies Act:

- (a) the issued and paid-up share capital of the Company be reduced by S\$3,535,802.70 from S\$53,724,836.61 (as at the Latest Practicable Date) to S\$50,189,033.91 and that such reduction be effected by returning the sum of S\$3,535,802.70 (the “**Cash Distribution**”) from the issued and paid-up share capital of the Company to the Shareholders, being registered holders of the Shares other than the Company, except that where the registered holder is The Central Depository (Pte) Limited, the term “**Shareholders**” shall mean the Depositors (other than the Company) as defined under the Companies Act on the basis of S\$0.10 for each issued ordinary share in the capital of the Company held by a Shareholder or on his/her behalf as at the Books Closure Date to be determined by the Directors of the Company (the “**Capital Reduction**”); and



- (b) the Directors and each of them be and are hereby authorised to do all acts and things (including, without limitation, executing all such documents as may be required) as they or each of them deem desirable, necessary or expedient to give effect to the Capital Reduction and Cash Distribution as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company.

## BY ORDER OF THE BOARD

Chen Tie-Min  
Executive Chairman  
19 July 2016

### Notes:

- 1) A member entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend and vote on his/her behalf. A proxy need not be a member of the Company.
- 2) A member of the Company which is a corporation is entitled to appoint its authorised representatives or proxies to vote on its behalf.
- 3) The instrument appointing the proxy must be deposited at the registered office of the Company at **9 Battery Road, #15-01 Straits Trading Building, Singapore 049910** not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.
- 4) A member of the Company who is entitled to attend and vote at the EGM and who is a relevant intermediary is entitled to appoint more than 2 proxies to attend and vote in his stead. "**Relevant Intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

### Personal Data Protection:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



# GLOBAL TESTING CORPORATION LIMITED

(Incorporated in the Republic of Singapore)  
(Registration No. 200409582R)

## PROXY FORM EXTRAORDINARY GENERAL MEETING

### IMPORTANT:

1. For investors who have used their CPF monies to buy shares in the capital of Global Testing Corporation Limited, the Circular is sent to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the EGM as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We \_\_\_\_\_ (Name), NRIC/Passport Number\* \_\_\_\_\_

of \_\_\_\_\_ (Address)

being a Shareholder(s) of Global Testing Corporation Limited (the "Company"), hereby appoint

Name	NRIC / Passport Number	Proportion of Shareholdings (%)	
		No. of shares	%
Address			

and/or failing him/her (delete as appropriate)

Name	NRIC / Passport Number	Proportion of Shareholdings (%)	
		No. of shares	%
Address			

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies, to attend and vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Extraordinary General Meeting ("EGM") to be held at The Sheraton Towers Singapore, Diamond Room, Lower Lobby, 39 Scotts Road, Singapore 228230 on 11 August 2016 at 9.00 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the EGM.

Resolutions	For*	Against*
<b>Ordinary Resolution</b>		
To approve the proposed Dividend ( <b>Resolution 1</b> )		
<b>Special Resolution</b>		
To approve the proposed Capital Reduction and Cash Distribution ( <b>Resolution 2</b> )		

\* Please indicate your vote "For" or "Against" with "X" within the box provided.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

Total Number of Shares held

\_\_\_\_\_  
Signature(s) or Common Seal of Shareholder(s)

**IMPORTANT: PLEASE READ NOTES OVERLEAF**



**Notes:**

1. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register maintained by The Central Depository (Pte) Limited (“**CDP**”), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the said Depository Register and registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
2. A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
3. The instrument appointing a proxy or proxies must be deposited at the Company’s registered office at **9 Battery Road, #15-01 Straits Trading Building, Singapore 049910** not less than 48 hours before the time set for the EGM.
4. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its officer or attorney duly authorised.
6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
8. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).
9. An investor who holds shares under the Central Provident Fund Investment Scheme (“**CPF Investor**”) and/or the Supplementary Retirement Scheme (“**SRS Investors**”) (as may be applicable) may attend and cast his vote(s) at the EGM in person. CPF and SRS Investors who are unable to attend the EGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the EGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the EGM.
10. The submission of an instrument or form appointing a proxy by a member of the Company does not preclude him from attending and voting in person at the EGM if he is able to do so.
11. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

**Personal Data Protection:**

By attending the EGM and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting.

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