

CIRCULAR TO SHAREHOLDERS DATED 21 APRIL 2017

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

This Circular (“**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 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, Ballroom 4, Level 2, 39 Scotts Road, Singapore 228230 on Monday, 15 May 2017 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

THE PROPOSED CAPITAL REDUCTION AND CASH DISTRIBUTION

IMPORTANT DATES AND TIMES

Last date and time for lodgment of Proxy Form	:	13 May 2017 at 9.00 a.m.
Date and time of Extraordinary General Meeting	:	15 May 2017 at 9.00 a.m.
Place of Extraordinary General Meeting	:	The Sheraton Towers Singapore, Ballroom 4, Level 2, 39 Scotts Road, Singapore 228230

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DEFINITIONS

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

<i>“Act” or “Companies Act”</i>	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
<i>“ACRA”</i>	:	The Accounting and Corporate Regulatory Authority of Singapore
<i>“Annual Report 2016”</i>	:	The annual report of the Company for its financial year ended 31 December 2016
<i>“Board” or “Directors”</i>	:	The board of directors of the Company for the time being
<i>“Books Closure Date”</i>	:	5.00 p.m on 22 May 2017, being the time and date 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 Cash Distribution, the notice of which is set out on page 16 of this Circular
<i>“Capital Reduction”</i>	:	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
<i>“Cash Distribution”</i>	:	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
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“Circular”</i>	:	This Circular to Shareholders dated 21 April 2017
<i>“Company”</i>	:	Global Testing Corporation Limited
<i>“Constitution”</i>	:	The constitution of the Company comprising the memorandum and articles of association of the Company, as amended, supplemented or modified from time to time
<i>“Effective Date”</i>	:	The date on which the Capital Reduction becomes effective
<i>“EGM”</i>	:	The extraordinary general meeting of the Company to be convened and held on 15 May 2017, the notice of which is set out on page 15 of this Circular
<i>“EPS”</i>	:	Earnings per share
<i>“Expected Payment Date”</i>	:	Has the meaning ascribed to it in Section 2.8 of this Circular
<i>“FY”</i>	:	Financial year ended or ending 31 December, as the case may be
<i>“Group”</i>	:	The Company and its subsidiaries
<i>“Latest Practicable Date”</i>	:	24 March 2017, being the latest practicable date prior to the printing of this Circular
<i>“Listing Manual”</i>	:	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 2.1 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\$0.691 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*.

LETTER TO SHAREHOLDERS

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
MYP Centre
Singapore 049910

21 April 2017

To: The Shareholders of Global Testing Corporation Limited

Dear Sir/Madam

THE PROPOSED CAPITAL REDUCTION AND CASH DISTRIBUTION

1. INTRODUCTION

- 1.1 The purpose of this Circular is to provide Shareholders with information relating to the proposed Capital Reduction and Cash Distribution, which was announced by the Company on 20 February 2017, and to seek the approval of the Shareholders for the same at the Extraordinary General Meeting of the Company to be held on 15 May 2017 at 9.00 a.m. at The Sheraton Towers Singapore, Ballroom 4, Level 2, 39 Scotts Road, Singapore 228230 (the “EGM”).
- 1.2 Details of the Capital Reduction and Cash Distribution, including the rationale for and the benefits to the Company, are set out in Section 2 below. The notice of the EGM is set out on page 15 of this Circular.
- 1.3 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 CAPITAL REDUCTION AND CASH DISTRIBUTION

2.1 Introduction

The Company is proposing to undertake the proposed Capital Reduction pursuant to Section 78A read with 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\$50,189,033.91 comprising 35,358,027 Shares (excluding treasury shares) as at the Latest Practicable Date, subject to the conditions in Section 2.6 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.

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.

2.2 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.

2.3 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\$50,189,033.91 (as at the Latest Practicable Date) to S\$46,653,231.21; 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\$50,189,033.91 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\$50,189,033.91. Upon completion of the Capital Reduction, the Company will have an issued and paid-up share capital of S\$46,653,231.21.

2.4 Illustration

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

	Shareholder
<u>Position before the Capital Reduction</u>	
Number of Shares currently held	100
<u>Position after the Capital Reduction</u>	
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.

2.5 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 2016 (“FY2016”), 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 2016;
- (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 FY2016 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) ⁽¹⁾	35,358,027	35,358,027
Amount of share capital (S\$)	50,189,033.91	46,653,231.21

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 FY2016 are as follows:

	Before the Capital Reduction and Cash Distribution	After the Capital Reduction and Cash Distribution
Net asset (US\$'000)	54,031	51,548
Number of issued Shares	35,358,027	35,358,027
NAV per Share (US\$)	1.53	1.46

(d) Gearing

The pro forma financial effects of the Capital Reduction and Cash Distribution on the gearing ratio of the Company for FY2016 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)	54,031	51,548
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 FY2016 are as follows:

	Before the Capital Reduction and Cash Distribution	After the Capital Reduction and Cash Distribution
Profit attributable to Shareholders (US\$'000)	6,637	6,637
Return on Equity (%)	12.28	12.88

2.6 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 Capital Reduction 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.

2.7 Effective Date of Capital Reduction

As set out in Section 2.6 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.

2.8 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

The notice of the Books Closure Date is set out on page 16 of this Circular.

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.

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.

Subject to the satisfaction of the conditions set out in Section 2.6 above, the Company will make announcement(s) to notify Shareholders of 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 payment 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.

2.9 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.

For Singapore income tax purposes, payments made by a Singapore resident company to shareholders pursuant to share capital reductions are generally classified as either a return of capital (which is a capital gain not subject to tax) or a receipt of dividends (which is tax exempt under the one-tier corporate tax system). As such, for Singapore income tax purposes, any gains from such transactions are generally not taxable unless the proceeds constitute taxable revenue gains or profits from a trade or business carried on by the shareholders.

In relation to the Cash Distribution to be made to Shareholders pursuant to the Capital Reduction, as the amounts which are to be paid to Shareholders pursuant to the Cash Distribution will be paid out of the reduction of the existing issued and paid up share capital of the Company, the Cash Distribution should generally be regarded as a return of capital and not taxable in Singapore for the Shareholders unless the proceeds constitute taxable revenue gains or profits from a trade or business carried on by the Shareholders.

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

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

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	(%)
Director				
Mr Chen, Tie-Min ⁽¹⁾	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	–	–
Substantial Shareholders				
Yageo Corporation ⁽²⁾	8,232,388	23.28	1,838,954	5.20
Mr Chen, Tie-Min ⁽¹⁾	3,785,549	10.71	774,427	2.19
Kuo Shin Investment Corporation ⁽²⁾	1,838,954	5.20	–	–
Other shareholders of less than 5% who are related to Directors or Substantial Shareholders				
Mdm Lee Hwei Jan ⁽¹⁾	148,045	0.42	4,411,931	12.48
Hsu Chang Investment Limited	626,382	1.77	–	–

Notes:

(1) Mr Chen, Tie-Min and Mdm Lee Hwei Jan are husband and wife. Ms Chen Shao-Chiao and Ms Chen Shao-Man are their daughters and Mr Chen Shao-Wei is their son.

Mdm Lee holds 148,045 Shares in the capital of the Company.

Mdm Lee holds a 99.87% interest in the issued share capital of Hsu Tai Investment Limited (“**Hsu Tai**”), a company incorporated in Taiwan, while Ms Chen Shao-Chiao, Mr Chen Shao-Wei and Ms Chen Shao-Man hold the remaining 0.13% in equal proportions. Hsu Tai and Mdm Lee own 99.82% and 0.17% of the issued share capital of Hsu Chang Investment Limited (“**Hsu Chang**”) while Ms Chen Shao-Chiao, and Ms Chen Shao-Man hold the remaining 0.01% in equal proportion.

Hsu Chang holds 626,382 Shares in the capital of the Company.

Mr Chen is deemed interested in all the Shares held by Mdm Lee and Hsu Chang. Mdm Lee is deemed interested in all the Shares held by Hsu Chang and Mr Chen.

- (2) Yageo Corporation (“**Yageo**”), a company incorporated in Taiwan and listed on the Taiwan Stock Exchange, is the owner of the entire share capital of Kuo Shin Investment Corporation (“**Kuo Shin**”).

Kuo Shin holds 1,838,954 Shares in the Company.

Yageo is deemed interested in all the Shares held by Kuo Shin.

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

4. APPROVALS AND DIRECTORS’ RECOMMENDATION

4.1 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.

- 4.2 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.

5. 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, Ballroom 4, Level 2, 39 Scotts Road, Singapore 228230 on 15 May 2017 at 9.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications the resolution relating to the Capital Reduction and Cash Distribution.

6. 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 MYP Centre, 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.

7. 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 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.

8. 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 MYP Centre, 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 2016.

Yours faithfully

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

Chen Tie-Min
Executive Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING

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, Ballroom 4, Level 2, 39 Scotts Road, Singapore 228230 on 15 May 2017 at 9.00 a.m. for the purpose of considering and, if thought fit, passing the following Special Resolution, with or without modifications:

THE PROPOSED CAPITAL REDUCTION AND CASH DISTRIBUTION

*All capitalised terms in the resolution below and defined in the circular to Shareholders of the Company dated 13 April 2017 (the “**Circular**”) shall, unless otherwise defined in this Notice bear the respective meanings ascribed thereto in the Circular.*

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\$50,189,033.91 (as at the Latest Practicable Date) to S\$46,653,231.21 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 (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
21 April 2017

NOTICE OF BOOKS CLOSURE DATE FOR THE PROPOSED CAPITAL REDUCTION AND CASH DISTRIBUTION

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members will be closed from 5.00 p.m. on 22 May 2017 (i.e. the Books Closure Date) in order to determine the entitlements of Shareholders to the proposed Cash Distribution pursuant to the proposed Capital Reduction.

Shareholders whose Securities Accounts with CDP are credited with Shares at 5.00 p.m. on 22 May 2017 will be entitled to S\$0.10 per Share held by the Shareholder as at the Books Closure Date.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, up to 5.00 p.m. on 22 May 2017 will be registered to determine the Shareholders' entitlements to the proposed Cash Distribution.

The payment of the proposed Cash Distribution is subject to, *inter alia*, (i) no creditors having applied to court for the special resolution of the proposed Capital Reduction and Cash Distribution passed at the Extraordinary General Meeting to be cancelled, and (ii) the Company completing the necessary filings with ACRA as provided under Section 78E of the Companies Act, after the end of six (6) weeks, and before the end of eight (8) weeks, beginning with the date the Capital Reduction and Cash Distribution resolution was passed, upon which the Capital Reduction will take effect.

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 estimated payment date as set out below (the "**Estimated 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 Estimated 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 Estimated 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.

Subject to the Shareholders' approval of the proposed Capital Reduction and Cash Distribution at the Extraordinary General Meeting to be held on 15 May 2017 and the Capital Reduction taking effect, the Estimated Payment Date of the Cash Distribution is expected to be on or about 30 June 2017.

The Company will make the relevant announcements to update and notify the Shareholders of the effective date of the Capital Reduction and the date of payment of the Cash Distribution in due course.

Notes:

- 1) A member, other than a relevant intermediary, 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 MYP Centre, 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 but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified). **"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. An investor who holds shares under the Central Provident Fund Investment Scheme (“**CPF Investor**”) and/or the Supplementary Retirement Scheme (“**SRS Investor**”) (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.
2. This Proxy Form is not valid for use by CPF and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

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, Ballroom 4, Level 2, 39 Scotts Road, Singapore 228230 on 15 May 2017 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.

Special Resolution	For*	Against*
To approve the proposed Capital Reduction and Cash Distribution		

* Please indicate your vote “For” or “Against” with “X” within the box provided.

Signed this _____ day of _____ 2017.

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. Save for a member who is a relevant intermediary as defined in Note 8, 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 MYP Centre, Singapore 049910** not less than 48 hours before the time set for the EGM.
4. Save for a member who is a relevant intermediary as defined in Note 8, 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).

“**Relevant intermediary**” means:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
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.