



First Quarter Financial Statements for the Period Ended 31 March 2016

**PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR RESULTS**

**1(a)(i) Statement of profit or loss and other comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial period.**

	Group		Change
	1-Jan-16 to 31-Mar-16	1-Jan-15 to 31-Mar-15	
	US\$'000	US\$'000	
Revenue	7,450	8,522	(12.6)
Cost of sales	<u>(5,265)</u>	<u>(6,176)</u>	(14.8)
Gross Profit	2,185	2,346	(6.9)
Other operating income	57	88	(35.2)
Distribution costs	(162)	(202)	(19.8)
Administration expenses	(1,110)	(1,162)	(4.5)
Other operating expenses	<u>(234)</u>	<u>(341)</u>	(31.4)
Profit from operations	736	729	1.0
Finance costs	<u>(5)</u>	<u>(15)</u>	(66.7)
Profit before income tax	<u>731</u>	<u>714</u>	2.4
Net profit for the period	<u>731</u>	<u>714</u>	2.4
<i>Items that may not be reclassified subsequently to profit or loss</i>			
Other comprehensive income :			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Fair value gain on available for sale financial assets	<u>19</u>	<u>20</u>	(5.0)
Other comprehensive income for the period, net of tax	<u>19</u>	<u>20</u>	(5.0)
Total comprehensive income attributable to equity holders of the Company	<u><u>750</u></u>	<u><u>734</u></u>	2.2
Earnings per share attributable to equity holders of the Company (US cent)			
- Basic	<u>2.07</u>	<u>2.02</u>	2.5
- Diluted	<u>2.07</u>	<u>2.02</u>	2.5
A. Net profit is arrived at after charging (crediting) :			
- Directors' remuneration	216	198	9.1
- Interest on borrowings	5	15	(66.7)
- Depreciation expense	2,605	2,825	(7.8)
- Foreign currency exchange (gain)/loss	(15)	47	NM
- Interest income	(4)	(82)	(95.1)

NM - Not meaningful



**1(b)(i) Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial period.**

	Group		Company		
	31-Mar-16	31-Dec-15	31-Mar-16	31-Dec-15	
	Note	US\$'000	US\$'000	US\$'000	
<b>Current Assets</b>					
Cash		7,957	9,276	218	170
Trade receivables		6,786	5,321	-	-
Other receivables and prepayments		992	984	6,508	6,446
Total current assets		<u>15,735</u>	<u>15,581</u>	<u>6,726</u>	<u>6,616</u>
<b>Non-current Assets</b>					
Investment in subsidiaries		-	-	45,311	45,311
Property, plant and equipment		36,908	38,322	-	-
Available-for-sale investments		686	667	-	-
Other receivables and prepayments		537	533	-	-
Deferred tax assets		555	555	-	-
Total non-current assets		<u>38,686</u>	<u>40,077</u>	<u>45,311</u>	<u>45,311</u>
<b>Total Assets</b>		<u><u>54,421</u></u>	<u><u>55,658</u></u>	<u><u>52,037</u></u>	<u><u>51,927</u></u>
<b>Current Liabilities</b>					
Trade payables		295	304	-	-
Other payables		4,308	6,286	1,580	1,357
Income tax payable		293	293	-	-
Total current liabilities		<u>4,896</u>	<u>6,883</u>	<u>1,580</u>	<u>1,357</u>
<b>Capital and Reserves</b>					
Share capital		44,317	44,317	44,317	44,317
Merger reserve		(764)	(764)	-	-
Contributed surplus		-	-	2,295	2,295
Fair value reserve		227	208	-	-
Accumulated profit		5,745	5,014	3,845	3,958
Net shareholders' equity		<u>49,525</u>	<u>48,775</u>	<u>50,457</u>	<u>50,570</u>
<b>Total Liabilities and Shareholders' Equity</b>		<u><u>54,421</u></u>	<u><u>55,658</u></u>	<u><u>52,037</u></u>	<u><u>51,927</u></u>



**1 (b) (ii) Aggregate amount of group's borrowing and debt securities**

**Details of loans and borrowings**

The Group has entered into a five-year syndication loan facility agreement for NT\$900 million from a consortium of banks in June 2015.

As at 31 March 2016, the Group has available banking facilities of US\$27,959,000 (31 Dec 2015: US\$27,414,000) with a consortium of banks. The facility is secured using certain property, plant and equipment.



**1 (c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial period.**

	Group 1-Jan-16 to 31-Mar-16	Group 1-Jan-15 to 31-Mar-15
Note	US\$'000	US\$'000
<b>Operating activities</b>		
Profit before income tax	731	714
Adjustments for :		
Depreciation expense	2,605	2,825
Interest income	(4)	(82)
Interest expense	5	15
Gain on disposal of property, plant and equipment	(4)	-
Operating profit before working capital changes	3,333	3,472
Trade receivables	(1,465)	(537)
Other receivables and prepayments	(17)	(76)
Trade payables	(9)	(137)
Other payables	(1,929)	(1,199)
Cash used in generated from operations	(87)	1,523
Interest received	4	321
Net cash (used in) from operating activities	(83)	1,844
<b>Investing activities</b>		
Proceeds from disposal of property, plant and equipment	4	-
Purchase of property, plant and equipment	A (1,240)	(599)
Net cash used in investing activities	(1,236)	(599)
<b>Financing activities</b>		
Purchase of treasury shares	-	(498)
Interest paid	-	(15)
Net cash used in financing activities	-	(513)
Net (decrease)/increase in cash	(1,319)	732
Cash at the beginning of the period	9,276	38,590
<b>Cash at the end of the period</b>	<b>7,957</b>	<b>39,322</b>



Note

A. Property, plant and equipment

During the period, the information relating to the Group's acquisition of property, plant and equipment is as follows:

	<b>1-Jan-16 to 31-Mar-16 US\$'000</b>	<b>1-Jan-15 to 31-Mar-15 US\$'000</b>
Total acquisition of property, plant and equipment	1,191	585
Add: Other payables at beginning of period	90	108
Less: Other payables at end of period	<u>(41)</u>	<u>(94)</u>
Cash paid	<u><u>1,240</u></u>	<u><u>599</u></u>



1(d)(i)A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period.

Group	Share	Treasury	Legal	Merger	Fair value	Accumulated	Net
	capital	shares	reserve	reserve	reserve	earning (losses)	
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance at 1 Jan 2015</b>	85,252	(405)	4,875	23,993	141	(28,283)	85,573
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	714	714
Other comprehensive income for the period	-	-	-	-	20	-	20
Total	-	-	-	-	20	714	734
Transactions with owners, recognised directly in equity							
Repurchase of shares	-	(418)	-	-	-	-	(418)
<b>Balance at 31 Mar 2015</b>	<b>85,252</b>	<b>(823)</b>	<b>4,875</b>	<b>23,993</b>	<b>161</b>	<b>(27,569)</b>	<b>85,889</b>
<b>Balance at 1 Jan 2016</b>	44,317	-	-	(764)	208	5,014	48,775
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	731	731
Other comprehensive income for the period	-	-	-	-	19	-	19
Total	-	-	-	-	19	731	750
<b>Balance at 31 Mar 2016</b>	<b>44,317</b>	<b>-</b>	<b>-</b>	<b>(764)</b>	<b>227</b>	<b>5,745</b>	<b>49,525</b>

Company	Share	Treasury	Contributed	Accumulated	Net
	capital	shares	surplus	earning (losses)	
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance at 1 Jan 2015</b>	85,252	(405)	31,927	(29,632)	87,142
Loss for the period, representing total comprehensive loss for the period	-	-	-	(238)	(238)
Transactions with owners, recognised directly in equity					
Repurchase of shares	-	(418)	-	-	(418)
<b>Balance at 31 Mar 2015</b>	<b>85,252</b>	<b>(823)</b>	<b>31,927</b>	<b>(29,870)</b>	<b>86,486</b>
<b>Balance at 1 Jan 2016</b>	44,317	-	2,295	3,958	50,570
Loss for the period, representing total comprehensive loss for the period	-	-	-	(113)	(113)
<b>Balance at 31 Mar 2016</b>	<b>44,317</b>	<b>-</b>	<b>2,295</b>	<b>3,845</b>	<b>50,457</b>



**1(d)(ii) Details of any changes in the company’s share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial period.**

<b>Share Capital</b>	<b>Number of shares ('000)</b>	
	<b>Year-to-date</b>	
	<b>31-Mar-16</b>	<b>31-Mar-15</b>
Balance at beginning of period and end of period	35,358	719,442

<b>Treasury Shares</b>	<b>Number of shares ('000)</b>	
	<b>Year-to-date</b>	
	<b>31-Mar-16</b>	<b>31-Mar-15</b>
Balance at beginning of period	-	6,085
Repurchase during the period	-	6,196
Balance at end of period	-	12,281

The Company effected share consolidation of every twenty existing shares for one new share and capital reduction and cash distribution pursuant to the shareholders’ approval at the annual general meeting held on 29 April 2015. The share consolidation was completed on 27 May 2015.

Subsequent to the completion of capital reduction and cash distribution, the Company carried out the share consolidation of every twenty existing shares for one new share, resulting approximately 683,470,000 to be cancelled.

The Company cancelled the 614,050 treasury shares on 29 May 2015.

In the current period, the Company purchased a total of Nil (31 March 2015 : 6,196,000) shares through market purchase. The total amount paid to acquire shares for the period was US\$Nil (31 March 2015 : US\$418,000) and has been separately recorded as treasury shares in shareholders’ equity.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Total number of issued shares excluding treasury shares as at the end of the current financial period is 35,358,027 (31 December 2015 : 35,358,027) shares.



**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

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

**2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited but have been reviewed by the auditors in accordance with Singapore Standard on Review Engagements 2410 *Review of Financial Information Performed by the independent Auditor of the Entity*.

**3 Where the figures have been audited or reviewed, the auditors' report (including any qualification or emphasis of a matter).**

Please see attached review report.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The accounting policies and methods of computation applied by the Group and the Company are consistent with those used in its most recently audited financial statements for the year ended 31 December 2015.

**Basis of preparation of the interim condensed financial information**

The interim condensed financial information of Global Testing Corporation Limited and its subsidiaries (the "Group"), which comprises the condensed statement of financial position of the Group and the Company as at March 31, 2016, and the condensed statement of profit or loss and other comprehensive income, statement of changes in equity, and cash flow statement of the Group and the condensed statement of changes in equity of the Company for the three months period then ended, and selected explanatory notes as enumerated in sections 1, 4, 5, 6, 7, 11, 12, and 14 of the announcement, has been prepared in accordance with Singapore Financial Reporting Standards 34 Interim Financial Reporting ("FRS 34"). This interim condensed financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2015.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.**

There are no changes to the Group's accounting policies and the adoption of the new or revised FRS and Interpretations that become effective in the financial period beginning on or after 1 January 2016 has no material impact on the Group's consolidated condensed interim financial information.





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

	<b>Group</b>	
	<b>1- Jan-16 to 31-Mar-16</b>	<b>1- Jan-15 to 31-Mar-15</b>
Based on weighted average numbers of shares (US cents per share)	2.07	2.02
- Weighted average number of shares ('000)	35,358	35,407
On a fully diluted basis (US cents per share)	2.07	2.02
- Weighted average number of shares ('000)	35,358	35,407

Note : On 27 May 2015 a Share Consolidation of 20 existing shares for one new share completed thereby reducing the numbers of shares in issue. For the purposes of this note the comparative numbers for the prior year have been adjusted as though that Share Consolidation had taken place last year to enable direct comparison.

The earnings per ordinary share of the group without share consolidation and as reported at 31 March 2015 was US cents 0.10 per ordinary share.

**7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of (a) the current financial period reported on and (b) immediately preceding financial year.**

	<b>31-Mar-16</b>	<b>31-Dec-15</b>
Net asset value per share (US dollars)		
-The Group	1.40	1.38
-The Company	1.43	1.43

Net asset value per ordinary share is calculated based on the share capital of 35,358,027 (31 December 2015 : 35,358,027) ordinary shares outstanding excluding treasury share as at the end of the relevant financial period.

**8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

**(a) any significant factors that affected the turnover, costs, and loss of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**



## **Review of Operating Results**

### **Revenue**

Revenue for 1Q 2016 decreased by 12.6% to US\$7.5 million, compared to US\$8.5 million in 1Q 2015, mainly due to the decrease in customers' orders.

### **Cost of sales**

Cost of sales for 1Q 2016 decreased by 14.8% to US\$5.3 million, compared to US\$6.2 million in 1Q 2015. That's in line with lower sales activities coupled with the decrease in depreciation expense, as a result of the expiry of useful lives of plant and equipment.

### **Other operating expenses**

Other operating expenses for 1Q 2016 decreased by 31.4% to US\$0.2 million compared to US\$0.3 million in 1Q 2015, mainly due to the foreign exchange loss recognized in 2015.

## **Financial position of the Group**

### **Cash**

Cash decreased by 14.2% to US\$8.0 million as at 31 March 2016, compared to US\$9.3 million as at 31 December 2015, mainly due to the payment of FY2015 year-end bonus in Q1 2016.

### **Trade receivables**

Trade receivables increased by 27.5% to US\$6.8 million as at 31 March 2016, compared to US\$5.3 million as at 31 December 2015, mainly due to slower repayment from customers.

### **Other payables**

Other payables decreased by 31.5% to US\$4.3 million as at 31 March 2016, compared to US\$6.3 million as at 31 December 2015, mainly due to the payment of FY2015 year-end bonus in February 2016.

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

For 1Q 2016, revenue increased by 4.0% from US\$7.2 million in 4Q 2015 to US\$7.5 million. The result is consistent with the Group's earlier guidance.



**10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group continues to show resiliency, maintaining net profitability for 1Q 2016, despite a difficult start in the year brought about by sluggish global semiconductor sales and exacerbated by the Tainan earthquake in February, which resulted in wafers shipment delays from major semiconductor manufacturers.

Latest data from Gartner indicate that the industry outlook remains dampened in 2016 due to a reduced demand for semiconductors as global IT spending is expected to decline 0.5% in 2016, alongside worldwide semiconductor revenues, which are forecasted to decline 0.6% from 2015. Against these headwinds, the Group remains focused in maintaining its profitability by taking measures to optimize our operations and costs.

**11. Dividend**

**(a) Current Financial Period Reported On**

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

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect.**

No dividends have been paid, declared or recommended since the end of the Company's preceding financial year.

**13. If the group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

No IPT mandate has been obtained from shareholders. The company and its subsidiaries did not enter into any IPT during the financial period ended 31 March 2016.

**14. Confirmation Pursuant to Rule 720(1) of the Listing Manual**

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



15. **Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**Products and services from which reportable segments derive their revenues**

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance. The Group's sole operating segment is the provision of testing services to customers in the semi-conductor industry. As there is only one principal operating segment, the information regarding its revenues and results, assets and other information is represented by the financial statements as a whole.

**Geographical information**

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

**Revenue by geographical region**

	1 Jan 2016 to 31 Mar 2016		1 Jan 2015 to 31 Mar 2015	
	US\$'000	%	US\$'000	%
Asia	6,208	83.3	7,046	82.7
North America	1,235	16.6	1,289	15.1
Others	7	0.1	187	2.2
	<u>7,450</u>	<u>100.0</u>	<u>8,522</u>	<u>100.0</u>

**Non-current assets by geographical location**

	31-Mar-16	31-Mar-15
	US\$'000	US\$'000
Taiwan	38,274	41,762
US	412	909
Total	<u>38,686</u>	<u>42,671</u>



**16. Confirmation Pursuant to Rule 705(5) of the Listing Manual**

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results for the financial period ended 31 March 2016 of the Company and of the Group to be false or misleading, in any material aspect.

On behalf of the Board of Directors

**Chen, Tie-Min**  
Executive Chairman

**Heng-Chun Ho**  
Executive Director and  
Chief Executive Officer

**BY ORDER OF THE BOARD**

Heng-Chun Ho  
Executive Director and Chief Executive Officer  
28 April 2016

April 28, 2016

The Board of Directors  
Global Testing Corporation Limited  
9 Battery Road  
#15-01 Straits Trading Building  
Singapore 049910

Dear Sirs

## **REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION FOR GLOBAL TESTING CORPORATION LIMITED FOR THE THREE MONTHS ENDED MARCH 31, 2016**

### **Introduction**

We have reviewed the accompanying interim condensed financial information of Global Testing Corporation Limited (the "Company") and its subsidiaries (the "Group") which comprises the condensed statement of financial position of the Group and the Company as at March 31, 2016, and the condensed statement of profit or loss and other comprehensive income, statement of changes in equity, and cash flow statement of the Group and the condensed statement of changes in equity of the Company for the three months period then ended, and selected explanatory notes as enumerated in sections 1, 4, 5, 6, 7, 11, 12 and 15 of the announcement ("interim condensed financial information").


Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with Singapore Financial Reporting Standards 34 *Interim Financial Reporting* ("FRS 34"). Such interim condensed financial information has been prepared by the Company for announcement on the Singapore Exchange Securities Trading Limited. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

### **Scope of Review**

We conducted our review in accordance with the Singapore Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not presented fairly, in all material respects, in accordance with FRS 34.

  
Public Accountants and  
Chartered Accountants  
Singapore