

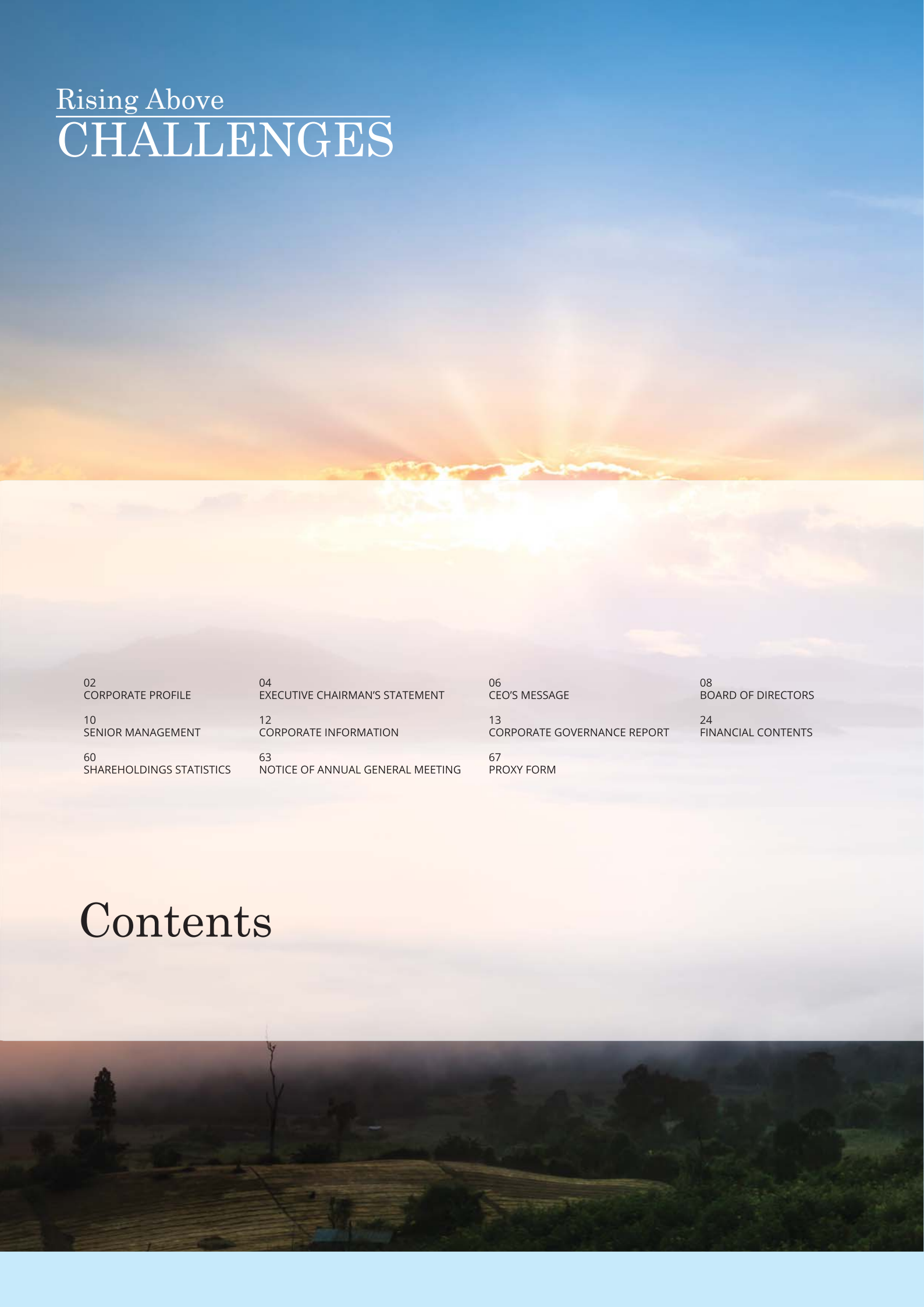


ANNUAL
REPORT
2015



GLOBAL
TESTING
CORPORATION
LIMITED

Rising Above
CHALLENGES



Rising Above CHALLENGES

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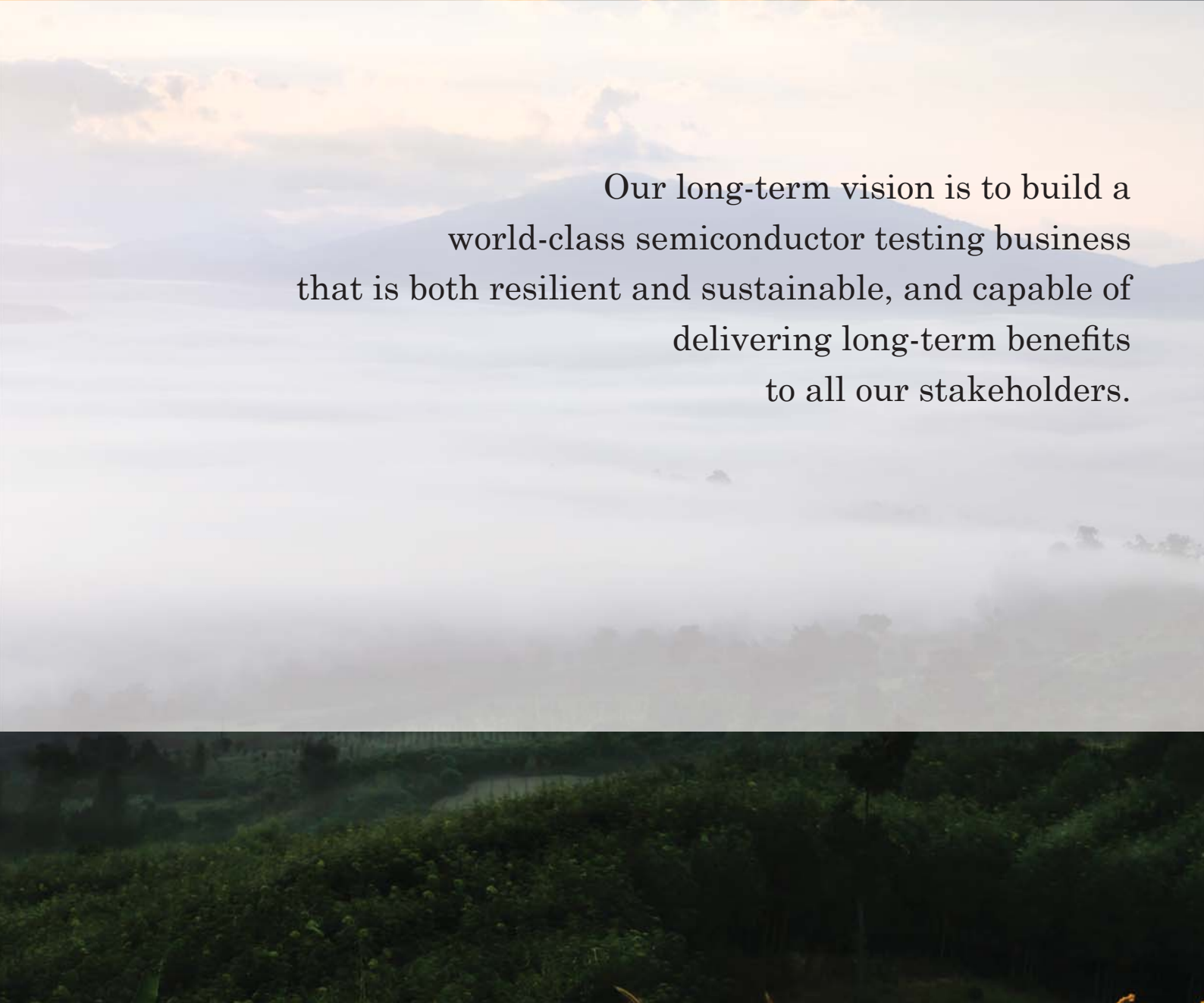
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Our long-term vision is to build a world-class semiconductor testing business that is both resilient and sustainable, and capable of delivering long-term benefits to all our stakeholders.





Corporate Profile

Established in 1998, Global Testing Corporation Limited ("Global Testing" or the "Group") is one of the largest independent testing services companies in the Asia-Pacific region. The Group primarily provides testing services such as wafer sorting and final testing to the semiconductor industry, focusing on logic and mixed signal semiconductors used in consumer electronics and communication devices.



GLOBAL TESTING
CORPORATION
LIMITED

The Group has also established its niche in the provision of wafer testing services to the automotive devices industry, which generally has more stringent quality and technical requirements compared to other types of wafers.

As part of its testing services, the Group provides test program development, conversion and optimisation services, load board and probe card design, and leases its testers to its customers for trial and pilot testing purposes on an ad hoc basis.

Global Testing has been listed on the SGX Mainboard since 24 August 2005.



EXECUTIVE CHAIRMAN'S STATEMENT

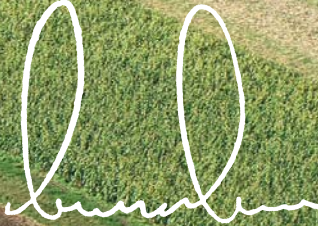
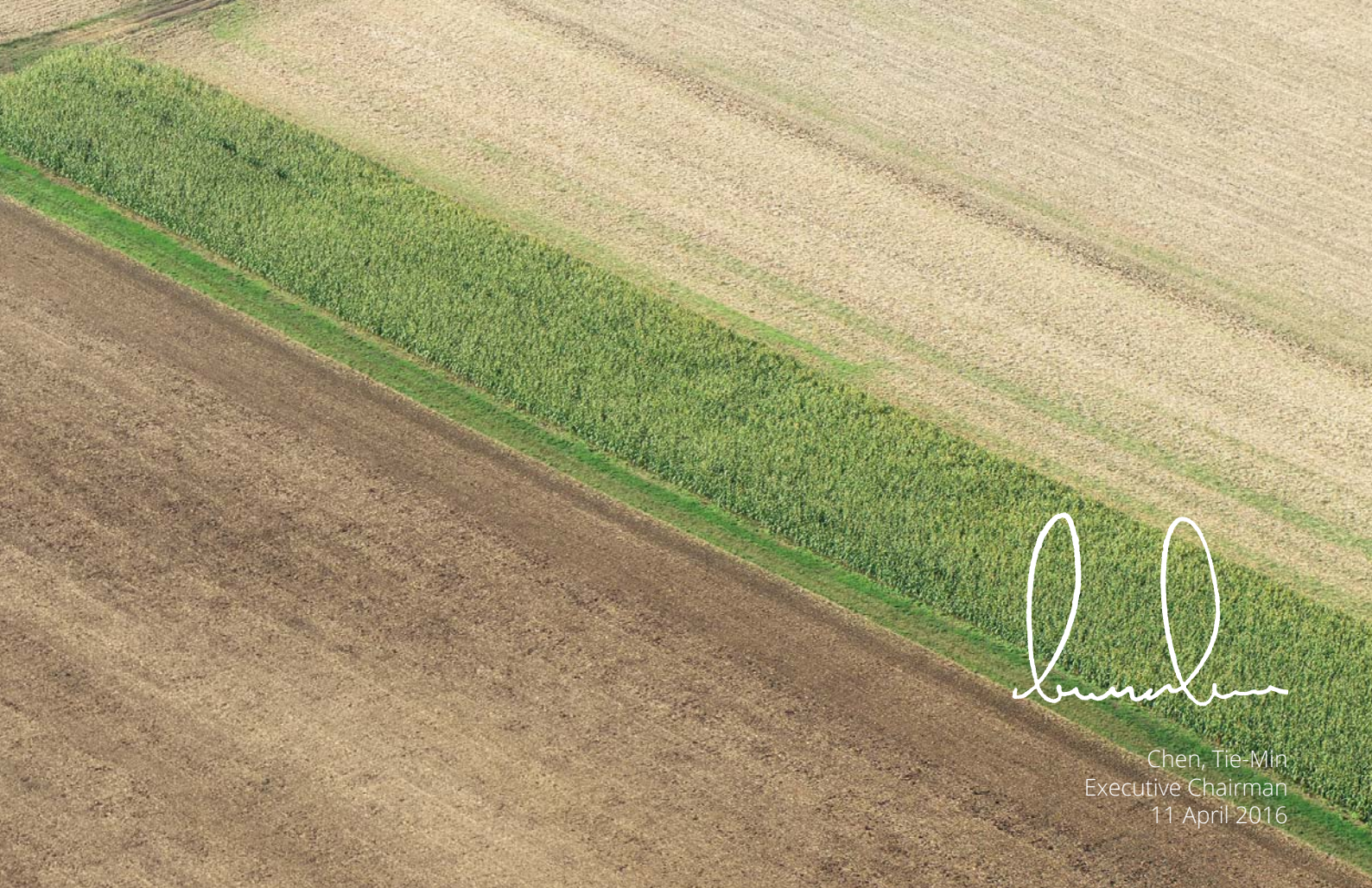
Rising Above CHALLENGES

Dear Valued Shareholders,

On behalf of the Board of Directors of Global Testing, it is my great pleasure to present the audited financial statements for the financial year ended 31 December, 2015 ("FY2015"), which also marks our tenth year as a listed company on the Singapore Exchange.

CHALLENGING TIMES

FY2015 has been a challenging year for both the global economy and the semiconductor industry, as the slowing Chinese economy and strong dollar dampened demands for electronic equipment, resulting in further weakness in the tablets and PC markets, and a slowdown in smartphone shipments. Worldwide semiconductor revenue totalled US\$333.7 billion in 2015, a 1.9% decrease from the previous year as many key device markets recorded declines in revenue growth, according to Gartner.



Chen, Tie-Min
Executive Chairman
11 April 2016

RISING ABOVE

Despite these challenges, Global Testing continues to deliver a resilient set of results with the continuation of our Group's effort in managing costs and enhancing its operational efficiency.

2015 marks a decade since Global Testing was listed on the Singapore Exchange, and one of our Group's key areas of focus is to enhance and deliver value for our shareholders. In February 2015, our Group embarked on a Capital Reduction and Cash Distribution exercise to rationalise our balance sheet, improve our shareholders' return on equity and put the Group in a better position to retain profits. With our Group's improved capital structure and financial position, we believe that we are well-poised to capitalise on future trends and take on suitable business opportunities in the fast-changing semiconductor industry going forward.

STAYING RESILIENT

Our long-term vision is to build a world-class semiconductor testing business that is both resilient and sustainable, and capable of delivering long-term benefits to all our stakeholders.

The year ahead is expected to remain challenging for the semiconductor industry with a bleaker outlook for end-user electronics demand and the world economic environment. Leading semiconductor vendors are expected to remain cautious in their capital investment policies against the backdrop of slowing electronics demand.

In light of this, our Group maintains a cautious outlook for the year ahead, and we will continue to focus on growing and diversifying our customer base, while working diligently to enhance our operational, engineering and financial strengths as we work towards building a resilient future that our shareholders can place their confidence in.

Finally, I would like to thank all of our customers, shareholders and employees for their continuous support. We look forward to delivering on our commitments and expectations in FY2016 and the years to come.

CEO's Message

Dear Valued
Shareholders,

Throughout our ten years as a listed company, Global Testing has kept our focus on building a resilient business that is capable of delivering value and growth to our stakeholders. I am pleased to note that our diligence and prudence in managing our cost and enhancing operational efficiency were well-validated in 2015 where we rose above challenges which beset the market. As a result, we were able to post improved profitability, amid a weak global economy and tepid semiconductor industry.

Performance Overview

Through our sustained cost management efforts, our Group successfully reduced our other operating expenses. In FY2015, Global Testing achieved a net profit of US\$3.7 million, a 20.3% improvement from US\$3.1 million in FY2014. Our Group's earnings per share were 10.42 US cents per share in FY2015, compared to 8.53 US cents in FY2014, after comparative adjustment to take into account the share consolidation in May 2015. This was undertaken to mitigate fluctuations in the magnitude of our share price and market capitalisation, and reduce the percentage transaction cost for trading, as part of our efforts to deliver value for our shareholders.

Capital Reduction and Cash Distribution Exercise

In FY2015, Global Testing also proceeded with a Capital Reduction and Cash Distribution Exercise in February 2015 to rationalise our Group's balance sheet and enhance shareholders' return on equity. A cash distribution of US\$40.1 million at S\$0.075 per share was distributed to shareholders on 3 July, 2015. With the completion of this exercise, our Group is well-positioned to enter FY2016 with an improved capital structure and financial position.

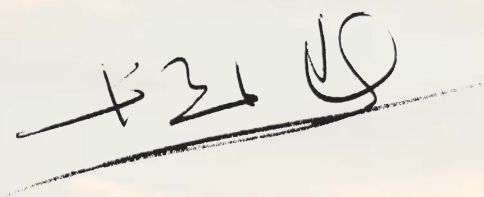
FY2016 Plan

The ongoing challenges faced by the semiconductor industry are expected to persist through 2016. The International Monetary Fund ("IMF") lowered its global economic growth forecast for the year to 3.4% from 3.6%, in anticipation of a continued slowdown in emerging markets economies, a shift in China's economic model to be less dependent on exports and manufacturing, and the Federal Reserve's gradual withdrawal from its ultra-low interest rate policy. Amid this global economic slowdown, demand for electronic equipment is expected to remain dampened and weigh on the semiconductor industry.

In spite of these challenges, our Group has identified opportunities in China's rapidly expanding integrated circuit ("IC") industry. With this in mind our Group will seek to grow and diversify our customer base with a focus on the Chinese IC market, and continue to exercise diligence in managing our cost and enhancing our operational efficiency.

A Note of Appreciation

For the past 18 years, Global Testing has steadily grown into one of the largest independent testing services companies in the Asia-Pacific region, and we would like to thank all of you for the support we have received, which has been integral to our success.



H.C. Ho, Heng-Chun
Executive Director and
Chief Executive Officer
11 April 2016

BOARD OF DIRECTORS

Mr Chen, Tie-Min

Executive Chairman
Member of Nominating Committee

Mr Chen, Tie-Min was appointed by the Board on 30 August 2004 and was last re-elected to the Board on 28 April 2014. As Executive Chairman, Mr Chen is responsible for the overall strategic direction of the Group. Mr Chen is the Chairman of Yageo Corporation and Chilisin Corporation, both TWSE public listed companies in Taiwan. Mr Chen holds a Bachelor of Engineering Science degree from the National Cheng Kung University, Taiwan.

Mr H.C. Ho, Heng-Chun

Executive Director and
Chief Executive Officer

Mr H.C. Ho was appointed by the Board on 1 March 2010 and was last re-elected to the Board on 29 April 2015. Mr Ho is also the Executive Chairman of the Group's wholly-owned subsidiary, Global Testing Corporation Taiwan. With over 29 years of technology industry experience, he assists in overseeing the overall strategic direction of the Group.

Prior to joining the Group, Mr Ho was the President and CEO of Pontex Group ("Pontex"). Before his tenure at Pontex, Mr Ho helmed the Asia Pacific Region operations of ViewSonic, a global leader in LCD display products. Mr Ho doubled ViewSonic's corporate revenue growth in the three years he served as President of its Global Product Group and Asia Pacific Region from 2005 to 2008.

From 2001 to 2004, Mr Ho was the President and CEO of Sampo Corporation and Sampo Group, one of Taiwan's largest own brand and ODM manufacturers of LCD, PDP, TV, "black" and "white" goods for both domestic and global markets. Under his leadership, Sampo Group was awarded the original design manufacturing of LCD, PDP, and TV, which catered to the US and European markets.



Mr Geoffrey Yeoh Seng Huat

Lead Independent Director
Chairman of Audit Committee
Member of Remuneration Committee
Member of Nominating Committee

Mr Geoffrey Yeoh was appointed Independent Director of Global Testing on 30 April 2007 and was re-elected to the Board on 28 April 2014. He also serves as Independent Director to Hoe Leong Corporation Ltd.

Mr Yeoh worked in banking for 16 years before assuming senior management positions in SGX listed companies. Mr Yeoh holds a Bachelor in Economics from the London School of Economics and is a Fellow of the Association of Chartered Certified Accountants.

Mr Kenneth Tai, Chung-Hou

Independent Director
Chairman of Nominating Committee
Member of Audit Committee
Member of Remuneration Committee

Previously appointed Non-Executive Director of the Group on 30 August 2004, Mr Kenneth Tai, Chung-Hou was re-elected to the Board on 29 April 2015. Mr Tai is the Chairman of InveStar Capital Inc., DigiTimes Inc., Jasper Display Corp., SolidPro Technology Corp., and RichTek Technology Corp.

Between 1976 and 1993, Mr Tai co-founded and held senior positions in Acer Group where he was responsible for the sales and marketing strategy. Mr Tai holds a Masters in Business Administration from Tamkang University, Taiwan and a Bachelor of Science in Electrical Engineering from National Chiao Tung University, Taiwan.

Mr Chia Soon Loi

Independent Director
Chairman of Remuneration Committee
Member of Audit Committee
Member of Nominating Committee

Mr Chia Soon Loi was appointed as Independent Director of Global Testing on 17 November 2004 and was last re-elected to the Board on 26 April 2013.

He has more than 29 years of experience in the electronics industry as Founder and Director of Cony Electronics (S) Pte Ltd, as well as extensive experience in the food and beverage industry. Mr Chia also serves on the Board of several other companies in Singapore and overseas, in both the electronics and non-electronics industries.

A large, multi-colored hot air balloon with horizontal stripes of red, orange, yellow, green, and blue is floating in a blue sky with scattered white clouds. Below the balloon, the deep blue ocean stretches to the horizon, with small white waves visible. The text 'SENIOR MANAGEMENT' is overlaid in the lower-left quadrant of the image.

SENIOR MANAGEMENT

Mr George Wang, Tsai-Wei

Chief Financial Officer
Vice President, Finance

Mr George Wang, Tsai-Wei was appointed Chief Financial Officer on 13 August 2010. He is responsible for the Group's financial functions including accounting, auditing, financial and management reporting, investment, tax, treasury, financial analysis, merger & acquisition support as well as risk management.

Prior to joining the Group, Mr Wang served as Director of Finance at Tatung Otis Elevator Co. A finance veteran with over 20 years' experience, Mr Wang was previously the Assistant General Manager for Finance at PCCW HK Telecom and the Financial Controller of TNT Taiwan. He holds a Bachelor of Accounting from Fu Jen University, Taiwan.

Mr Richard Hu, Yi-Long

Vice President,
Sales and Marketing

As Vice President, Sales and Marketing, Mr Richard Hu, Yi-Long is responsible for the Group's business development activities. Mr Hu joined the Group on 28 March 2011 and was appointed to his current position on 1 March 2012.

Prior to his appointment, Mr Hu spent 6 years at Lite-On Semiconductor Corp. where he was first appointed as Sales and Marketing Director, and subsequently promoted to General Manager. Mr Hu also served as the Assistant Vice President at Altek Electronic, Inc.'s ODM Digital Still Camera Business unit for a year following a twelve years tenure at Compal Electronics, Inc, where he rose through the ranks from Sales Manager in 1993 to Supplier Chain Management Director in 2005.

Mr Hu holds a Bachelor of Computer Science from the West Coast University, USA.

Mr Ming Chen

Vice President,
Operations

Mr Ming Chen was appointed Operation Vice President in May 2015. He is responsible for the operations of the Group, including manufacturing, engineering, product development and facility.

Mr Chen joined the Group in March 2003 as Manager of Testing Engineering, then Director of Product Engineering, and again promoted to Assistant VP of Engineering Technology Center in 2013.

He has demonstrated his good leadership and communication skills in the past key managerial positions. Mr Chen has more than 18 years' experience in the IC wafer testing and final testing's hardware and software related fields.

Before joining Global Testing, he was the Senior Field Application Engineer and Manager at HP (Hewlett-Packard) and Agilent Technologies. He was also previously responsible for TSMC and UMC's IC testing support for about 5 years. He specialises in high speed, analog, digital and mix signal hardware testing, testing solution development and development of test program, load board circuit, testing schematics according to IC Data Sheet, among others.

Mr Chen holds a Bachelor of Electrical Engineering from the University of Yuan Ze, Taiwan.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Chen, Tie-Min
Executive Chairman

Mr H.C. Ho, Heng-Chun
Executive Director and Chief Executive Officer

Mr Geoffrey Yeoh Seng Huat
Lead Independent Director

Mr Kenneth Tai, Chung-Hou
Independent Director

Mr Chia Soon Loi
Independent Director

AUDIT COMMITTEE

Mr Geoffrey Yeoh Seng Huat (Chairman)
Mr Chia Soon Loi
Mr Kenneth Tai, Chung-Hou

NOMINATING COMMITTEE

Mr Kenneth Tai, Chung-Hou (Chairman)
Mr Chia Soon Loi
Mr Chen, Tie-Min
Mr Geoffrey Yeoh Seng Huat

REMUNERATION COMMITTEE

Mr Chia Soon Loi (Chairman)
Mr Geoffrey Yeoh Seng Huat
Mr Kenneth Tai, Chung-Hou

COMPANY SECRETARY

Abdul Jabbar Bin Karam Din, LLB (Hons)

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

No. 75 Guangfu Road
Hu-Kou
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Hsin-Chu County 303
Taiwan

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

SOLICITORS

Rajah & Tann Singapore LLP
9 Battery Road
#15-01 Straits Trading Building
Singapore 049910

AUDITORS

Deloitte & Touche LLP (Singapore)
6 Shenton Way, OUE Downtown 2
#33-00
Singapore 068809
Partner-in-charge: Xu Jun
(Appointed since the financial year ended 31 December 2012)

PRINCIPAL BANKERS

Land Bank of Taiwan
Hsingong Branch
No. 76 Chung-Hwa Road
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Hsin-Chu Industrial Park
Hsin-Chu Hsien
Taiwan

UBS AG
Singapore Branch
One Raffles Quay
#50-01 North Tower
Singapore 048583

INVESTOR RELATIONS ADVISOR

Citigate Dewe Rogerson, i.MAGE Pte Ltd
55 Market Street
#02-01
Singapore 048941

Corporate Governance Report

Global Testing Corporation Limited (the “Company”) is committed to ensuring and maintaining a high standard of corporate governance within the Group. Good corporate governance establishes and maintains a legal and ethical environment, which helps to preserve and enhance the interests of all shareholders.

This report describes the corporate governance framework and practices of the Company with specific reference to the principles of the Code of Corporate Governance 2012 (the “Code”).

This Report should be read as a whole, instead of being read separately under the different principles of the Code.

(A) BOARD MATTERS

The Board’s Conduct of Affairs

Principle 1 : Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

Role of the Board of Directors (the “Board”)

The Board assumes responsibility for stewardship of the Company and its subsidiaries (the “Group”) and is primarily responsible for the protection and enhancement of long-term value and returns for the shareholders. It supervises the management of the business and affairs of the Group, provides corporate direction, monitors managerial performance and reviews financial results of the Group. In addition, the Board is directly responsible for decision making in respect of the following matters:

- a. approve the business strategies including significant acquisition and disposal of subsidiaries or assets and liabilities;
- b. approve the annual budgets, major funding proposals, significant capital expenditures and investment and divestment proposals;
- c. approve the release of the Group’s quarterly and full year’s financial results and interested person transactions;
- d. oversee the processes for risk management, financial reporting and compliance and evaluate the adequacy of internal controls, as may be recommended by the Audit Committee;
- e. review the performance of Management, approve the nominations to the Board of Directors and appointment of key executives, as may be recommended by the Nominating Committee;
- f. review and endorse the framework of remuneration for the Board and key executives, as may be recommended by the Remuneration Committee; and
- g. corporate policies in keeping with good corporate governance and business practice.

The Board provides shareholders with a balanced and understandable assessment of the Group’s performance, position and prospects on a quarterly basis.

Board Committees

To assist the Board in the execution of its responsibilities, the Board has established a number of Board committees which include an Audit Committee (“AC”), a Nominating Committee (“NC”) and a Remuneration Committee (“RC”), each of which functions within clearly defined terms of reference and operating procedures which are reviewed on a regular basis.

Board Meetings and Attendance

The Board meets on a quarterly basis and whenever necessary for the discharge of their duties. Dates of the Board meetings are normally set by the directors well in advance. Telephonic attendance and video-conferencing communication at Board and Board committee meetings are allowed under the Company’s Constitution. Decisions of the Board and Board committees may also be obtained through circular resolution.

Corporate Governance Report

(A) BOARD MATTERS continued

The Board's Conduct of Affairs continued

Board Meetings and Attendance continued

The number of meetings held by the Board and Board committees and attendance thereat during the past financial year are as follows:

DIRECTORS	BOARD		AC		RC		NC	
	No. of meetings	Attended	No. of meetings	Attended	No. of meetings	Attended	No. of meetings	Attended
Chen, Tie-Min	4	4	-	-	2	2	1	1
Heng-Chun Ho	4	4	-	-	-	-	-	-
Kenneth Tai, Chung-Hou	4	4	4	4	2	2	1	1
Chia Soon Loi	4	4	4	4	2	2	1	1
Geoffrey Yeoh Seng Huat	4	4	4	4	2	2	-	-

Induction and Training of Directors

The Board will constantly examine its size and, with a view to determining the impact of its number upon effectiveness, decide on what it considers an appropriate size for itself. The composition of the Board will be reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience.

All directors have many years of corporate experience and are familiar with their duties and responsibilities as directors. Directors also have the opportunity to visit the Group's operational facilities and meet up with the Management to gain a better understanding of the Group's business operations. At the time of appointment, directors are provided with formal letters setting out their duties and obligations. Newly appointed directors will be given briefings by the Executive Chairman and/or management of the Company on the business activities of the Group and its strategic directions and corporate governance practices.

The Company welcomes directors to seek explanations or clarifications from and/or convene informal discussions with the Management on any aspect of the Group's operations or business. Necessary arrangements will be made for the informal discussions or explanations as and when required.

The Company is responsible for arranging and funding the training for new and existing directors. The directors are provided with continuing briefings and updates in areas such as relevant new laws and regulations, directors' duties and responsibilities, corporate governance, changes in financial reporting standards and issues which have a direct impact on financial statements, so as to enable them to properly discharge their duties as Board or Board committee members. The scope of such continuous briefings and updates includes overview of industry trends and developments, governance practices and developing trends, and changes in trends in governance practices and regulatory requirements pertaining to the business. Where necessary, a first-time director who has no prior experience as a director of a listed company will be provided training in areas such as accounting, legal and industry-specific knowledge as appropriate.

Board Composition and Guidance

Principle 2 : There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and shareholders holding 10% or more of the voting shares of the Company. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board consists of five (5) directors of whom three (3) are independent. The list of directors is as follows:

Executive Directors

Chen, Tie-Min (Executive Chairman)
Heng-Chun Ho (Executive Director and Chief Executive Officer)

Corporate Governance Report

(A) BOARD MATTERS continued

Board Composition and Guidance continued

Non-Executive Directors

Geoffrey Yeoh Seng Huat	(Lead Independent Director)
Kenneth Tai, Chung-Hou	(Independent Director)
Chia Soon Loi	(Independent Director)

The size and composition of the Board are reviewed from time to time by the NC to ensure that the size of the Board is conducive to effective discussions and decision making. The NC is of the view that the current Board size of five (5) directors, of which three (3) are independent directors, is appropriate and effective, taking into account the nature and scope of the Company's operations.

The current Board comprises persons with diverse expertise and experience in accounting, business and management, finance and risk management who as a group provide core competencies necessary to meet the Company's requirements. The directors' objective judgement on corporate affairs and collective experience and knowledge are invaluable to the Group and allows for the useful exchange of ideas and views.

Independence of Directors

The NC reviews the independence of each director on an annual basis based on the Code's definition of what constitutes an independent director. The NC is of the view that the three (3) independent directors (who represent more than one-third of the Board) are independent and that there is a strong and independent element on the Board which is able to exercise objective judgement on corporate matters independently, in particular, from Management, and that no individual or small group of individuals dominate the Board's decision-making process.

The Board has reviewed and determined that Mr Chia Soon Loi and Mr Kenneth Tai, Chung-Hou be considered independent notwithstanding that they have served on the Board for more than nine years. Mr Chia Soon Loi and Mr Kenneth Tai, Chung-Hou are not members of the management and are free of relationships with the Company, its related companies, officers or its shareholders with shareholdings of 10% or more in the voting shares of the Company that could interfere with their independent judgment or ability to act in the interest of the Company. They have in-depth understanding of the Group's business and the industry that it operates in. Both are well qualified and experienced and they have contributed effectively by providing impartial and autonomous views, advice and judgment in the best interests of the Group.

Chairman and Chief Executive Officer

Principle 3 : There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Different individuals assume the roles of the Chairman of the Board and the Chief Executive Officer ("CEO"). The Chairman of the Board is Mr Chen, Tie-Min. As the Chairman of the Board, Mr Chen is responsible for, among others, the exercise of control over quantity, quality and timeliness of the flow of information between the Management of the Company and the Board. He also schedules Board meetings, oversees the preparation of the agenda for Board meetings and assists in ensuring compliance with the Group's guidelines on corporate governance.

He is assisted by the CEO, Mr Heng-Chun Ho. The CEO, together with the Management comprising each subsidiary's general managers and key senior managers, is responsible for the day-to-day management of the Group. In addition, the Chairman of the Board also ensures that the Board and the Management work well together with integrity and competency.

The separation of the roles of the Chairman of the Board and CEO ensures a balance of power and authority such that no one individual represents a considerable concentration of power.

Lead Independent Director

The Board appointed Mr Geoffrey Yeoh Seng Huat as the lead independent director. Shareholders with concerns may contact him directly, when contact through the normal channels via the Chairman of the Board, the CEO or the Chief Financial Officer has failed to provide satisfactory resolution, or which such contact is inappropriate.

Corporate Governance Report

(A) BOARD MATTERS continued

Board Membership

Principle 4 : There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The NC comprises the following four members, majority of whom, including the NC Chairman are independent directors:

Kenneth Tai, Chung-Hou (Chairman)
Chen, Tie-Min
Chia Soon Loi
Geoffrey Yeoh Seng Huat

The NC, which has written terms of reference, is responsible for making recommendations to the Board on all Board appointments and re-appointments. The key terms of reference of the NC are as follows:

- to identify candidates and review all nominations for the appointment or re-appointment of members of the Board, the Chief Executive Officer of the Group, and to determine the selection criteria;
- to ensure that all Board appointees undergo an appropriate induction programme;
- to regularly review the Board structure, size and composition and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- to identify gaps in the mix of skills, experience and other qualities required in an effective Board and to nominate or recommend suitable candidates to fill these gaps;
- to decide whether a director is able to and has been adequately carrying out his duties as director of the Company, particularly where the director has multiple board representations;
- to review the independence of each director annually;
- to decide how the Board's performance, Board committees and directors may be evaluated and propose objective performance criteria for the Board's approval; and
- to evaluate the effectiveness of the Board as a whole and assess the contribution by each individual director, to the effectiveness of the Board.

For the financial year under review, the NC held one (1) meeting.

The directors will submit themselves for re-nomination and re-election at regular intervals of at least once every three (3) years. Under the Company's existing Constitution, one-third of the directors for the time being (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. In reviewing and recommending to the Board the re-nomination and re-election of existing directors, the NC takes into consideration the directors' contribution and performance at Board meetings, including attendance, preparedness, participation and candour.

Each member of the NC abstains from making any recommendations and/or participating in any deliberation of the NC and from voting on any resolution, in respect of the assessment of his own performance or re-nomination as a director.

Directors' Principal Commitments and Multiple Directorships

The NC has adopted internal guidelines addressing competing principal commitments that are faced when directors serve on multiple boards. The guideline provides that each Director should hold no more than six (6) listed company board representations.

The NC is satisfied that sufficient time and attention are being given by the directors to the affairs of the Company and Group, notwithstanding that some of the directors have multiple board representations and that each director's directorships was in line with the Company's guideline of a maximum of six (6) listed company board representations and that each director has discharged his duties adequately.

In its search and nomination process for new directors, the NC has, at its disposal, search companies, personal contacts and recommendations, to cast its net as wide as possible for the right candidates.

Corporate Governance Report

(A) BOARD MATTERS continued

Board Membership continued

Directors' Principal Commitments and Multiple Directorships continued

The NC takes into account on each director's contribution and performance for the re-appointment of existing directors.

Key information regarding the directors is set out on pages 8 and 9.

Board Performance

Principle 5 : There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board committees and the contribution by each director to the effectiveness of the Board.

The NC reviews the criteria for evaluating the Board's performance and recommends to the Board a set of objective performance criteria focusing on enhancing long-term shareholders' value. Based on the recommendations of the NC, the Board has established processes for evaluating the effectiveness of the Board as a whole, its Board committees, and for assessing the contribution by the Chairman of the Board and each individual director to the effectiveness of the Board.

The performance criteria for the Board evaluation includes an evaluation of the size and composition of the Board, the Board's access to information, accountability, Board processes, Board performance in relation to discharging its principal responsibilities, communication with Management and standards of conduct of the directors.

In the course of the year, the NC has conducted the assessment by preparing a questionnaire to be completed by each director, of which were then collated and the findings were analyzed and discussed with a view to implementing certain recommendations to further enhance the effectiveness of the Board.

Access to Information

Principle 6 : In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

To assist the Board in fulfilling its responsibilities, the Management provides the Board with a Management report containing complete, adequate and timely information prior to the Board meetings. All directors have separate and independent access to the Management, including the Company Secretary at all times. The Company Secretary attends all Board meetings and ensures that Board procedures and all other applicable rules and regulations applicable to the Company are complied with. The Company Secretary's responsibilities also include advising the Board on all governance matters, and ensuring good information flows within the Board and its Board committees and between Management and non-executive directors. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

Changes to regulations are closely monitored by the Management and for changes which have an important bearing on the Company or the directors' disclosure obligations, the directors are briefed during Board meetings.

The directors and the chairmen of the respective committees, whether as a group or individually are able to seek independent professional advice as and when necessary in furtherance of their duties at the Company's expense.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7 : There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Corporate Governance Report

(B) REMUNERATION MATTERS continued

Procedures for Developing Remuneration Policies continued

The RC comprises the following three members, majority of whom, including the RC Chairman are independent directors:

Chia Soon Loi (Chairman)
Geoffrey Yeoh Seng Huat
Kenneth Tai, Chung-Hou

The members of the RC have many years of corporate experience and are knowledgeable in the field of executive compensation. In addition, the RC has access to expert professional advice on remuneration matters as and when necessary.

The members of the RC carried out their duties in accordance with the terms of reference which include the following:

- to review directors' fees to ensure that they are at sufficiently competitive levels;
- to review and approve any proposal relating to and administer the Company's Performance Share Plan (the "Plan") for directors of the Company and employees of the Group;
- to review and advise the Board a general framework on the terms of appointment and remuneration of its members, the CEO, key executive officers of the Group and all managerial staff who are related to any of the directors or the CEO;
- to review the terms of the employment arrangements with the Management so as to develop consistent group wide employment practices subject to regional differences;
- to review the Group's obligations arising in the event of termination of the executive directors' and key Management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.
- to recommend to the Board in consultation with senior management and the Chairman of the Board, any long term incentive scheme; and
- to review and approve any proposals or recommendations relating to key executive officers' remuneration.

For the financial year under review, the RC held two (2) meetings.

The RC reviews all aspects of remuneration and compensation packages including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind.

No director is involved in determining his own remuneration.

Level and Mix of Remuneration

Principle 8 : The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose. A significant proportion of the remuneration, especially that of executive directors, should be linked to performance.

In setting remuneration packages, the RC takes into consideration the prevailing economic situation, the pay and employment conditions within the industry and in comparable companies. As part of its review, the RC ensures that the performance related elements of remuneration form a significant part of the total remuneration package of executive directors and is designed to align the directors' interests with those of shareholders, promote the long-term success of the Group, and link rewards to corporate and individual performance. The RC also reviews all matters concerning the remuneration of non-executive directors to ensure that the remuneration commensurates with the contribution and responsibilities of the directors. The Company submits the quantum of directors' fees of each year to the shareholders for approval at each Annual General Meeting ("AGM").

Non-executive directors have no service agreements and the executive directors have service agreements.

Corporate Governance Report

(B) REMUNERATION MATTERS continued

Level and Mix of Remuneration continued

Long-Term Incentive Schemes

The Plan was implemented as long-term incentive scheme for more senior level staff based on individual performance. It is administered by the RC. Details of the Plan are set out in the Directors' Statement on page 26.

No share has been awarded to date.

Disclosure on Remuneration

Principle 9 : Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

A breakdown of the remuneration of the directors and the top 5 key executives (who are not directors or the CEO) for the financial year ended 31 December 2015 are set out below:

Remuneration of the Directors

Name	Based/fixed salary ⁽¹⁾ %	Variable or performance related income/bonus ⁽¹⁾ %	Director's fee ⁽²⁾ %	Total Remuneration S\$'000
Executive Directors				
Chen, Tie-Min ⁽¹⁾	37	36	27	290
Heng-Chun Ho ⁽¹⁾	66	21	13	323
Independent Directors				
Geoffrey Yeoh Seng Huat			100	70
Kenneth Tai, Chung-Hou			100	60
Chia Soon Loi			100	60

Remuneration of top 5 Key Executives (who are not Directors)

Remuneration band and names of key executives (who are not directors or the CEO)	Based/fixed salary ⁽¹⁾ %	Variable or performance related income/bonus ⁽¹⁾ %	Benefits in Kind %	Total Remuneration S\$'000
George Wang, Tsai-Wei ⁽¹⁾	36	64		< 250
Richard Hu, Yi-Long	50	50		< 250
Ming Chen	46	54		< 250
Jimmy Lin	43	57		< 250
Nick Lee	55	45		< 250
Total:				744

⁽¹⁾ These are under the service agreements.

⁽²⁾ The directors' fees had been approved at the Company's Annual General Meeting held in year 2015.

Corporate Governance Report

(B) REMUNERATION MATTERS continued

Disclosure on Remuneration continued

Below are the details of the remuneration of employee who are immediate family members of a Director and whose remuneration exceeds S\$50,000 during the year:

Name	Family relationship with any director and/or substantial shareholder	Remuneration band
Mdm Lee Hwei-Jan	Spouse of Mr Chen, Tie-Min	S\$50,001 to S\$100,000

(C) ACCOUNTABILITY AND AUDIT

Accountability

Principle 10 : The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board endeavors to ensure that the annual audited financial statements and quarterly announcements of the Group's results present a balanced and understandable assessment of the Group's position and prospects. The Board embraces openness and transparency in the conduct of the Company's affairs, whilst preserving the commercial interests of the Company. Financial and other price sensitive information are disseminated to shareholders through announcements via SGXNET.

Risk Management and Internal Controls

Principle 11 : The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board is responsible for ensuring that Management maintains a sound system of risk management and internal controls to safeguard shareholders' investment and the assets of the Group. The Board and the AC, with the assistance of the internal auditors have reviewed the adequacy of the Group's internal controls, including financial, operational and compliance risks, as well as the Group's information technology controls and risk management systems.

The Company's internal auditors conduct an annual review of the effectiveness of the key subsidiary's material internal controls, including financial, operational and compliance controls, and risk assessment at least annually to ensure the adequacy thereof. This review is conducted by the Company's internal auditors which presented their findings to the AC. As part of the external audit plan, the external auditors also review certain key accounting controls relating to financial reporting, covering only selected financial cycles and highlight material findings, if any, to the AC. The AC reviews the findings of both the internal and external auditors and the effectiveness of the actions taken by Management on the recommendations made by the internal and external auditors in this respect.

The system of internal control provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. A summary in respect of the risk areas and the adequacy of the internal controls had been prepared and compiled by the head of each department. The CEO and the Chief Financial Officer had assessed the summary and found the internal controls adequate.

The Board has received written assurance from the CEO and CFO that:

- (a) The financial records of the Group have been properly maintained and financial statements for the year ended 31 December 2015 give a true and fair view of the Group's operations and finances; and
- (b) The system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks.

Corporate Governance Report

(C) ACCOUNTABILITY AND AUDIT continued

Risk Management and Internal Controls continued

The Board and the AC wish to highlight that no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by the Management, various Board committees and the Board, the Audit Committee and the Board are of opinion that the Group's internal controls, addressing financial, operational and compliance risks, as well as the Group's information technology controls and risk management systems were adequate as at 31 December 2015.

Financial risks relating to the Group set out in Note 4 to the Financial Statements of this Annual Report on pages 44 to 48.

Audit Committee

Principle 12 : The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.

The AC comprises the following three members, all of whom are independent directors:

Geoffrey Yeoh Seng Huat (Chairman)
Chia Soon Loi
Kenneth Tai, Chung-Hou

It, inter alia, oversees the quality and integrity of the accounting, auditing, internal controls and financial practices of the Group.

All members of the AC have many years of experience in senior management positions in both financial and industrial sectors. The Board is of the view that the AC members, having recent and relevant accounting and related financial management expertise or experience, are appropriately qualified to discharge their responsibilities.

During the past financial year, the AC held four (4) meetings with the Management and the external and internal auditors of the Company to discuss and review the following matters:

- the audit plans of the external and internal auditors of the Company, and their reports arising from the audit;
- the adequacy of the assistance and cooperation given by the Management to the external and internal auditors;
- the financial statements of the Company and the consolidated financial statements of the Group;
- the quarterly and annual announcement of the results of the Group before submission to the Board for approval;
- the adequacy of the Group's internal controls in respect of the management, business and service systems and practices;
- legal and regulatory matters that may have a material impact on the financial statements, compliance policies and programmes and any reports received from regulators;
- the independence and objectivity of the external auditors;
- the approval of compensation to the external auditors;
- the nature and extent of non-audit services provided by the external auditors;
- the recommendation to the Board for the appointment or re-appointment of the internal and external auditors of the Company;
- to report actions and minutes of the AC to the Board with such recommendations as the AC considers appropriate; and
- interested person transactions to ensure that the current procedures for monitoring of interested party transactions have been complied with.

In performing its functions in accordance with the terms of reference, the AC :

- met once with the external auditors and the internal auditors without the presence of the Management and reviewed the overall scope of the external audit, internal audit and the assistance given by the Management to the auditors;
- has explicit authority to investigate any matter relating to the Group's accounting, auditing, internal controls and financial practices brought to its attention with full access to records, resources and personnel to enable it to discharge its function properly; and

Corporate Governance Report

(C) ACCOUNTABILITY AND AUDIT continued

Audit Committee continued

- has full access to and cooperation of the Management and full discretion to invite any director or executive officer to attend its meetings.

The external and internal auditors have unrestricted access to the AC.

The AC has undertaken a review of the independence and objectivity of the external auditors and the non-audit services provided by the external auditors and are satisfied that the nature and extent of such services do not affect the independence of the external auditors. Details of the fees paid and payable to the auditors in respect of audit and non-audit services are disclosed in Note 24 to the financial statement.

The Group's existing auditors, Messrs Deloitte & Touche LLP, have been the auditors of the Company since 27 April 2012. The Company is in compliance with Rule 712 and 715 of the Listing Manual.

The Company has a whistle blowing policy which provides well-defined and accessible channels in the Group through which employees may raise concerns about improper conduct within the Group.

Internal Audit

Principle 13 : The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

Messrs BDO Taiwan ("BDO Taiwan"), a professional accounting firm has been appointed to carry out the internal audit functions. BDO Taiwan will carry out major internal control checks and compliance tests as instructed by the AC. The AC will review the internal auditors' reports and ensure that there are adequate internal controls in the Group.

BDO Taiwan reports to the AC Chairman on audit matters and reports administratively to CEO. The AC also reviews annually and approves the annual internal audit plans and resources to ensure that BDO Taiwan has the necessary resources to adequately perform its functions effectively.

(D) SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14 : Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

The Group recognizes the importance of maintaining transparency and accountability to its shareholders. The Board ensures that all the Company's shareholders are treated equitably and the rights of all investors, including non-controlling shareholders are protected.

The Group is committed to providing shareholders with adequate, timely and sufficient information pertaining to changes in the Group's business which could have a material impact on the Company's share price.

The Group strongly encourages shareholder participation during the AGM which will be held in a central location in Singapore. Shareholders are able to proactively engage the Board and the Management on the Group's business activities, financial performance and other business related matters.

Communication with Shareholders

Principle 15 : Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Company believes that a high standard of disclosure is key to raising the level of corporate governance. Quarterly results are published through the SGXNET and news releases. All information of the Company's new initiatives is disseminated via SGXNET.

Corporate Governance Report

(D) SHAREHOLDERS RIGHTS AND RESPONSIBILITIES continued

Communication with Shareholders continued

The Company adopts the practice of regularly communicating major developments in its businesses and operations through news releases, annual reports, shareholder circulars, shareholders' meetings, and direct announcements.

The Company does not practice selective disclosure. Price sensitive information is publicly released and results and annual reports are announced or issued within the mandatory period. All shareholders of the Company receive the annual report and notice of AGM. The notice of AGM is also advertised in the newspapers.

Conduct of Shareholder Meetings

Principle 16 : Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Company welcomes the views of the shareholders on matters concerning the Company and encourages shareholders' participation at the AGM. The chairmen of the AC, NC and RC of the Company are present at the general meetings to answer questions from the shareholders. The external auditors are also present to assist the directors in addressing any relevant queries by shareholders.

Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting.

The Company Secretary, with the assistance of his representative, prepares minutes of shareholders' meetings, which incorporates substantial comments or queries from shareholders and responses from the Board and the Management. These minutes are available to shareholders upon request.

(E) DEALINGS IN SECURITIES

The Company has issued a guideline on share dealings to all directors and employees of the Group which sets out the code of conduct on transactions in the Company's shares by these persons, the implications of insider trading and general guidance on the prohibition against such dealings.

In line with Rule 1207(19) of the Listing Manual, the Company issues a notification to all officers of the Company informing them that they should not deal in the securities of the Company during the periods commencing one month before the announcement of the Company's full-year results and two weeks before the Company's quarterly results until after the announcement. They are also discouraged from dealing in the Company's shares on short term considerations.

The Board confirms that for the financial year ended 31 December 2015, the Company has complied with Rule 1207(19) of the Listing Manual.

(F) INTERESTED PERSON TRANSACTION

As a listed company on the SGX-ST, the Company is required to comply with Chapter 9 of the Listing Manual on interested person transactions. To ensure compliance with Chapter 9, the Company has taken the following steps:

- The Board meets to review if the Company will be entering into any interested person transaction. If the Company intends to enter into an interested person transaction, the Board will ensure that the Company complies with the requisite rules under Chapter 9.
- The AC has met and will meet regularly to review if the Company will be entering into an interested person transaction, and if so, the AC ensures that the relevant rules under Chapter 9 are complied with.

(G) MATERIAL CONTRACTS

Save as disclosed under "Material Contracts" (pages 107 and 108 of the Prospectus dated 6 July 2004) there are no material contracts entered by the Company or its subsidiaries with or for the benefit of the directors or controlling shareholders during the financial year ended 31 December 2015.

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Directors' Statement

The directors present their statement together with the audited consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2015.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 29 to 59 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

The directors of the Company in office at the date of this report are:

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

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate, except for the options mentioned in paragraph 4 of the Directors' Statement.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

Name of directors and company in which interests are held	Shareholdings registered in name of director ⁽¹⁾		Shareholdings in which directors are deemed to have an interest ⁽¹⁾	
	At beginning of year	At end of year	At beginning of year	At end of year
The Company - Ordinary shares				
Chen, Tie-Min	-	3,785,549 ⁽²⁾	91,199,545	774,427 ⁽²⁾
Kenneth Tai, Chung-Hou	250,000	12,500	-	-
Chia Soon Loi	29,485,000	1,474,250	-	-

⁽¹⁾ The decrease in number of ordinary shares held by the respective individuals were due to the effect of share consolidation by the Company on 27 May 2015 where every twenty (20) issued ordinary shares of the Company were consolidated into one (1) ordinary share.

⁽²⁾ During the year, 3,785,549 ordinary shares held by CJW Asset Co. Ltd was transferred to Mr Chen, Tie-Min.

The directors' interests in the shares and options of the Company at 21 January 2016 were the same at 31 December 2015.

Directors' Statement

4 SHARE OPTIONS

(a) *Option to take up unissued shares*

The Company operates an Employee Share Option Scheme (the "Scheme") and a Performance Share Plan (the "Plan") for eligible employees. The Scheme and the Plan were approved by the shareholders of the Company on 12 August 2005 and 28 April 2008 respectively.

The Scheme and the Plan are administered by the Remuneration Committee whose members are:

Chia Soon Loi - Chairman
Chen, Tie-Min
Kenneth Tai, Chung-Hou

The Remuneration Committee comprises directors who may be participants of the Scheme and the Plan. A member of the Remuneration Committee who is a participant of the Scheme and the Plan are prohibited from being involved in the Committee's deliberation in respect of options to be granted to him.

The options granted under the Scheme may have exercise prices that are, at the discretion of the Remuneration Committee, set at a price equal to the average of the closing price of the Company's ordinary shares for 5 consecutive market days immediately preceding the date of grant of the relevant option (the "Market Price"); or at a discount to the Market Price (subject to a maximum discount of 20%). Options which are fixed at the Market Price may be exercised after the first anniversary of the date of grant of that option while options granted at a discount to the Market Price may only be exercised after the second anniversary from the date of grant of the option. Options granted under the Scheme will have a life span of 10 years.

Under the terms of the Scheme, there are no fixed periods for the grant of options. As such, offers for the grant of options may be made at any time at the discretion of the Remuneration Committee. However, no option shall be granted during the period of 30 days immediately preceding the date of announcement of the Company's interim or final results as the case may be. In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers may only be made after the second market day from the date on which the aforesaid announcement is made. The aggregate number of shares which may be issued on any date, when added to the number of shares issued and/or issuable in respect of the Scheme, shall not exceed 15% of the issued capital of the Company on the day preceding that date.

The Plan shall continue to be in force at the discretion of the Remuneration Committee, subject to a maximum period of 10 years commencing on the adoption date. The termination of the Plan shall not affect any awards which have been granted, whether such awards have been released fully or partially.

The number of shares available under the Scheme and the Plan will be subject to the maximum limit of 15% of the total number of outstanding issued shares of the Company.

Since the approval by the shareholders on 12 August 2005 and 28 April 2008 of the Scheme and the Plan respectively, no option or share award has been granted to date. The Scheme had lapsed after a period of 10 years on 12 August 2015 and the Group will not seek the approval of the shareholders to renew the Scheme at the Annual General Meeting to be held on 28 April 2016.

(b) *Options exercised*

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) *Unissued shares under option*

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under options.

Directors' Statement

5 AUDIT COMMITTEE

The Audit Committee of the Company, consisting all non-executive directors, is chaired by Mr Geoffrey Yeoh Seng Huat, an independent director, and includes Mr Chia Soon Loi and Mr Kenneth Tai, Chung-Ho, both of whom are independent directors. The Audit Committee has met four times since the last Annual General Meeting ("AGM") and has reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

- a) the audit plans and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;
- b) the Group's financial and operating results and accounting policies;
- c) the financial statements of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and external auditors' report on those financial statements;
- d) the quarterly, half-yearly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;
- e) the co-operation and assistance given by the management to the Group's external auditors; and
- f) the re-appointment of the external auditors of the Group.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

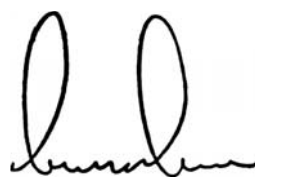
6 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS



Heng-Chun Ho



Chen, Tie-Min

Singapore
21 March 2016

Independent Auditors' Report to the Members of Global Testing Corporation Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Global Testing Corporation Limited (the "Company") and its subsidiaries (the "Group") which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2015, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 29 to 59.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

21 March 2016

Statements of Financial Position

31 December 2015

	Note	2015 US\$'000	Group 2014 US\$'000	2015 US\$'000	Company 2014 US\$'000
ASSETS					
Current assets					
Cash and cash equivalents	6	9,276	38,590	170	416
Trade receivables	7	5,321	6,101	-	-
Other receivables and prepayments	8	984	2,306	6,446	4,823
Total current assets		15,581	46,997	6,616	5,239
Non-current assets					
Investment in subsidiaries	9	-	-	45,311	98,362
Property, plant and equipment	10	38,322	43,283	-	-
Available-for-sale investments	11	667	1,122	-	-
Other receivables and prepayments	8	533	491	-	-
Deferred tax assets	12	555	-	-	-
Total non-current assets		40,077	44,896	45,311	98,362
Total assets		55,658	91,893	51,927	103,601
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	13	304	545	-	-
Other payables	14	6,286	5,775	1,357	16,459
Income tax payable		293	-	-	-
Total current liabilities		6,883	6,320	1,357	16,459
Capital and reserves					
Share capital	15	44,317	85,252	44,317	85,252
Treasury shares	16	-	(405)	-	(405)
Legal reserve	17	-	4,875	-	-
Merger reserve	18	(764)	23,993	-	-
Contributed surplus	18	-	-	2,295	31,927
Fair value reserve		208	141	-	-
Accumulated profits (losses)		5,014	(28,283)	3,958	(29,632)
Total equity		48,775	85,573	50,570	87,142
Total liabilities and shareholders' equity		55,658	91,893	51,927	103,601

Consolidated Statement of Profit Or Loss and Other Comprehensive Income

Year ended 31 December 2015

	Note	2015 US\$'000	Group 2014 US\$'000
Revenue	20	33,047	38,004
Cost of sales		(23,431)	(28,165)
Gross profit		9,616	9,839
Other operating income	21	1,116	497
Distribution costs		(763)	(834)
Administrative expenses		(5,131)	(4,763)
Other operating expenses		(1,193)	(1,538)
Finance costs	22	(56)	(137)
Profit before income tax		3,589	3,064
Income tax benefit (expense)	23	96	(1)
Profit for the year	24	3,685	3,063
Other comprehensive income (loss):			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurement of defined benefit obligation		(20)	8
<i>Items that may be reclassified subsequently to profit or loss</i>			
Fair value gain (loss) on available-for-sales investments	11	67	(30)
Other comprehensive income (loss) for the year, net of tax		47	(22)
Total comprehensive income for the year		3,732	3,041
Earnings per share (cents)			
- Basic and diluted	25	10.42	8.53

Statements of Changes in Equity

Year ended 31 December 2015

	Note	Share capital US\$'000	Treasury shares US\$'000	Legal reserve US\$'000	Merger reserve US\$'000	Fair value reserve US\$'000	Accumulated (profits) losses US\$'000	Total US\$'000
<u>Group</u>								
Balance at 1 January 2014		87,650	(2,140)	4,875	23,993	171	(31,354)	83,195
Total comprehensive income for the year								
Profit for the year		-	-	-	-	-	3,063	3,063
Other comprehensive (loss) income for the year		-	-	-	-	(30)	8	(22)
Total		-	-	-	-	(30)	3,071	3,041
Transactions with owners, recognised directly in equity								
Repurchase of shares	16	-	(663)	-	-	-	-	(663)
Cancellation of shares	16	(2,398)	2,398	-	-	-	-	-
Total		(2,398)	1,735	-	-	-	-	(663)
Balance at 31 December 2014		85,252	(405)	4,875	23,993	141	(28,283)	85,573
Total comprehensive income for the year								
Profit for the year		-	-	-	-	-	3,685	3,685
Other comprehensive income (loss) for the year		-	-	-	-	67	(20)	47
Total		-	-	-	-	67	3,665	3,732
Transactions with owners, recognised directly in equity								
Repurchase of shares	16	-	(418)	-	-	-	-	(418)
Capital reduction	15	(40,112)	-	(4,875)	(24,757)	-	29,632	(40,112)
Cancellation of shares	16	(823)	823	-	-	-	-	-
Total		(40,935)	405	(4,875)	(24,757)	-	29,632	(40,530)
Balance at 31 December 2015		44,317	-	-	(764)	208	5,014	48,775

	Note	Share capital US\$'000	Treasury shares US\$'000	Contributed surplus US\$'000	Accumulated (profits) losses US\$'000	Total US\$'000
<u>Company</u>						
Balance at 1 January 2014		87,650	(2,140)	31,927	(28,820)	88,617
Loss for the year, representing total comprehensive loss for the year		-	-	-	(812)	(812)
Transactions with owners, recognised directly in equity						
Repurchase of shares	16	-	(663)	-	-	(663)
Cancellation of shares	16	(2,398)	2,398	-	-	-
Total		(2,398)	1,735	-	-	(663)
Balance at 31 December 2014		85,252	(405)	31,927	(29,632)	87,142
Profit for the year, representing total comprehensive income for the year		-	-	-	3,958	3,958
Transactions with owners, recognised directly in equity						
Repurchase of shares	16	-	(418)	-	-	(418)
Capital reduction	15	(40,112)	-	(29,632)	29,632	(40,112)
Cancellation of shares	16	(823)	823	-	-	-
Total		(40,935)	405	(29,632)	29,632	(40,530)
Balance at 31 December 2015		44,317	-	2,295	3,958	50,570

See accompanying notes to financial statements.

Consolidated Statement of Cash Flows

Year ended 31 December 2015

	2015 US\$'000	Group 2014 US\$'000
Operating activities		
Profit before income tax	3,589	3,064
Adjustments for:		
Depreciation of property, plant and equipment	10,917	14,920
Unrealised foreign exchange loss	(148)	-
Interest income	(149)	(455)
Interest expense	56	137
Loss (Gain) on disposal of available-for-sale investments	118	(18)
Gain on disposal of property, plant and equipment	(22)	-
Operating profit before working capital changes	14,361	17,648
Trade receivables	780	255
Other receivables and prepayments	989	700
Trade payables	(244)	39
Other payables (Note A)	523	1,230
Cash generated from operations	16,409	19,872
Income taxes paid	-	(1)
Interest received	420	188
Net cash from operating activities	16,829	20,059
Investing activities		
Proceeds on disposal of property, plant and equipment	39	-
Proceeds on disposal of available-for-sale investments	404	299
Purchase of property, plant and equipment (Note A)	(5,991)	(7,278)
Net cash used in investing activities	(5,548)	(6,979)
Financing activities		
Repayments of obligations under finance leases	-	(2,071)
Interest paid	(56)	(137)
Proceeds from bank loans	2,916	-
Repayment of bank loans	(2,916)	-
Repurchase of treasury shares (Note B)	(498)	(583)
Cash distribution to shareholders (Note C)	(40,041)	-
Net cash used in financing activities	(40,595)	(2,791)
Net (decrease) increase in cash and cash equivalents	(29,314)	10,289
Cash and cash equivalents at beginning of year	38,590	28,301
Cash and cash equivalents at the end of the year	9,276	38,590

Note A: During the year, the Group purchased property, plant and equipment with an aggregated cost of US\$5,973,000 (2014 : US\$6,566,000), of which US\$90,000 (2014 : US\$108,000) remained unpaid at year end.

Note B: During the year, the Group repurchased treasury shares with an aggregated cost of US\$418,000 (2014 : US\$663,000), of which US\$Nil (2014 : US\$80,000) remained unpaid at year end.

Note C: During the year, the Company returned to the shareholders surplus capital of the Company in excess of its needs by way of a cash distribution of US\$40,112,000, of which US\$71,000 remained unpaid at year end.

Notes to Financial Statements

31 December 2015

1 GENERAL

The Company (Registration number 200409582R) is incorporated in Singapore with its registered office at 9 Battery Road, #15-01, Straits Trading Building, Singapore 049910 and its principal place of business at No. 75 Guangfu Rd., Hu-Kou, Hsin-Chu Industrial Park, Hsin-Chu County, 303 Taiwan, Republic of China. The Company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are expressed in United States dollars.

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are described in Note 9 to the financial statements.

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2015 were authorised for issue by the Board of Directors on 21 March 2016.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS - On 1 January 2015, the Group adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following new/revised FRSs, INT FRSs and amendments to FRS that are relevant to the Group and the Company were issued but not effective:

- FRS 109 *Financial Instruments*
- FRS 115 *Revenue from Contracts with Customers*
- Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative*

Consequential amendments were also made to various standards as a result of these new/revised standards.

Management is currently evaluating the impact of the above FRSs and amendments to FRS.

Notes to Financial Statements

31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

FRS 109 Financial Instruments

FRS 109 was issued in December 2014 to replace FRS 39 Financial Instruments: Recognition and Measurement and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting (iii) impairment requirements for financial assets. FRS 109 will be effective for annual periods beginning on or after 1 January 2018.

Key requirements of FRS 109:

- All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value through profit or loss (FVTPL). Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVTOCI). All other debt investments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.
- With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of the financial liability that is attributable to changes in the credit risk be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.
- In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in FRS 39. Under FRS 109, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

FRS 115 Revenue from Contracts with Customers

FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 which will be effective 1 January 2018 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Notes to Financial Statements

31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

FRS 115 Revenue from Contracts with Customers - continued

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

Amendments to FRS 1 Presentation of Financial Instruments: Disclosure Initiative

The amendments which will be effective 1 January 2016 have been made to the following:

- Materiality and aggregation - An entity shall not obscure useful information by aggregating or disaggregating information and materiality considerations apply to the primary statements, notes and any specific disclosure requirements in FRSs.
- Statement of financial position and statement of profit or loss and other comprehensive income - The list of line items to be presented in these statements can be aggregated or disaggregated as relevant. Guidance on subtotals in these statements has also been included.
- Presentation of items of other comprehensive income (“OCI”) arising from equity-accounted investments - An entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single items based on whether or not it will subsequently be reclassified to profit or loss.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Notes to Financial Statements

31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Amendments to FRS 1 Presentation of Financial Instruments: Disclosure Initiative - continued

Changes in the Group's ownership interests in a subsidiary that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in the profit or loss and calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred directly to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

FINANCIAL INSTRUMENT - Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income or expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets "available-for-sale investments" and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Available-for-sale investments

Certain investments held by the Group are classified as being available-for-sale and are stated at fair value. Fair value is determined in the manner described in Note 4. Gains and losses arising from changes in fair value are recognised in other comprehensive income with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income and accumulated in fair value reserve is reclassified to profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The change in fair value attributable to translation differences that result from a change in amortised cost of the available-for-sale monetary asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

Notes to Financial Statements

31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate method, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 to 90 days, as well as observable changes in the national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

When an available-for-sale investments is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

In respect of available-for-sale investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any subsequent increase in fair value after an impairment loss is recognised in other comprehensive income and accumulated under the heading of fair value reserve.

Notes to Financial Statements

31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Notes to Financial Statements

31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

LEASES - continued

The Group as lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment loss.

Depreciation is charged so as to write off the cost of property, plant and equipment, other than freehold land and capital projects under assembly over their estimated useful lives, using the straight-line method, on the following bases:

Buildings	-	40 years
Leasehold improvements	-	6 years
Plant and equipment	-	3 to 5 years
Motor vehicles	-	3 to 6 years
Furniture and fittings	-	5 to 10 years
Computer software	-	3 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

IMPAIRMENT OF ASSETS - At end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Notes to Financial Statements

31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Rendering of services

Rendering of services relates to revenue from provision of testing and programme development services. Revenue is recognised when the testing services or test program development services are rendered and are completed.

Lease of equipment

Revenue from the leasing of test equipment is recognised on a straight-line basis over the period of the operating lease.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income

Dividend income is recognised when the shareholders' rights to receive payment have been established.

BORROWING COSTS - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sales, are added to the cost of those assets, until such time the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. A subsidiary, Global Testing Corporation, incorporated in Taiwan, Republic of China, operates a defined benefit retirement plan for its employees in Taiwan whereby eligible employees are entitled to receive benefits from the plan in one lump sum on the date of their retirement.

Notes to Financial Statements

31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

RETIREMENT BENEFIT COSTS - continued

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plan.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of reporting period.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investment in subsidiary, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Notes to Financial Statements

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

INCOME TAX - continued

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in United States dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in United States dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity.

On the disposal of a foreign operation, all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS - Cash and cash equivalents in the statement of cash flows comprise cash on hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

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3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying the entity's accounting policies

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of the assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(i) Estimated useful lives of property, plant and equipment

The Group operates in a dynamic, fast changing environment where technological changes are frequent. Determining whether the estimated useful lives of plant and equipment are reasonable requires management to make judgment of the stage and direction of technology and their consequential impact on the Group's existing plant and equipment. Where an impact is established to have occurred, management has to exercise judgment as to the revised estimated useful lives of the plant and equipment.

Management estimates the useful lives of property, plant and equipment based on the estimated useful lives for similar assets in the same industry and the projected life-cycles of the technology. These estimates can change significantly as a result of expected usage or abandonment, technological innovations and competitors' actions, leading to potential changes in future depreciation expenses, impairment losses and/or write-offs.

The carrying amounts of classes of property, plant and equipment are disclosed in Note 10.

(ii) Impairment of property, plant and equipment

Property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. Where impairment has been established, management has to make estimation of the fair values less costs to sell or the value-in-use of the existing plant and equipment.

The value-in-use calculation requires the management to estimates the future cash flows expected from the cash-generating unit which involve key assumptions such as growth rates, expected capital expenditures, terminal value and an appropriate discount rate in order to calculate the present value of the future cash flows.

Management has evaluated the carrying amount of the property, plant and equipment and determined that no additional impairment allowance is required. The carrying amount and impairment analysis of the property, plant and equipment is disclosed in Note 10.

(iii) Impairment of investment in subsidiaries

Management reviews the investments in the subsidiaries periodically with the view of assessing whether there is any indication of impairment. To determine whether the investments in the subsidiaries are impaired, management exercises judgment and makes estimation of the equity value of those investments and the nature of the underlying assets of the subsidiary. The equity value calculation requires the management to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows.

Notes to Financial Statements

31 December 2015

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY - continued

Key sources of estimation uncertainty - continued

(iii) Impairment of investment in subsidiaries - continued

Management has evaluated the carrying amount of the investments in subsidiaries and has reversed an impairment allowance of US\$3,670,000 (2014 : US\$Nil) during the year. Management is confident that the impairment allowance of US\$18,030,000 (2014 : US\$21,700,000) is adequate. The carrying value of investments in subsidiaries is disclosed in Note 9.

(iv) Deferred tax assets

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the tax computation of taxable profit. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the carryforward of unused tax losses and unused capital allowances can be utilised. Management has assessed the future profit streams, expiry dates of unused tax losses and unused capital allowances as well as the uncertainty of the industry trend. Based on the assessment, management has recognised deferred tax assets of US\$550,000 (2014 : US\$Nil) at year end.

The details of the amounts of unutilised tax losses and unutilised capital allowance and related qualifying periods are disclosed in Note 12.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT

(a) *Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period:

	<u>Group</u>		<u>Company</u>	
	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
Financial assets				
Loans and receivables (including cash and cash equivalents)	14,742	45,174	6,613	5,235
Available-for-sale investments	667	1,122	-	-
Financial liabilities				
Amortised cost	6,590	6,320	1,357	16,459

(b) *Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements*

The Group and Company do not have any financial instruments which are subject to enforceable master netting arrangements or similar netting agreements.

(c) *Financial risk management policies and objectives*

The Group has risk management policies which cover the Group's overall business strategies and its risk management philosophy. The Group's overall risk management programme seeks to minimise potential adverse effects on the financial performance of the Group.

There have been no significant changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

Notes to Financial Statements

31 December 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT - continued

(c) Financial risk management policies and objectives - continued

(i) Foreign exchange risk management

The Group conducts its business predominantly in United States dollars and to a certain extent, in Taiwan dollars and therefore is exposed to foreign exchange risk.

At the end of the reporting date, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currencies are as follows:

	Group				Company			
	Assets		Liabilities		Assets		Liabilities	
	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
Taiwan dollars	1,561	933	5,500	4,743	-	-	10	7
Singapore dollars	921	122	150	105	147	118	150	103
Chinese Yuan	6	9,286	-	-	-	-	-	-

Foreign currency sensitivity

The following table details the sensitivity to a 5% increase in the relevant foreign currencies against the functional currency of each Group entity. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. If the relevant foreign currency strengthens by 5% against the functional currency of each Group entity, profit or loss will increase (decrease) as follows:

	Taiwan dollars		Singapore dollars		Chinese Yuan	
	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
Group						
Profit or loss	(197)	(190)	(39)	(1)	*	464
Company						
Profit or loss	*	*	*	(1)	*	-

* Less than US\$1,000.

(ii) Interest rate risk management

The Group's primary interest rate risk relates to its fixed deposits which are arranged at variable rates. The interest rates of fixed deposits are disclosed in Note 6 to the financial statements.

The Company is not exposed to significant interest rate risk as its primary interest earning assets i.e. loan to a subsidiary and interest bearing liabilities i.e. amounts due to subsidiaries are arranged at fixed rates.

Interest rate sensitivity

The management has assessed that for a 100 basis point increase or decrease in interest rate at the end of the reporting period, assuming all other variables remain constant, the Group's profit would increase or decrease by US\$25,000 (2014 : US\$325,000) respectively.

Notes to Financial Statements

31 December 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT - continued

(c) *Financial risk management policies and objectives* - continued

(iii) Equity price risk management

The Group is exposed to equity risks arising from equity investments classified as available-for-sale. Available-for-sale equity investments are held for strategic rather than trading purposes. The Group does not actively trade in available-for-sale investments.

Further details of these equity investments can be found in Note 11 to the financial statements.

Equity price sensitivity

The sensitivity analysis below has been determined based on the exposure to equity price risks at the end of the reporting period.

In respect of available-for-sale equity investments, if the equity price had been 10% higher or lower while all other variables were held constant, the Group's profit for the year ended 31 December 2015 and 2014 respectively would not be affected as the equity investments are classified as available-for-sale investments. However, the Group's fair value reserve would have been higher or lower by US\$67,000 (2014 : US\$112,000).

(iv) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group's five largest customers collectively accounted for approximately 69.9% and 73.9% of trade receivables for the financial years ended 31 December 2015 and 2014 respectively. The Group believes that the concentration of its credit risk in trade receivables is mitigated substantially by its credit evaluation process, credit policies, credit control and collection procedures.

The Company's other receivables mainly pertains to loan to a subsidiary. Management has assessed that the credit risks is low.

The Group and Company's cash and cash equivalents are placed with creditworthy financial institutions.

(v) Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities. Due to the high capital intensive nature of the semiconductor industry, the Group seeks to achieve flexibility in funding by maintaining a combination of committed and uncommitted credit lines with banks.

Liquidity and interest risk analyses

Non-derivative financial liabilities

As at the end of the reporting period of 2015 and 2014, the Group's non-derivative financial liabilities are non-interest bearing and are due on demand or within 1 year.

As at the end of the reporting period of 2015 and 2014, the Company's non-derivative financial liabilities except for amount due to subsidiaries are non-interest bearing and are due on demand or within 1 year. The amount due to subsidiaries bears fixed interest of 2% (2014 : 2% per annum) and are due on demand or within 1 year (Note 14).

Notes to Financial Statements

31 December 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT - continued

(c) Financial risk management policies and objectives - continued

(v) Liquidity risk management - continued

Liquidity and interest risk analyses - continued

Non-derivative financial assets - continued

The following tables detail the expected maturity for non-derivative financial assets excluding available-for-sale investments. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the Group's liquidity risk is managed on a net asset and liability basis. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Company anticipates that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset on the statement of financial position.

	Weighted average effective interest rate %	On demand or within 1 year US\$'000	Within 2 to 5 years US\$'000	Adjustment US\$'000	Total US\$'000
<u>Group</u>					
2015					
Non-interest bearing	-	5,372	124	-	5,496
Variable interest rate instruments	0.14	6,751	-	(9)	6,742
Fixed interest rate instruments	0.01	2,506	-	(2)	2,504
		14,629	124	(11)	14,742
2014					
Non-interest bearing	-	6,528	127	-	6,655
Variable interest rate instruments	0.09	6,014	-	(5)	6,009
Fixed interest rate instruments	1.60	33,031	-	(521)	32,510
		45,573	127	(526)	45,174
<u>Company</u>					
2015					
Non-interest bearing	-	20	-	-	20
Fixed interest rate instrument	2.00	6,551	-	(128)	6,423
Variable interest rate instruments	0.02	170	-	-	170
		6,741	-	(128)	6,613
2014					
Non-interest bearing	-	40	-	-	40
Fixed interest rate instrument	2.00	4,875	-	(96)	4,779
Variable interest rate instruments	0.12	416	-	-	416
		5,331	-	(96)	5,235

Notes to Financial Statements

31 December 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT - continued

(c) *Financial risk management policies and objectives* - continued

(vi) Fair values of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair value of available-for-sale investments is disclosed in Note 11 to the financial statements.

As disclosed in Note 11, the fair value of available-for-sale investments is determined by reference to the Net Asset Value in the financial statements of the Fund. As at the end of the reporting period, amounts of US\$143,000 and US\$475,000 (2014 : US\$652,000 and US\$390,000) are classified as level 2 and 3 of the fair value hierarchy respectively. The fair value for level 2 is determined by the General Partner of the fund with reference to quoted prices available in active market and for level 3 is determined by taking into consideration of the type of security, the purchase cost, subsequent purchases of the same or similar securities by other investors, liquidation preferences of senior securities, estimates of liquidation value, and the issuer's current financial position and operating results. Management has assessed and determined that any changes to the basis used would not have significant impact on the carrying value of the available-for-sales investments.

There were no transfers between the levels of the fair value hierarchy in the period.

(d) *Capital risk management policies and objectives*

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising share capital and reserves.

Management reviews the capital structure periodically. As part of this review, management considers the cost of capital and the risks associated with each class of capital. Management may then balance its overall capital structure through new share issues, share buy-backs and capital reduction as well as new debt.

During the year, the Company affected the capital reduction and cash distribution and share consolidation. Refer to Note 15 for details.

The Group's overall strategy remains unchanged from prior year.

5 RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Compensation of directors and key management personnel

The remuneration of directors during the year were as follows:

	Group		Company	
	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
Director's fees	224	244	224	244
Salaries and other short-term benefits	1,093	1,052	36	-
	<u>1,317</u>	<u>1,296</u>	<u>260</u>	<u>244</u>

The remuneration of directors is determined by the Remuneration Committee having regard to the performance of the individuals and the performance of the Group.

There are no key managements other than the directors of the Company.

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6 CASH AND CASH EQUIVALENTS

	Group		Company	
	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
Cash and bank balances	6,772	6,080	170	416
Fixed deposits	2,504	32,510	-	-
Total	<u>9,276</u>	<u>38,590</u>	<u>170</u>	<u>416</u>

Fixed deposits bear interest rates ranging from 0.25 % to 1.0 % (2014 : 0.6% to 3.3%) per annum and for a tenure of approximately 1 to 90 days (2014 : 1 to 90 days).

7 TRADE RECEIVABLES

	Group	
	2015 US\$'000	2014 US\$'000
Outside parties	5,359	6,140
Allowance for doubtful receivables	(38)	(39)
Net	<u>5,321</u>	<u>6,101</u>

The credit period on the sale of goods ranges from 30 to 90 days (2014 : 30 to 90 days).

The Group's policy is to provide fully for all receivables over 365 days because historical experience is such that receivables that are past due beyond 365 days are generally not recoverable unless the Group is of the view that there has not been a significant change in credit quality and the amounts are still considered recoverable. Trade receivables between 90 days and 365 days are provided for based on estimated irrecoverable amounts from the services rendered, determined by reference to past default experience.

Before accepting any new customer, the Group evaluates and assesses the potential customer's credit quality and defines credit limits by customer.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Management believes that there are no further credit allowances required in excess of the allowance for doubtful receivables.

Included in the allowance for doubtful receivables are specific trade receivables with a balance of US\$38,000 (2014 : US\$39,000).

The table below is an analysis of trade receivables:

	Group	
	2015 US\$'000	2014 US\$'000
Not past due and not impaired (i)	4,603	5,212
Past due but not impaired (ii)	718	889
	<u>5,321</u>	<u>6,101</u>
Impaired receivables – individually assessed (iii)	38	39
Less: Allowance for doubtful receivables	<u>(38)</u>	<u>(39)</u>
	<u>-</u>	<u>-</u>
Total trade receivables, net	<u>5,321</u>	<u>6,101</u>

(i) There has not been a significant change in credit quality of the trade receivables not past due.

Notes to Financial Statements

31 December 2015

7 TRADE RECEIVABLES - continued

(ii) Aging of trade receivables that are past due but not impaired:

	2015 US\$'000	Group 2014 US\$'000
Less than 3 months	622	889
More than 3 months	96	-
Total	718	889

(iii) These amounts are stated before any deduction for allowance for doubtful receivables.

Movement in the allowance for doubtful receivables

	2015 US\$'000	Group 2014 US\$'000
At the beginning of the year	39	41
Effects of changes in foreign exchange rates	(1)	(2)
At the end of the year	38	39

8 OTHER RECEIVABLES AND PREPAYMENTS

	2015 US\$'000	Group 2014 US\$'000	2015 US\$'000	Company 2014 US\$'000
Loan to a subsidiary (Note 1)	-	-	6,423	4,779
Prepayments	229	158	3	4
Deposits (Note 2)	124	127	-	-
Retirement benefit (Note 3)	316	341	-	-
Sale tax receivables	712	1,788	-	-
Income tax and other tax recoverable	-	27	-	-
Other receivables	136	356	20	40
Total	1,517	2,797	6,446	4,823
Current	984	2,306	6,446	4,823
Non-current	533	491	-	-
Total	1,517	2,797	6,446	4,823

Note 1: The loan to a subsidiary bear an interest of 2% (2014 : 2%), is unsecured and repayable on demand.

Note 2: The deposits pertain to security deposits placed by the Group as a security in accordance with the requirements of the Foreign Labor Law in Taiwan, Republic of China.

Note 3: The retirement benefit pertains to pension obligations, a defined benefit plan set up by the Company's subsidiary, Global Testing Corporation ("GTC"), incorporated in Taiwan, Republic of China. GTC participates in a pension scheme in accordance with the Taiwanese regulations. Under the scheme, GTC is required to contribute a fixed percentage of its payroll incurred to the pension fund and to pay a certain amount out of this pension fund to its employees when they attain the age of retirement.

Actuarial valuation has been performed on the pension liability at the end of the reporting period by an independent valuer, Eureka Consulting Co., Ltd., Taiwan, Republic of China using projected unit credit cost method and the shortfall between the pension asset and present value of the obligation is recognised in the profit or loss.

Management has assessed and determined no further disclosure required under FRS 19 *Employee Benefits* as the retirement benefit is not material and any changes to the significant actuarial assumptions for the determination of the defined obligation i.e. discount rate, expected return on plan assets and expected rate of salary increase would not have significant impact on the carrying value of the defined benefit obligation.

Notes to Financial Statements

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9 INVESTMENT IN SUBSIDIARIES

	2015 US\$'000	Company 2014 US\$'000
Equity shares, at cost	63,341	120,062
Less: Impairment allowance	(18,030)	(21,700)
	<u>45,311</u>	<u>98,362</u>

Movement in the impairment allowance

At the beginning of the year	21,700	21,700
Reversal of impairment allowance	(3,670)	-
At the end of the year	<u>18,030</u>	<u>21,700</u>

Management carried out a review of the recoverable amount of investment in subsidiaries at the end of the reporting period. Based on their judgment and estimation of the equity value of the investment in the subsidiaries which include consideration of the nature of the underlying assets of the subsidiaries and due to the subsidiaries' performance improvement for the past three years, management has reversed an impairment allowance of US\$3,670,000 (2014 : US\$Nil).

Details of the Company's significant subsidiaries at the end of the reporting period are as follows:

Subsidiary	Country of incorporation	Proportion of ownership interest and voting power held		Principal activities
		2015 %	2014 %	
(i) <u>Held by the Company</u>				
Global Testing Corporation ⁽¹⁾	Taiwan, Republic of China	100	100	Provision of testing services
Global Testing International Limited ⁽²⁾	British Virgin Islands	100	100	Investment holding
(ii) <u>Held by the Global Testing Corporation</u>				
Global Testing Corporation ⁽²⁾	United States of America	100	100	Provision of marketing and test program development service

⁽¹⁾ Audited by Deloitte & Touche, Taiwan, Republic of China.

⁽²⁾ Not required to be audited by law in the country of incorporation.

Notes to Financial Statements

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10 PROPERTY, PLANT AND EQUIPMENT

	Freehold land US\$'000	Buildings US\$'000	Leasehold improve- ments US\$'000	Plant and equipment US\$'000	Motor vehicles US\$'000	Furniture and fittings US\$'000	Computer software US\$'000	Capital projects under assembly US\$'000	Total US\$'000
<u>Group</u>									
Cost:									
At 1 January 2014	7,799	3,512	197	253,324	260	21,360	3,772	6,234	296,458
Additions	-	-	2	457	37	60	22	5,988	6,566
Disposal	-	-	-	(651)	-	(4)	(289)	-	(944)
Reclassification	-	-	-	9,031	-	316	-	(9,347)	-
At 31 December 2014	7,799	3,512	199	262,161	297	21,732	3,505	2,875	302,080
Additions	-	-	-	536	169	46	180	5,042	5,973
Disposal	-	-	-	(8)	(163)	(64)	-	-	(235)
Reclassification	-	-	-	5,038	-	538	-	(5,576)	-
At 31 December 2015	7,799	3,512	199	267,727	303	22,252	3,685	2,341	307,818
Accumulated depreciation:									
At 1 January 2014	-	806	193	204,031	197	13,218	3,635	-	222,080
Depreciation for the year	-	97	6	13,248	33	1,433	103	-	14,920
Disposal	-	-	-	(651)	-	(4)	(289)	-	(944)
At 31 December 2014	-	903	199	216,628	230	14,647	3,449	-	236,056
Depreciation for the year	-	97	-	9,471	35	1,255	59	-	10,917
Disposal	-	-	-	(8)	(146)	(64)	-	-	(218)
At 31 December 2015	-	1,000	199	226,091	119	15,838	3,508	-	246,755
Allowance for impairment:									
At 1 January 2014,									
31 December 2014 and									
31 December 2015	-	-	-	22,741	-	-	-	-	22,741
Carrying amount:									
At 31 December 2015	7,799	2,512	-	18,895	184	6,414	177	2,341	38,322
At 31 December 2014	7,799	2,609	-	22,792	67	7,085	56	2,875	43,283

- (i) As at 31 December 2015, the Group has available banking facilities of US\$27,414,000 (2014 : US\$26,856,000) with a consortium of banks. The facility is secured using certain property, plant and equipment of the Group with a total carrying value of approximately US\$23,677,000 (2014 : US\$12,547,000).
- (ii) The Group carried out a review of the recoverable amount of property, plant and equipment having regard to its ongoing operations. The recoverable amount of property, plant and equipment was determined on the basis of their value-in-use.

The key assumptions used for the value-in-use calculation are those regarding the growth rates, expected capital expenditures, terminal value and discount rate. Management prepares cash flow forecasts derived from the most recent financial budgets approved by the Board of Directors for the next five years with growth rate for revenue and expenses based on the industry growth forecast and customer base. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the Group. The rate used to discount the forecast cash flows of the Group is 11.33% (2014 : 10.61%). Based on the value-in-use estimation, management is of the view that no additional impairment allowance is required as at 31 December 2015.

Management has performed certain sensitivity analysis on the value-in-use calculation and concluded that if growth rate for revenue decreases by 2% for the next year or the discount rate increases to 13% and all other variables were held constant, the result will not change.

Company

As at the end of the reporting period, the cost of the Company's furniture and fitting amounted to US\$3,000. The furniture and fitting has been fully depreciated.

Notes to Financial Statements

31 December 2015

11 AVAILABLE-FOR-SALE INVESTMENTS

	2015 US\$'000	Group 2014 US\$'000
At the beginning of the year	1,122	1,433
Disposal	(522)	(281)
Fair value gain (loss) recognised in other comprehensive income	67	(30)
At the end of the year	<u>667</u>	<u>1,122</u>
Represented by:		
Quoted equity shares and convertible bond, at fair value (level 2)	143	652
Privately-held equity, at fair value (level 3)	475	390
Others, at cost	49	80
	<u>667</u>	<u>1,122</u>

The available-for-sale investments represent investments in H&QAP Greater China Growth Fund, L.P (the "Fund") which invested in listed and unlisted equity stocks as well as in convertible bonds. The investment in the mutual fund offers the Group the opportunity for return through fair value gains.

The Group's through its subsidiary, Global Testing International Limited, has committed to invest US\$2,000,000 (2014 : US\$2,000,000) in the Fund. The Fund has not call upon the remaining committed contribution of US\$100,000 (2014 : US\$100,000) from the Group.

During the year, the Fund disposed of parts of its investments which resulted in a loss on disposal amounting to US\$118,000 (2014 : gain on disposal amounting to US\$18,000). The loss on disposal has been included in the line item "other operating expenses" in profit or loss (2014 : The gain on disposal had been included in the line item "other operating income" in profit or loss).

A gain of US\$67,000 (2014 : loss of US\$30,000) arising from changes in the fair value of available-for-sale investments has been included in other comprehensive income.

12 DEFERRED TAX ASSETS

Group

Subject to the agreement by the tax authorities, at the end of the reporting period, the Group has unutilised tax losses and capital allowance available for offset against future profits as follows:

	2015 US\$'000	Group 2014 US\$'000	2015 Year	Expiry 2014 Year
Unutilised tax losses	53,838	59,552	2019 to 2034	2019 to 2032
Unutilised capital allowance	4,467	4,644	*	*

* Based on Taiwan's prevailing tax laws, the unutilised capital allowance has no expiry date.

As at the end of the year, the Group has recognised deferred tax assets of US\$555,000 (2014 : US\$Nil) relating to unutilised tax losses (Note 23). The Group has not recognised deferred tax assets of US\$9,357,000 (2014 : US\$10,913,000) due to unpredictability of future profit streams.

13 TRADE PAYABLES

	2015 US\$'000	Group 2014 US\$'000
Trade payables	<u>304</u>	<u>545</u>

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period on purchases of goods ranges from 30 to 90 days (2014 : 30 to 90 days). No interest is charged on the outstanding trade payables.

Notes to Financial Statements

31 December 2015

14 OTHER PAYABLES

	Group		Company	
	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
Amounts due to subsidiaries (Note 9)	-	-	1,139	16,209
Accrued operating expenses	6,150	5,468	218	250
Payable for plant and equipment	90	108	-	-
Others	46	199	-	-
Total	6,286	5,775	1,357	16,459

The amounts due to subsidiaries bear an interest of 2% (2014: 2%) per annum, is unsecured and repayable on demand.

15 SHARE CAPITAL

	2015 '000	Group and Company 2014 '000	2015 US\$'000	2014 US\$'000
	Number of ordinary shares			
Issued and paid up:				
At the beginning of the year	719,442	757,411	85,252	87,650
Capital reduction and cash distribution	-	-	(40,112)	-
Share consolidation	(683,470)	-	-	-
Treasury shares cancelled	(614)	(37,969)	(823)	(2,398)
At the end of the year	35,358	719,442	44,317	85,252

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

During the year, the Company effected capital reduction and cash distribution and share consolidation of every twenty existing shares for one new share pursuant to obtaining approval from the shareholders at the annual general meeting held on 29 April 2015. The capital reduction and cash distribution of US\$69,744,000 were effected in the following manner:

- wrote off accumulated losses of the Company of US\$29,632,000 against Contributed surplus; and
- returned 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 (exclude treasury shares). The total cash to be distributed to the shareholders amounted to approximately US\$40,112,000 which was offset against share capital.

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.

16 TREASURY SHARES

	2015 '000	Group and Company 2014 '000	2015 US\$'000	2014 US\$'000
	Number of ordinary shares			
At the beginning of the year	6,085	33,854	405	2,140
Repurchased during the year	6,196	10,200	418	663
Share consolidation (Note 15)	(11,667)	-	-	-
Cancellation during the year	(614)	(37,969)	(823)	(2,398)
At the end of the year	-	6,085	-	405

During the year, the Company purchased a total of 6,196,000 (2014 : 10,200,000) shares through market purchase before share consolidation, cancelled 11,667,000 shares through share consolidation (Note 15) and thereafter, cancelled the remaining 614,000 (2014 : 37,969,000) treasury shares.

Notes to Financial Statements

31 December 2015

17 LEGAL RESERVE

The Corporation Law in Taiwan, Republic of China requires each company to set aside a legal reserve amounting to 10% of the net profit after tax each year until the company's accumulated legal reserve is equivalent to the aggregate par value of its issued capital. The company is allowed to capitalise its legal reserve. However, the amount which can be capitalised is limited to 50% of its total accumulated legal reserve. The legal reserve can be used to offset against accumulated losses, if any. When the legal reserve has exceeded 25% of the company's paid-in capital, the excess may be transferred to capital or distributed in cash.

During the year, the Group has utilised the legal reserve set up in prior years to write off its accumulated losses as part of the capital reduction exercise (Note 15).

18 MERGER RESERVE AND CONTRIBUTED SURPLUS

(i) Merger reserve

Merger reserve at group level, represents the difference between the share capital and share premium of the subsidiary, Global Testing Corporation, incorporated in Taiwan, Republic of China at the date on which it was acquired by the Company pursuant to the Restructuring Exercise and the par value of the share capital of the Company issued as consideration for the acquisition.

During the year, the Group has utilised the merger reserve to write off its accumulated losses as part of the capital reduction exercise (Note 15).

(ii) Contributed surplus

Contributed surplus of the Company represents the difference between the consolidated net assets of the subsidiaries at the date on which they were acquired by the Company pursuant to the Restructuring Exercise and the par value of the share capital issued by the Company as consideration for the acquisition.

During the year, the Company has utilised the contributed surplus to write off its accumulated losses as part of the capital reduction exercise (Note 15).

19 SHARE OPTION SCHEME AND PERFORMANCE SHARE PLAN

The Group operates an Employee Share Option Scheme (the "Scheme") and a Performance Share Plan (the "Plan") in respect of unissued ordinary shares in the Company which was approved by the shareholders of the Company on 12 August 2005 and 28 April 2008 respectively. The Scheme had lapsed after a period of 10 years on 12 August 2015 and the Group will not seek the approval of the shareholders to renew the Scheme at the Annual General Meeting to be held on 28 April 2016.

Options granted under the Scheme may have exercise prices that are, at the discretion of the Remuneration Committee, set at a price equal to the average of the closing price of the Company's ordinary shares on the Singapore Exchange for 5 consecutive market days immediately preceding the relevant date of grant of the relevant option (the "Market Price"); or at a discount to the Market Price (subject to a maximum discount of 20%). Options which are fixed at the Market Price may be exercised after the first anniversary of the date of grant of that option while options granted at a discount to the Market Price may only be exercised after the second anniversary from the date of grant of the option. Options granted under the Scheme will have a life span of 10 years.

Under the terms of the Scheme, there are no fixed periods for the grant of options. As such, offers for the grant of options may be made at any time at the discretion of the Remuneration Committee. However, no option shall be granted during the period of 30 days immediately preceding the date of announcement of the Company's interim or final results as the case may be. In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers may only be made after the second market day from the date on which the aforesaid announcement is made. The total number of shares which may be issued and/or issuable pursuant to awards granted under the Plan on any date, when added to the number of shares issued and/or issuable in respect of the Scheme shall not exceed 15% of the issued share capital of the Company on the day preceding that date.

The Plan shall continue to be in force at the discretion of the Remuneration Committee, subject to a maximum period of 10 years commencing on the adoption date. The termination of the Plan shall not affect any awards which have been granted, whether such awards have been released fully or partially.

Notes to Financial Statements

31 December 2015

19 SHARE OPTION SCHEME AND PERFORMANCE SHARE PLAN- continued

The number of shares available under the Scheme and the Plan will be subject to the maximum limit of 15% of the total number of issued shares outstanding of the Company.

No share options or shares were granted to the employees since the inception of the Scheme and the Plan.

20 REVENUE

	2015 US\$'000	Group 2014 US\$'000
Rendering of services	31,443	34,530
Lease of equipment	1,604	3,474
Total	<u>33,047</u>	<u>38,004</u>

21 OTHER OPERATING INCOME

	2015 US\$'000	Group 2014 US\$'000
Foreign exchange gain	783	-
Interest income	149	455
Gain on disposal of property, plant and equipment	22	-
Gain on disposal of available-for-sale investments	-	18
Rental income from operating lease	66	7
Government grant	9	4
Others	87	13
Total	<u>1,116</u>	<u>497</u>

22 FINANCE COSTS

	2015 US\$'000	Group 2014 US\$'000
Interest on bank loans	56	-
Interest on obligations under finance leases	-	137
	<u>56</u>	<u>137</u>

23 INCOME TAX (BENEFITS) EXPENSE

	2015 US\$'000	Group 2014 US\$'000
Current tax expense	459	1
Deferred tax benefits (Note 12)	(555)	-
Net	<u>(96)</u>	<u>1</u>

Domestic income tax is calculated at 17% (2014 : 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Notes to Financial Statements

31 December 2015

23 INCOME TAX (BENEFITS) EXPENSE - continued

The income tax expenses varied from the amount of income tax expense determined by applying the Singapore income tax rate applicable to each financial year to profit before income tax as a result of the following differences:

	2015 US\$'000	Group 2014 US\$'000
Profit before income tax	3,589	3,064
Income tax expense at statutory rate of 17% (2014 : 17%)	610	521
Effect of expenses that are not deductible in determining taxable profit	431	298
Effect of utilisation of previously unrecognised tax losses and capital allowance (Note 12)	(513)	(1,624)
Effect of unused tax losses not recognised as deferred tax assets (Note 12)	-	376
Effect of previously unrecognized and unused tax losses now recognised as deferred tax assets (Note 12)	(555)	-
Others	(69)	430
Income tax (credit) expense recognised in profit or loss	(96)	1

24 PROFIT FOR THE YEAR

Profit for the year has been arrived at after changing (crediting):

	2015 US\$'000	Group 2014 US\$'000
Depreciation of property, plant and equipment	10,917	14,920
Employee benefits expense (including directors' remuneration):		
Staff costs	10,664	10,958
Cost of defined contribution plan	349	379
Defined benefit plan income	(6)	(6)
	11,007	11,331
Audit fees:		
Paid to auditors of the Company	70	70
Paid to other auditors	91	95
	161	165
Non-audit fees:		
Paid to auditors of the Company	13	-
Paid to other auditors	18	18
	31	18

25 EARNINGS PER SHARE

	2015	Group 2014
Profit for the year (US\$'000)	3,685	3,063
Weighted average number of ordinary shares in issue during the year ('000)	35,370	35,909 ⁽¹⁾
Basic earnings per share (US cents)	10.42	8.53

Basic earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is the same as basic earnings per share as there are no dilutive financial instruments issued during the year or outstanding as at the end of the financial year.

Notes to Financial Statements

31 December 2015

25 EARNINGS PER SHARE - continued

- (1) During the year, the Company effected share consolidation of every twenty existing shares for one new share (Note 15). The weighted average number of ordinary shares has been adjusted for the proportionate change in the number of ordinary shares outstanding as if the share consolidation had occurred on 1 January 2014.

26 OPERATING SEGMENT INFORMATION

Products and services from which reportable segments derive their revenues

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

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. As there is only one principal operating segment, the information regarding its revenue and result, assets and other information is represented by the financial statements as a whole. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of the Group's performance.

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, United States of America and Singapore. The Group's revenue from external customers and information about its non-current assets by geographical location are detailed below:

	Revenue from external customers		Non-current assets	
	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
Singapore	11,178	18,111	-	-
United States of America	5,871	4,476	503	1,057
Taiwan, Republic of China	6,152	8,498	39,574	43,839
Republic of China	6,001	2,652	-	-
Japan	3,012	2,368	-	-
Others	833	1,899	-	-
Total	33,047	38,004	40,077	44,896

Information about major customers

	2015		2014	
	US\$'000	%	US\$'000	%
Customer A	11,178	33.8	18,111	47.7
Customer B	5,773	17.5	2,651	7.0
Customer C	3,012	9.1	2,368	6.2
Customer D	2,051	6.2	1,834	4.8
Customer E	1,122	3.4	-	-
Customer F	-	-	3,100	8.2
Others	9,911	30.0	9,940	26.1
Total	33,047	100.0	38,004	100.0

Notes to Financial Statements

31 December 2015

27 OPERATING LEASE COMMITMENTS

The Group as lessor

The Group leases factory and equipment to the customers on short-term lease arrangements. According to the lease agreements, the arrangement can be cancelled by giving 1 to 6 months notice.

28 COMMITMENTS

Capital expenditures contracted but not recognised at the end of the reporting period are as follows:

	<u>2015</u> US\$'000	<u>Group</u> <u>2014</u> US\$'000
Available-for-sales investments (Note 11)	<u>100</u>	<u>100</u>

Shareholdings Statistics

As at March 18, 2016

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	58	1.92	2,682	0.01
100 - 1,000	1,478	48.97	890,829	2.52
1,001 - 10,000	1,335	44.23	4,323,766	12.23
10,001 - 1,000,000	142	4.71	7,735,620	21.88
1,000,001 and above	5	0.17	22,405,130	63.36
Total :	3,018	100.00	35,358,027	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1.	Citibank Nominees Singapore Pte Ltd	15,350,807	43.42
2	RAFFLES NOMINEES (PTE) LIMITED	3,125,620	8.84
3	HL BANK NOMINEES (SINGAPORE) PTE LTD	1,554,250	4.40
4	UOB KAY HIAN PRIVATE LIMITED	1,206,058	3.41
5	DBS NOMINEES (PRIVATE) LIMITED	1,168,395	3.30
6	MAYBANK KIM ENG SECURITIES PTE. LTD.	932,353	2.64
7	DB NOMINEES (SINGAPORE) PTE LTD	872,575	2.47
8	LIM GEK SUAN	575,545	1.63
9	CIMB SECURITIES (SINGAPORE) PTE. LTD.	548,505	1.55
10	LIM MONG HOO	337,350	0.95
11	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	300,490	0.85
12	OCBC SECURITIES PRIVATE LIMITED	265,359	0.75
13	PHILLIP SECURITIES PTE LTD	208,001	0.59
14	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	194,755	0.55
15	HO CHENG CHEW	104,000	0.29
16	LEE CHEE KIONG DONALD	100,000	0.28
17	TAN HUI SONG	100,000	0.28
18	ANG CHIN SAN	90,000	0.25
19	TAN KOK CHING	90,000	0.25
20	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	86,250	0.24
TOTAL		27,210,313	76.94

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC HANDS

54.41% of the Company's shares are held in the hands of the Public as at 18 March 2016 (excluding treasury shares). Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

SHARE CAPITAL

Number of shares issued and fully paid : 35,358,027 ordinary shares (including treasury shares)
Voting rights : One vote per share

Shareholdings Statistics

As at March 18, 2016

SUBSTANTIAL SHAREHOLDERS AS AT 18 MARCH 2016

(as recorded in the Register of Substantial Shareholders)

Name of Substantial Shareholder	DIRECT INTEREST		DEEMED INTEREST	
	Number of Shares	%	Number of Shares	%
Chen, Tie-Min ⁽ⁱ⁾	3,785,549	10.71	774,427	2.19
Yageo Corporation ⁽ⁱⁱ⁾	8,232,388	23.28	1,838,953	5.20
Kuo Shin Investment Corporation	1,838,953	5.20	-	-

Notes:

- (i) 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. Mdm Lee is deemed interested in all the shares held by Hsu Chang.

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.

- (ii) 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 1,838,953 Shares in the Company.

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

TREASURY SHARES AS AT 18 MARCH 2016

As at 18 March 2016, the Company has no ordinary shares held as Treasury Shares.

Shareholdings Statistics

As at March 18, 2016

DIRECTORS & SUBSTANTIAL SHAREHOLDINGS AS AT 18 MARCH 2016

Name of Directors	DIRECT INTEREST		DEEMED INTEREST	
	Number of Shares	%	Number of Shares	%
Chen, Tie-Min	3,785,549	10.71	774,427	2.19
Heng-Chun Ho	0	0	0	0
Kenneth Tai, Chung-Hou	12,500	0.04	0	0
Geoffrey Yeoh Seng Huat	0	0	0	0
Chia Soon Loi	1,474,250	4.17	0	0
TOTAL	5,272,299			

Name of Substantial Shareholder				
Yageo Corporation	8,232,388	23.28	1,838,953	5.20
Kuo Shin Investment Corporation	1,838,953	5.20		
TOTAL	10,071,341			

Other shareholders of less than 5% who are related to Directors of Substantial shareholders

Lee Hwei Jan	148,045	0.42	626,382	1.77
Hsu Chang Investment Limited	626,382	1.77		
TOTAL	16,118,067	45.59		

Public	19,239,960	54.41		
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* Calculation on the basis of excluding treasury shares (35,358,027)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at the Sheraton Towers Singapore, Diamond Room, Lower Lobby, 39 Scotts Road, Singapore 228230 on Thursday, 28 April 2016 at 9.00 a.m., for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2015 together with the Auditors' Report thereon. **(Resolution 1)**
2. To re-elect Mr Chen, Tie-Min, a Director retiring pursuant to Article 115 of the Company's Constitution. [See Explanatory Note (i)] **(Resolution 2)**
3. To re-elect Mr Chia Soon Loi, a Director retiring pursuant to Article 115 of the Company's Constitution. [See Explanatory Note (ii)] **(Resolution 3)**
4. To approve the payment of Directors' Fees of S\$310,000 for the financial year ending 31 December 2016, to be paid quarterly in arrears. (2015: S\$310,000) **(Resolution 4)**
5. To re-appoint Messrs Deloitte & Touche LLP, as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 5)**
6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without modifications:

7. GENERAL MANDATE TO ISSUE SHARES OR CONVERTIBLE SECURITIES

That pursuant to Section 161 of the Companies Act, Cap. 50 and the listing rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and notwithstanding the provisions of the Constitution of the Company, authority be and is hereby given to the Directors of the Company to:

- (a) (i) issue shares in the capital of the Company (whether by way of rights, bonus or otherwise); and/or
- (ii) make or grant offers, agreements or options (collectively, "**instruments**") that may or would require shares to be issued, including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any instrument made or granted by the Directors while this Resolution was in force,

provided that:

- (i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) does not exceed fifty percent (50%) of the total number of issued shares excluding treasury shares of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be granted other than on a pro-rata basis to shareholders of the Company with registered addresses in Singapore (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) does not exceed twenty percent (20%) of the total number of issued shares excluding treasury shares of the Company (as calculated in accordance with sub-paragraph (ii) below);

Notice of Annual General Meeting

- (ii) for the purpose of determining the aggregate number of shares that may be issued under subparagraph (i) above, the percentage of the total number of issued shares excluding treasury shares of the Company shall be calculated based on the total number of issued shares excluding treasury shares of the Company at the time of the passing of this Resolution, after adjusting for:
 - (1) new shares arising from the conversion or exercise of any convertible securities;
 - (2) new shares arising from exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
 - (3) any subsequent bonus issue, consolidation or subdivision of shares;
- (iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (iv) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Notes (iii)]

(Resolution 6)

8. GLOBAL TESTING PERFORMANCE SHARE PLAN

That approval be and is hereby given to the Directors of the Company to allot and issue from time to time such number of ordinary shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards granted or to be granted under the Global Testing Performance Share Plan (the “**Plan**”), provided that the aggregate number of ordinary shares to be issued pursuant to the Plan and any other share based incentive schemes of the Company shall not exceed fifteen percent (15%) of the total number of issued shares excluding treasury shares of the Company from time to time. [See Explanatory Note (iv)]

(Resolution 7)

9. SHARE PURCHASE MANDATE

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Cap. 50 (the “**Act**”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares in the capital of the Company (the “**Shares**”) not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) market purchases (each a “**Market Purchase**”) on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”); and/or
 - (ii) off-market purchases (each an “**Off-Market Purchase**”) effected otherwise than on the SGX-ST in accordance with any equal access schemes as may be determined or formulated by the Directors of the Company as they consider fit, which schemes shall satisfy all the conditions prescribed by the Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);

- (b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

Notice of Annual General Meeting

- (i) the date on which the next Annual General Meeting of the Company is held;
 - (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; or
 - (iii) the date on which the purchases or acquisitions of shares by the Company pursuant to the Share Purchase Mandate are carried out to the fullest extent mandated.
- (c) in this Resolution:

"Prescribed Limit" means ten percent (10%) of the issued Shares of the Company as at the date of passing of this Resolution; and

"Maximum Price" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase : 105% of the Average Closing Price of the Shares
- (ii) in the case of an Off-Market Purchase : 120% of the Average Closing Price of the Shares

where:

"Average Closing Price" means the average of the closing market prices of the Shares over the last five (5) consecutive market days, on which transactions in the Shares were recorded, before the day on which the Shares are transacted on the SGX-ST, immediately preceding the date of Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase pursuant to the equal access scheme, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) consecutive market days;

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

- (d) the Directors of the Company and/or any of them be and are hereby authorised to deal with the Shares purchased by the Company, pursuant to the Share Purchase Mandate in any manner as may be permitted under the Act; and
- (e) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

[See Explanatory Notes (v)]

(Resolution 8)

By Order of the Board

Abdul Jabbar Bin Karam Din
Company Secretary

Date: 11 April 2016
Singapore

Notice of Annual General Meeting

Explanatory Notes:

- (i) Mr Chen, Tie-Min, upon re-election as a Director of the Company, will remain as member of the Nominating Committee. Mr Chen, Tie-Min is the Executive Chairman.
- (ii) Mr Chia Soon Loi, upon re-election as a Director of the Company, will remain as Chairman of the Remuneration Committee and member of the Audit Committee and Nominating Committee. Mr Chia Soon Loi is an Independent Director.
- (iii) The Ordinary Resolution 6 proposed in item 7. above, if passed, is to empower the Directors to issue shares in the capital of the Company and/or instruments (as defined above). The aggregate number of shares to be issued pursuant to Resolution 6 (including shares to be issued in pursuance of instruments made or granted) shall not exceed fifty percent (50%) of the total number of issued shares excluding treasury shares of the Company, with a sub-limit of twenty percent (20%) for shares issued other than on a pro-rata basis (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) to shareholders with registered addresses in Singapore. For the purpose of determining the aggregate number of shares that may be issued, the percentage of the total number of issued shares excluding treasury shares of the Company will be calculated based on the total number of issued shares excluding treasury shares of the Company at the time of the passing of Resolution 6, after adjusting for (i) new shares arising from the conversion or exercise of any convertible securities; (ii) new shares arising from exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of Resolution 6, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and (iii) any subsequent bonus issue, consolidation or subdivision of shares.
- (iv) The Ordinary Resolution 7 proposed in item 8. above, is to authorise the Directors to allot and issue shares on the vesting of awards under the Plan.
- (v) The Ordinary Resolution 8 proposed in item 9. above, is to renew the Share Purchase Mandate, which was originally approved by the shareholders on 28 April 2008. Detailed information on the renewal of the Share Purchase Mandate is set out in Appendix A.

NOTES:

- 1. A member of the Company entitled to attend and vote at the Annual General Meeting 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 Annual General Meeting or any adjournment thereof.
- 4. A member of the Company who is entitled to attend and vote at the AGM 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, Cap. 50.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting 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 Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (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.

IMPORTANT:

1. For investors who have used their CPF monies to buy shares in the capital of Global Testing Corporation Limited, the Letter 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 AGM 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.

PROXY FORM – ANNUAL GENERAL MEETING

I/We, _____ (Name)
of _____ (Address)
being a member/members of Global Testing Corporation Limited (the “Company”), hereby appoint:

Name	Address	NRIC or Passport No.	Percentage of Shareholdings (%)

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

Name	Address	NRIC or Passport No.	Percentage of Shareholdings (%)

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 Annual General Meeting of the Company to be held at the Sheraton Towers Singapore, Diamond Room, Lower Lobby, 39 Scotts Road, Singapore 228230 on Thursday, 28 April 2016 at 9.00 a.m., and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting 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 Meeting.

No.	Resolutions	For	Against
	ORDINARY BUSINESS		
1.	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2015 (Resolution 1)		
2.	Re-election of Mr Chen, Tie-Min as a Director (Resolution 2)		
3.	Re-election of Mr Chia Soon Loi as a Director (Resolution 3)		
4.	Payment of Directors' Fees for the financial year ending 31 December 2016, to be paid quarterly in arrears (Resolution 4)		
5.	Re-appointment of Messrs Deloitte & Touche LLP as Auditors of the Company (Resolution 5)		
6.	Any other ordinary business		
	SPECIAL BUSINESS		
7.	Authority for Directors to allot and issue new shares (Resolution 6)		
8.	Authority for Directors to allot and issue shares on the vesting of awards under the Global Testing Performance Share Plan (Resolution 7)		
9.	To approve the renewal of Share Purchase Mandate (Resolution 8)		

* Please indicate your vote “For” or “Against” with a tick (✓) within the box provided.

Dated this _____ day of _____ 2016

Total Number of Shares held	
--------------------------------	--

Signature(s) of member(s)
or Common Seal of Corporate Shareholder

* If no person is named in the space above, the Chairman of the Annual General Meeting shall be my/our proxy to vote, for or against the Resolutions to be proposed at the Annual General Meeting as indicated below, for me/us and on my/our behalf at the Annual General Meeting and at any adjournment thereof.

IMPORTANT (PLEASE READ THE NOTES)

Notes:

1. Please insert the total number of shares held by you. If you have shares registered in your name in the Depository Register, you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you 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 you.
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 meeting.
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 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 meeting, in accordance with Section 179 of the Companies Act, Cap. 50.
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 Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

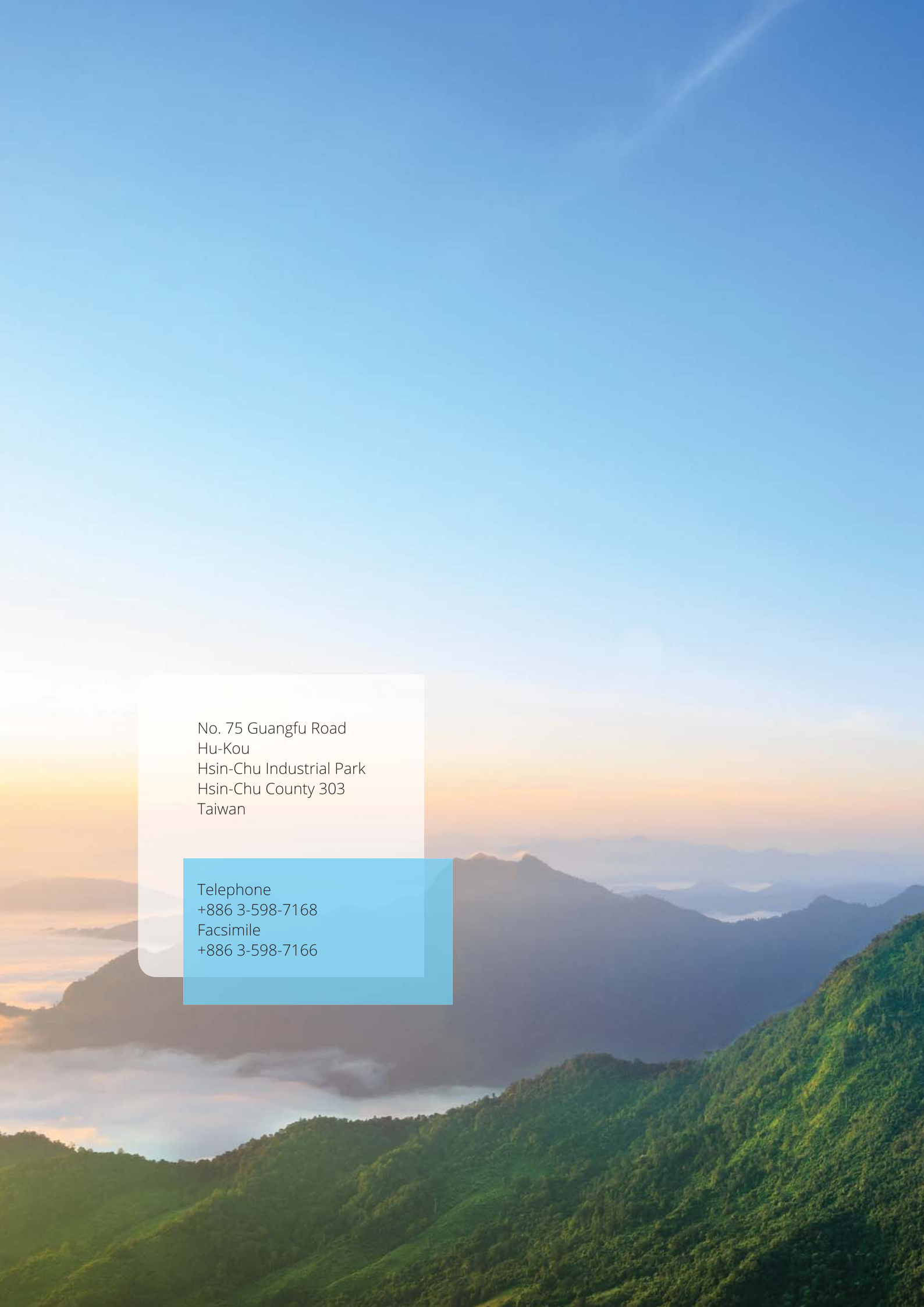
General:

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 Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy

By 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 Annual General Meeting dated 11 April 2016.





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