



First Quarter Financial Statements for the Period Ended 31 March 2015

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

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

	Group		
	1-Jan-15 to	1-Jan-14 to	Change
	31-Mar-15	31-Mar-14	
Note	US\$'000	US\$'000	%
Revenue	8,522	9,065	(6.0)
Cost of sales	<u>(6,176)</u>	<u>(7,126)</u>	(13.3)
Gross Profit	2,346	1,939	21.0
Other operating income	88	104	(15.4)
Distribution costs	(202)	(200)	1.0
Administration expenses	(1,162)	(1,029)	12.9
Other operating expenses	<u>(341)</u>	<u>(654)</u>	(47.9)
Profit from operations	729	160	355.6
Finance costs	<u>(15)</u>	<u>(49)</u>	(69.4)
Profit before income tax	<u>714</u>	<u>111</u>	543.2
Net profit for the period	A <u>714</u>	<u>111</u>	543.2
<i>Items that may be reclassified subsequently to profit or loss</i>			
Other comprehensive income :			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Fair value gain on available for sale financial assets	<u>20</u>	<u>27</u>	(25.9)
Other comprehensive income for the period, net of tax	<u>20</u>	<u>27</u>	(25.9)
Total comprehensive income attributable to equity holders of the Company	<u><u>734</u></u>	<u><u>138</u></u>	431.9
Earnings per share attributable to equity holders of the Company (US cent)			
- Basic	<u>0.10</u>	<u>0.02</u>	400.0
- Diluted	<u>0.10</u>	<u>0.02</u>	400.0
A. Net profit is arrived at after charging (crediting) :			
- Directors' remuneration	198	200	(1.0)
- Interest on borrowings	15	49	(69.4)
- Depreciation expense	2,825	4,142	(31.8)
- Gain on disposal of available for sale financial asset	-	(9)	NM
- Foreign currency exchange loss	47	359	(86.9)
- Interest income	(82)	(91)	(9.9)

NM - Not meaningful

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

Note	Group		Company	
	31-Mar-15 US\$'000	31-Dec-14 US\$'000	31-Mar-15 US\$'000	31-Dec-14 US\$'000
Current Assets				
Cash	39,322	38,590	200	416
Trade receivables	6,638	6,101	-	-
Other receivables and prepayments	2,148	2,306	5,378	4,823
Total current assets	<u>48,108</u>	<u>46,997</u>	<u>5,578</u>	<u>5,239</u>
Non-current Assets				
Investment in subsidiaries	-	-	98,362	98,362
Property, plant and equipment	41,043	43,283	-	-
Available-for-sale investments	1,142	1,122	-	-
Other receivables and prepayments	486	491	-	-
Total non-current assets	<u>42,671</u>	<u>44,896</u>	<u>98,362</u>	<u>98,362</u>
Total Assets	<u>90,779</u>	<u>91,893</u>	<u>103,940</u>	<u>103,601</u>
Current Liabilities				
Trade payables	408	545	-	-
Other payables	4,482	5,775	17,454	16,459
Total current liabilities	<u>4,890</u>	<u>6,320</u>	<u>17,454</u>	<u>16,459</u>
Capital and Reserves				
Share capital	85,252	85,252	85,252	85,252
Treasury shares	(823)	(405)	(823)	(405)
Legal reserve	4,875	4,875	-	-
Merger reserve	23,993	23,993	-	-
Contributed surplus	-	-	31,927	31,927
Fair value reserve	161	141	-	-
Accumulated losses	(27,569)	(28,283)	(29,870)	(29,632)
Net shareholders' equity	<u>85,889</u>	<u>85,573</u>	<u>86,486</u>	<u>87,142</u>
Total Liabilities and Shareholders' Equity	<u>90,779</u>	<u>91,893</u>	<u>103,940</u>	<u>103,601</u>



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

Details of loans and borrowings

In 2014 the Group leased certain plant and equipment under finance leases. The average lease term was 4.5 years. All leases were on a fixed repayment basis and no arrangements had been entered into for contingent rental payments. The remaining portion of the payment of approximately USD389,000 was fully repaid in 4Q 2014.

Details of any collateral

As at 31 March 2015, the Group has available banking facilities of US\$27,157,000 (31 Dec 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 net book value of approximately US\$12,282,000 (31 Dec 2014: US\$12,547,000).

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

	Note	Group 1-Jan-15 to 31-Mar-15 <u>US\$'000</u>	Group 1-Jan-14 to 31-Mar-14 <u>US\$'000</u>
Operating activities			
Profit before income tax		714	111
Adjustments for :			
Depreciation expense		2,825	4,142
Interest income		(82)	(91)
Interest expense		15	49
Gain on disposal of available-for-sale financial assets		-	(9)
Operating profit before working capital changes		<u>3,472</u>	<u>4,202</u>
Trade receivables		(537)	5
Other receivables and prepayments		(76)	(175)
Trade payables		(137)	(249)
Other payables		<u>(1,199)</u>	<u>(999)</u>
Cash generated from operations		1,523	2,784
Interest received		321	87
Net cash from operating activities		<u>1,844</u>	<u>2,871</u>
Investing activities			
Proceeds from disposal of available-for-sale financial assets		-	75
Purchase of property, plant and equipment	A	<u>(599)</u>	<u>(1,694)</u>
Net cash used in investing activities		<u>(599)</u>	<u>(1,619)</u>
Financing activities			
Repayment of finance lease liabilities		-	(551)
Purchase of treasury shares		(498)	(41)
Interest paid		<u>(15)</u>	<u>(49)</u>
Net cash used in financing activities		<u>(513)</u>	<u>(641)</u>
Net increase in cash		732	611
Cash at the beginning of the period		<u>38,590</u>	<u>28,301</u>
Cash at the end of the period		<u>39,322</u>	<u>28,912</u>



Note

A. Property, plant and equipment

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

	1-Jan-15 to 31-Mar-15	1-Jan-14 to 31-Mar-14
	US\$'000	US\$'000
Total acquisition of property, plant and equipment	585	1,622
Add: Other payables at beginning of period	108	820
Less: Other payables at end of period	<u>(94)</u>	<u>(748)</u>
Cash paid	<u>599</u>	<u>1,694</u>

During the three months ended 31 March 2015, the Group acquired property, plant and equipment with an aggregate cost of approximately US\$585,000 (31 March 2014: US\$1,622,000). Cash payments of US\$599,000 (31 March 2014: US\$1,694,000) were made to acquire property, plant and equipment.



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

Group	Share capital	Treasury shares	Legal reserve	Merger reserve	Fair value reserve	Accumulated losses	Net
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 Jan 2014	87,650	(2,140)	4,875	23,993	171	(31,354)	83,195
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	111	111
Other comprehensive income for the period	-	-	-	-	27	-	27
Total	-	-	-	-	27	111	138
Transactions with owners, recognised directly in equity							
Repurchase of shares	-	(41)	-	-	-	-	(41)
Balance at 31 Mar 2014	87,650	(2,181)	4,875	23,993	198	(31,243)	83,292
Balance at 1 Jan 2015	85,252	(405)	4,875	23,993	141	(28,283)	85,573
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	714	714
Other comprehensive profit for the period	-	-	-	-	20	-	20
Total	-	-	-	-	20	714	734
Transactions with owners, recognised directly in equity							
Repurchase of shares	-	(418)	-	-	-	-	(418)
Balance at 31 Mar 2015	85,252	(823)	4,875	23,993	161	(27,569)	85,889

Company	Share capital	Treasury shares	Contributed surplus	Accumulated losses	Net
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 Jan 2014	87,650	(2,140)	31,927	(28,820)	88,617
Loss for the period, representing total comprehensive loss for the period	-	-	-	(193)	(193)
Transactions with owners, recognised directly in equity					
Repurchase of shares	-	(41)	-	-	(41)
Balance at 31 Mar 2014	87,650	(2,181)	31,927	(29,013)	88,383
Balance at 1 Jan 2015	85,252	(405)	31,927	(29,632)	87,142
Loss for the period, representing total comprehensive loss for the period	-	-	-	(238)	(238)
Transactions with owners, recognised directly in equity					
Repurchase of shares	-	(418)	-	-	(418)
Balance at 31 Dec 2015	85,252	(823)	31,927	(29,870)	86,486

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

Share Capital	Number of shares ('000)	
	Year-to-date	
	31-Mar-15	31-Mar-14
Balance at beginning of period	719,442	757,411
Balance at end of period	<u>719,442</u>	<u>757,411</u>

Treasury Shares	Number of shares ('000)	
	Year-to-date	
	31-Mar-15	31-Mar-14
Balance at beginning of period	6,085	33,854
Repurchase during the period	6,196	650
Balance at end of period	<u>12,281</u>	<u>34,504</u>

In the current period, the Company purchased a total of 6,196,000 (31 March 2014: 650,000) shares through market purchase. The total amount paid to acquire shares for the period was US\$418,000 (31 March 2014: US\$41,000) and has been separately recorded as treasury shares in shareholders' equity.

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

Total number of issued shares excluding treasury shares as at the end of the current financial period is 707,161,001 (31 December 2014: 713,357,001) shares.

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

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

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

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



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

Please see attached review report.

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

The accounting policies and methods of computation applied by the Group and the Company are consistent with those used in its most recently audited financial statements for the year ended 31 December 2014.

Basis of preparation of the interim condensed financial information

The interim condensed financial information of Global Testing Corporation Limited and its subsidiaries (the “Group”), which comprises the condensed statement of financial position of the Group and the Company as at March 31, 2015, and the condensed statement of profit or loss and other comprehensive income, statement of changes in equity, and cash flow statement of the Group and the condensed statement of changes in equity of the Company for the three months period then ended, and selected explanatory notes as enumerated in sections 1, 4, 5, 6, 7, 11, 12, 14 and 15 of the announcement, has been prepared in accordance with Singapore Financial Reporting Standards 34 Interim Financial Reporting (“FRS 34”). This interim condensed financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2014.

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

There are no changes to the Group’s accounting policies and the adoption of the new or revised FRS and Interpretations that become effective in the financial period beginning on or after 1 January 2015 has no material impact on the Group’s consolidated condensed interim financial information.

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

	Group	
	1- Jan-15 to 31-Mar-15	1- Jan-14 to 31-Mar-14
Based on weighted average numbers of shares (US cents per share)	0.10	0.02
- Weighted average number of shares (‘000)	708,150	722,972
On a fully diluted basis (US cents per share)	0.10	0.02
- Weighted average number of shares (‘000)	708,150	722,972

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



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

	<u>31-Mar-15</u>	<u>31-Dec-14</u>
Net asset value per share (US cents)		
-The Group	<u>12.15</u>	<u>12.00</u>
-The Company	<u>12.23</u>	<u>12.22</u>

Net asset value per ordinary share is calculated based on the share capital of 707,161,001 (31 December 2014: 713,357,001) ordinary shares outstanding excluding treasury share as at the end of the relevant financial period.

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

Review of Operating Results

Net Profit

Net profit for 1Q 2015 increased by 543.2% to US\$0.7 million, compared to US\$0.1 million in 1Q 2014, mainly due to the management team's well manage in all aspect of the Group

Cost of sales

Cost of sales for 1Q 2015 decreased by 13.3% to US\$6.2 million, compared to US\$7.1 million in 1Q 2014, mainly due to the consistently prudent control of expenses in all aspects such as operating expenses, overhead, purchase cost and depreciation expense.

Administration expenses

Administration expenses for 1Q 2015 increased by 12.9% to US\$1.2 million compared to US\$1.0 million in 1Q 2014, mainly due to the employee yearly bonus expense occurred.

Other operating expenses

Other operating expenses for 1Q 2015 decreased by 47.9% to US\$0.3 million compared to US\$0.7 million in 1Q 2014 mainly due to the well control in foreign currency management.



Revenue

Revenue for 1Q 2015 slightly decreased by 6.0% to US\$8.5 million, compared to US\$9.1 million in 1Q 2014, mainly due to the decrease by Q1 2015 semiconductor /3C industries demand lower than 10% more but the Group even better than the market average lot.

Financial position of the Group

Cash

Cash increased by 1.9% to US\$39.3 million as at 31 March 2015, compared to US\$38.6 million as at 31 December 2014, mainly due to the increase in the Group net cash inflow generated from operating activities.

Property, plant and equipment

Property, plant and equipment decreased by 5.2% to US\$41.0 million as at 31 March 2015, compared to US\$43.3 million as at 31 December 2014, mainly due to depreciation expense charged during the period which was partially offset by additions of property, plant and equipment during the period.

Trade payables

Trade payables decreased by 25.1% to US\$0.4 million as at 31 March 2015, compared to US\$0.5 million as at 31 December 2014, due to the decrease in purchase of raw materials during the period.

Other payables

Other payables decreased by 22.4% to US\$4.4 million as at 31 March 2015, compared to US\$5.8 million as at 31 December 2014, mainly due to the provision of year-end bonus being paid in February 2015.

Treasury shares

Treasury shares increased by 103.2% to US\$0.8 million as at 31 March 2015, compared to US\$0.4 million as at 31 December 2014. This was mainly due to share buyback during the period.

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

For 1Q 2015, revenue decreased by 6.0% from US\$9.1 million in 4Q 2014 to US\$8.5 million. The result is consistent with the Group's earlier guidance.



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

The slowdown in global markets in 1Q2015 has led to an over 10% dip in the overall global semiconductor and computers, consumer electronics and communications (“3C”) industries, and an overall decrease in orders. The Group’s revenue slipped 5.9% year-on-year, which is relatively lower when compared to the overall global industry dip.

Despite the dip in 1Q2015 revenue and a slight decrease in orders, the Group still maintains a strong and competitive position. The continued focus on cost management and enhanced operational efficiencies resulted in the Group’s Q1 net profit growing from US\$0.1 million in 1Q2014 to US\$0.7 million in 1Q2015.

We expect the global semiconductor industry to improve for the rest of the year. The Group will continue to exercise diligence and prudence to remain cost competitive and improve our operational efficiencies, as we seek to strengthen our position in the global consumer electronics sector, in addition to our mainstay customers in the tablet, smartphone, automotive and communications sectors.

11. Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

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

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

No IPT mandate has been obtained from shareholders. The company and its subsidiaries did not enter into any IPT during the financial period ended 31 March 2015.



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

Products and services from which reportable segments derive their revenues

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

Geographical information

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

Revenue by geographical region

	1 Jan 2015 to 31 Mar 2015		1 Jan 2014 to 31 Mar 2014	
	US\$'000	%	US\$'000	%
Asia	7,046	82.7	7,864	86.8
North America	1,289	15.1	1,074	11.8
Others	187	2.2	127	1.4
	<u>8,522</u>	<u>100.0</u>	<u>9,065</u>	<u>100.0</u>

Non-current assets by geographical location

	31-Mar-15	31-Dec-14
	US\$'000	US\$'000
Taiwan	41,762	43,829
US	909	1,067
Total	<u>42,671</u>	<u>44,896</u>

15. SUBSEQUENT EVENT

On 26 February 2015, the Company announced and proposed to undertake the following exercises:

- (a) the proposed consolidation of every 20 shares of the Company into 1 consolidated share; and
- (b) a capital reduction exercise to (i) write off accumulated losses and (ii) return to shareholders surplus capital of the Company in excess of the Group's needs by way of a cash distribution by the Company to shareholders of Singapore dollar 0.075 for each share held by the shareholders with total amount of about Singapore dollar 53,037,075.

It has been approved on April 29, 2015.



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

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results for the financial period ended 31 March 2015 of the Company and of the Group to be false or misleading, in any material aspect.

On behalf of the Board of Directors

Chen, Tie-Min
Executive Chairman

Heng-Chun Ho
Executive Director and
Chief Executive Officer

BY ORDER OF THE BOARD

Heng-Chun Ho
Executive Director and Chief Executive Officer
29 April 2015

April 29, 2015

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

Dear Sirs

REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION FOR GLOBAL TESTING CORPORATION LIMITED FOR THE QUARTER ENDED MARCH 31, 2015

Introduction

We have reviewed the accompanying interim condensed financial information of Global Testing Corporation Limited (the “Company”) and its subsidiaries (the “Group”) which comprises the condensed statement of financial position of the Group and the Company as at March 31, 2015, and the condensed statement of profit or loss and other comprehensive income, statement of changes in equity, and cash flow statement of the Group and the condensed statement of changes in equity of the Company for the three months period then ended, and selected explanatory notes as enumerated in sections 1, 4, 5, 6, 7, 11, 12, 14 and 15 of the announcement (“interim condensed financial information”).

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

Scope of Review

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

Conclusion

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

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore