

**GLOBAL TESTING CORPORATION LIMITED**  
(Incorporated in Singapore)  
(Registration No. 200409582R)

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**RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM SHAREHOLDER IN  
RESPECT OF THE ANNUAL GENERAL MEETING TO BE HELD ON 30 APRIL 2026**

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*Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings given to them in the Letter to Shareholders dated 8 April 2026 in relation to the proposed Capital Reduction and Cash Distribution (“Letter to Shareholders”).*

The Board of Directors (the “**Board**”) of Global Testing Corporation Limited (“**Global Testing**” or the “**Company**” or the “**Group**”) refers to *inter alia*:

- (a) the annual report of the Company for the financial year ended 31 December 2025 (the “**Annual Report**”);
- (b) the notice of annual general meeting (“**AGM**”) issued on 8 April 2026 informing shareholders that the Company’s AGM will be convened and held at voco Orchard Singapore, Malaysia Room Level 5, 581 Orchard Road, Singapore 238883 on Thursday, 30 April 2026 at 10.00 a.m.; and
- (c) the Letter to Shareholders.

The Board and Management would like to thank the shareholder of the Company for submitting his questions in advance of the AGM.

Please refer to **Annex A** for the Board and Management’s responses to the substantial and relevant questions received from the shareholder.

By order of the Board

Chen Tie-Min  
Senior Executive Director  
24 April 2026

## **Annex A**

### **RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM SHAREHOLDER IN RESPECT OF THE ANNUAL GENERAL MEETING TO BE HELD ON 30 APRIL 2026**

#### **Question 1**

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| <i>Question from the shareholder is reproduced below "as-is".</i> |
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| Why has the Board of Directors chosen to return surplus cash to shareholders by way of capital reduction instead of the more conventional way of giving out dividends? |
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#### **Company's response**

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

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

The Company is currently in a loss position and is therefore unable to declare dividends. In addition, paying dividends through the Group structure (i.e. from the Company's subsidiary in Taiwan to the Company and subsequently from the Company to its Shareholders) may give rise to additional tax implications. Having considered these factors, the Directors are of the view that returning excess capital to Shareholders through the proposed Capital Reduction is a more efficient and appropriate method under the current circumstances.

#### **Question 2**

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| <i>Question from the shareholder is reproduced below "as-is".</i> |
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| The net profit tax rate for the Group has risen to about 25% in FY 2025. Is this tax rate expected to continue in the next FY? |
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#### **Company's response**

The increase in the Group's effective tax rate in FY2025 was primarily attributable to an increase in the Company's taxable profits for the year with the available tax loss carried forward being fully utilised during the said financial year.

As a result, the effective tax rate is expected to remain at a similar level for the financial year ending 31 December 2026.

### **Question 3**

*Question from the shareholder is reproduced below "as-is".*

The Group's gross margin has deteriorated from 28% in the second half of 2024, to 25% in first half 2025 and then to 20% in 2H 2025. What has caused the fall in gross margin? Is the management actively working towards improving the gross margin?

### **Company's response**

The decline in the Group's gross margin over the abovementioned period was attributable to higher short term equipment rental and electricity expenses amid intensifying geopolitical tensions.

The Group is actively and will continue to carefully manage its business operation and exercise prudent capital management, with a focus on operation efficiency, cost rationalisation and enhancing productivity.