On the Right Track for Growth

ANNUAL REPORT 2020

GLOBAL TESTING
CORPORATION LIMITED

Our Vision

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.

Contents

Corporate Profile

Established in 1998, Global Testing Corporation Limited ("Global Testing" or the "Group") is an independent testing services company 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.

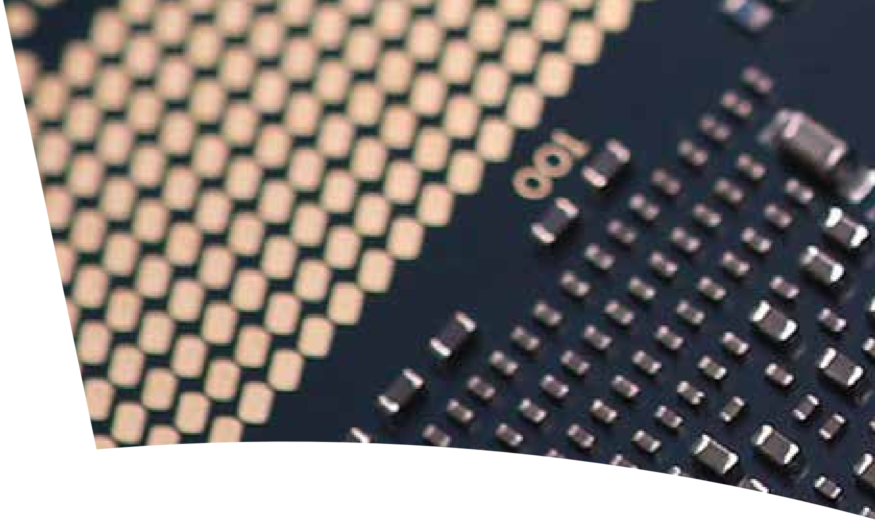
The Group has also extended its testing capability and established its niche in the provision of wafer testing services to the automotive devices industry, which generally has more stringent quality and technical requirements compared to other types of wafers.

As part of its testing services, the Group provides test program development, conversion and optimization 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.

GLOBAL TESTING CORPORATION LIMITED

Letter to Shareholders



Dear Shareholders,

On behalf of the Board of Directors of Global Testing Corporation Limited ("Global Testing" or the "Group"), we are pleased to present to you the audited financial statements for the financial year ended 31 December 2020 ("FY2020").

Year in Review

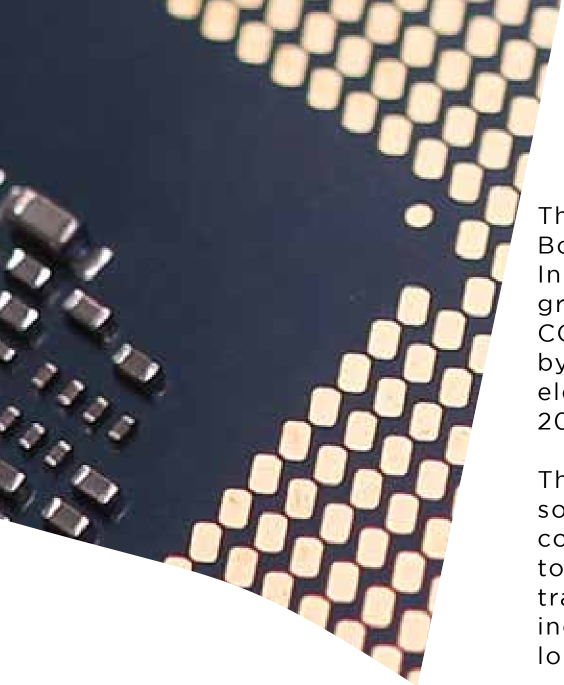
2020 was unprecedented, with the widespread outbreak of COVID-19 globally, which led to numerous countries going into lockdown, disrupting the global economy and supply chains severely. At our facilities, no efforts were spared in implementing precautions to ensure the health and safety of all our employees, as well as the continuity of our business operations.

These uncertainties saw electronics and automotive companies cutting back on semiconductor purchases and a slowdown in production in the initial part of 2020. However, due to the shift towards work-from-home, there was an increase in demand for notebook computers and desktop monitors. Correspondingly, this led to a rise in demand for Display Driver Integrated Circuits ("ICs"), as well as other semiconductors used in these products. Similarly, the world saw a surge in demand for semiconductor chips used in automotive when demand for passenger vehicles rebounded in the third quarter of 2020.

In view of the above, the Group reported a FY2020 total comprehensive income of US$0.4 million, on the back of a revenue of US$22.9 million, representing a 2.3% increase from US$22.4 million in the previous financial year ("FY2019"). The improved bottomline was largely due to prudent control of expenses and an increase in the "other operating income" reporting line, as a result of a gain on financial asset at fair value recognised in the year under review.

Geographically, our revenue from the United States of America ("USA") fell by 20.0% to US$4.8 million in 2020, mainly due to the pandemic and the effects of USA's restrictions on technological products export to China. On the other hand, these tensions between the USA and the People's Republic of China ("China") have prompted China to expand its IC production capacity to meet local demand. As a result, income from China increased by 144.5%. This also provides more latitude in business opportunities for GTC to expand our testing services to companies in China. Meanwhile, the Group's commitment and efforts to strengthen relationships with our customers in Japan and Taiwan have borne fruit and revenues from the two markets have experienced growth.

Our cash and cash equivalents stood at US$5.7 million as at 31 December 2020, vis-à-vis US$3.6 million as at 31 December 2019. This was due to the absence of a cash distribution exercise in 2020, compared to 2019, in a bid to preserve cash in view of uncertainties caused by the fast-evolving COVID-19 situation.



Outlook

The 2021 outlook for the semiconductor industry is fairly positive. Both the World Semiconductor Trade Statistics and the Semiconductor Industry Association expect the global semiconductor market to grow in 2021, accelerated by digital adoption as a result of the COVID-19 pandemic. The global chip shortage since late 2020, caused by the recovery cycle and increasing demand from the wider consumer electronics sector, will also provide support to demand level in 2021, while supply levels remain restricted by production output.

The Group, which focuses on providing semiconductor testing solutions for mixed signal, logic and contact image sensors used in consumer electronics, and having expanded its testing capability to include the automotive industry a few years ago, is on the right track to benefit from the positive outlook for the semiconductor industry. It will continue to exercise financial prudence to maximise long-term shareholders' value.

Corporate Governance and Sustainability

The Group remains committed in building a sustainable future and has been incorporating sustainability in its business operations as much as possible. The Board and management team are pleased to announce that Global Testing's sustainability report will be made available on SGXNet on 14 April 2021. The report details the sustainability efforts that the Group had undertaken in FY2020.

The Group will continually seek ways to improve its sustainability performance across its operations with the objective of developing a sustainable business for the future.

Meanwhile, effective 1 January 2022, the Listing Manual of Singapore Exchange Securities Trading Limited provides that a director will not be independent if he has been a director for an aggregate period of more than 9 years and his continued appointment as an independent director would have to be sought and approved in separate resolutions by "2-Tiered Voting". In the spirit of good corporate governance, the Group will be looking for suitable candidates to renew the Board. Please refer to the corporate governance report for more details.

Acknowledgement

On behalf of the Board, we would like to show our appreciation to the staff of Global Testing for their commitment and hard work especially during this tumultuous year. We would also like to thank our fellow directors and the senior management team for their commitment and guidance especially under this uncertain business climate. Lastly, we would also like to extend our gratitude to our business partners, shareholders and customers for their continued support.

Yours sincerely,
Mr Chia Soon Loi
Non-Executive and Non-Independent Chairman

Mr Hu, I-Lung
Acting Chief Executive Officer

Board of Directors

Mr Chia Soon Loi

Non-Executive and Non-Independent Chairman
Chairman of Remuneration Committee
Member of Audit Committee
Member of Nominating Committee

Mr Chia Soon Loi was appointed as Non-Executive Chairman of Global Testing Corporation Limited on 2 January 2018 and last re-elected to the Board on 29 June 2020. He has been re-designated to Non-Executive and Non-Independent Director, effective 27 February 2019.

He has more than 35 years' experience in the electronics industry as the Founder and Director of Cony Electronics (S) Pte Ltd, as well as 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.

Mr Chen, Tie-Min

Senior Executive Director
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 29 June 2020. Previously the Executive Chairman of the Board, he was re-designated as Senior Executive Director, effective 2 January 2018.

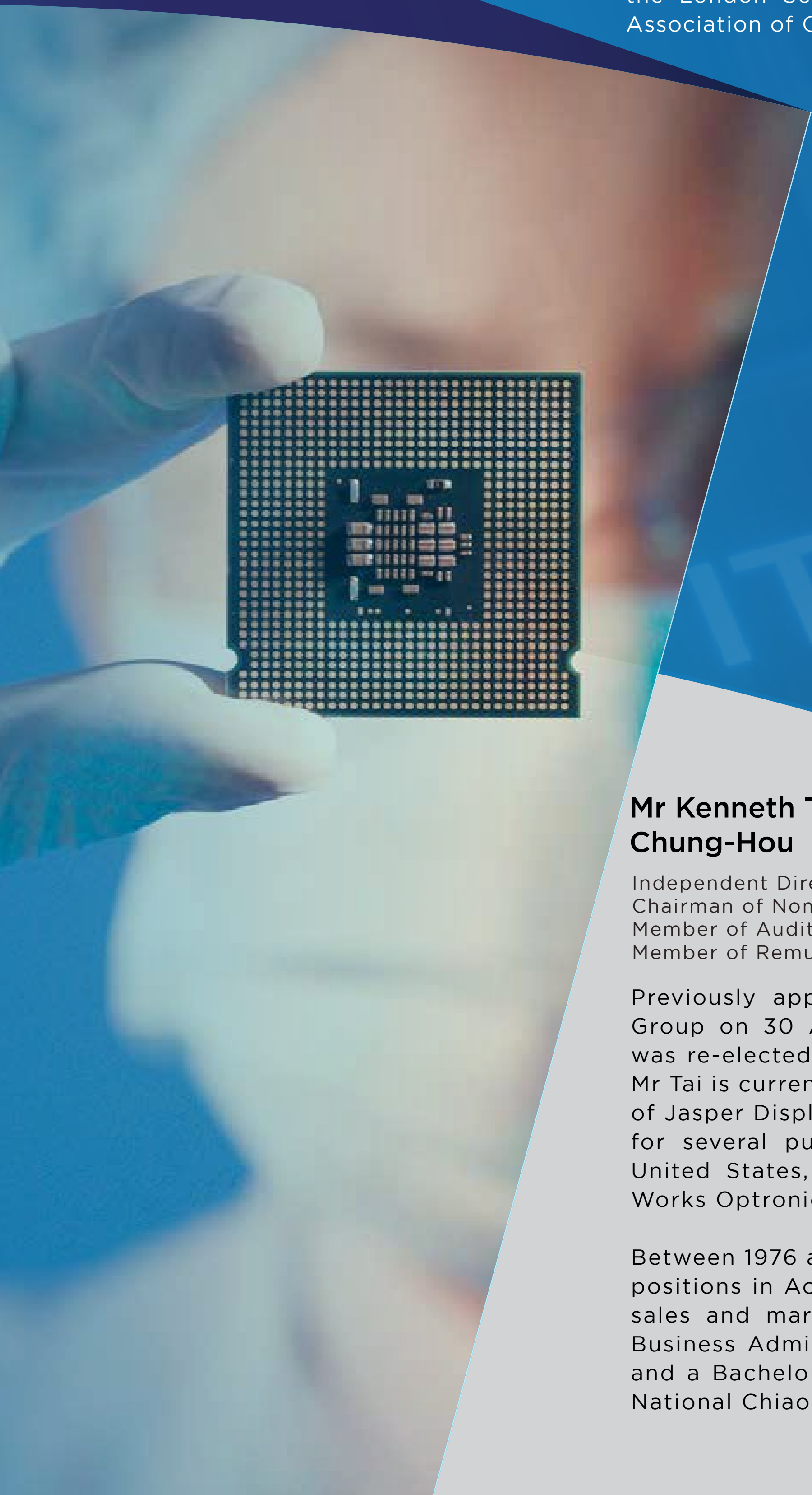
Mr Chen is the Chairman of Yageo Corporation, Chilisin Corporation, and Tong Hsing Electronic Industries, which are TWSE-listed companies in Taiwan. Mr Chen holds a Bachelor of Engineering Science degree from the National Cheng Kung University, Taiwan.

Mr Geoffrey Yeoh Seng Huat

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

Mr Geoffrey Yeoh Seng Huat was appointed Independent Director of Global Testing Corporation Limited on 30 April 2007 and was last re-elected to the Board on 30 April 2019. He also serves as Independent Director to World Class Global Limited.

Mr Yeoh worked in the banking industry 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 as Non-Executive Director of the Group on 30 August 2004, Mr Kenneth Tai, Chung Hou was re-elected as Independent Director on 30 April 2019. Mr Tai is currently the Director and Chief Executive Officer of Jasper Display Co. and serves on the board of directors for several public companies listed in Taiwan and the United States, including ASUSTek Computer Inc., Wafer Works Optronics Corp. and 21Vianet Group, Inc.

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 Master in Business Administration from Tamkang University, Taiwan and a Bachelor of Science in Electrical Engineering from National Chiao Tung University, Taiwan.

Senior Management

Mr Hu, I-Lung

Acting Chief Executive Officer

Mr Hu, I-Lung was appointed Acting Chief Executive Officer on 1 June 2017. He was previously Vice President, Sales and Marketing and was responsible for Global Testing Corporation Limited's business development activities.

Prior to joining the Group in 2011, Mr Hu spent six 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 13-year tenure at Compal Electronics, Inc, where he rose through the ranks from Sales Manager in 1993 to Supply Chain Management Director in 2005.

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

Mr George Wang, Tsai-Wei

Chief Financial Officer
Vice President, Finance

Mr George Wang, Tsai-Wei was appointed Chief Financial Officer of Global Testing Corporation Limited 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, mergers & acquisitions 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 25 years' experience, Mr Wang was also previously the Assistant General Manager for Finance at PCCW HK Telecom and the Financial Controller of TNT Taiwan.

Mr Wang holds a Bachelor of Accounting from Fu Jen University, Taiwan.

Mr Chiden Cheng

Vice President, Operations

Mr Chiden Cheng joined Global Testing Corporation Limited in November 2017 as the Associate Vice President, Operations, and was subsequently appointed Vice President, Operations in January 2019, where he is responsible for the operations of the Group, including manufacturing, engineering, product development and facility.

Prior to joining the Group, Mr Cheng spent about seven years at Nisho Image Tech Inc., where he was Vice President. Mr Cheng also served as General Manager of Lite-On Semiconductor, CIS BU for about eight years and as General Manager of LSC (Wuxi) for about five years.

Mr Cheng holds a Master of Science in Engineering Management from the University of South Australia and a Bachelor of Science in Electrical Engineering from Chung Yuan Christian University.

Mr Warren Yu

Vice President, Quality Management

Mr Warren Yu joined Global Testing Corporation Limited in June 2017 as an Associate Vice President, Quality Management. Mr Yu was subsequently promoted to Vice President, Quality Management in January 2019, where he is responsible for the Group's quality control and ensuring that processes of testing services meet customers' requirements.

Mr Yu has over 35 years of experience in the engineering industry. He was most recently the Senior Manager of CR Microelectronics (Chongqing), following a five-year tenure with Lite-On Semiconductor (Shanghai) as Vice President. Prior to that, Mr Yu spent 25 years at Texas Instruments, where he started in the Testing Department in 1983, was promoted to a Deputy General Manager in 1997, and subsequently to the Senior Manager of Outsourcing in 2005.

Mr Yu holds a Bachelor of Science in Electrical Engineering from Chung Yuan Christian University.

Corporate Information

BOARD OF DIRECTORS

Mr Chia Soon Loi
Non-Executive and
Non-Independent Chairman

Mr Chen, Tie-Min
Senior Executive Director

Mr Geoffrey Yeoh Seng Huat
Lead Independent Director

Mr Kenneth Tai, Chung-Hou
Independent Director

AUDIT COMMITTEE

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

NOMINATING COMMITTEE

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

REMUNERATION COMMITTEE

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

COMPANY SECRETARIES

Mr Abdul Jabbar Bin Karam Din, LLB (Hons)
Ms Toh Li Ping, Angela (ACIS)

REGISTERED OFFICE

120 Robinson Road
#08-01 Singapore 068913
Telephone number: +65 6535 3600

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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Hu-Kou
Hsin-Chu Industrial Park
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 Straits View
#06-07 Marina One West Tower
Singapore 018937

AUDITORS

Deloitte & Touche LLP (Singapore)
6 Shenton Way
#33-00 OUE Downtown 2
Singapore 068809
Partner-in-charge: Ms Soh Lin Leng
(Appointed since the financial year
ended 31 December 2017)

PRINCIPAL BANKERS

Shin Kong Commercial Bank of Taiwan
Hsinchu Branch
No. 84 Zhongshan Road
Hsinchu City
Taiwan

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

INVESTOR RELATIONS ADVISOR

Citigate Dewe Rogerson Singapore Pte Ltd
105 Cecil Street
#09-01 The Octagon
Singapore 069534

Global Testing Corporation Limited (the "**Company**", and together with its subsidiary, the "**Group**") 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 Group for the financial year ended 31 December 2020 ("**FY2020**") with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the "**Code**") and guideline 2.4 of the Code of Corporate Governance 2012 which is applicable prior to 1 January 2022. Where there is any deviation from any provisions of the Code, an explanation has been provided in this report for the variation and how the practices adopted by the Group are consistent with the intent of the relevant principle. This report should be read in totality, instead of being read separately under each principle of the Code.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Board of Directors (the "**Board**") assumes responsibility for stewardship of 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. approving the business strategies including significant acquisition and disposal of subsidiaries or assets and liabilities;
b. approving the annual budgets, major funding proposals, significant capital expenditures and investment and divestment proposals;
c. approving the release of the Group's half-year and full year's financial results and interested person transactions;
d. overseeing the processes for risk management, financial reporting and compliance and evaluate the adequacy and effectiveness of internal controls, as may be recommended by the Audit Committee;
e. reviewing the performance of the Management, approving the nominations to the Board of Directors and appointment of key executives, as may be recommended by the Nominating Committee;
f. reviewing and endorsing the framework of remuneration for the Board and key executives, as may be recommended by the Remuneration Committee; and
g. reviewing corporate policies in keeping with good corporate governance and business practice.

Following the amendments to Rule 705 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") which came into effect on 7 February 2020, the Company is not required to announce its unaudited financial statements for the first quarter and the third quarter of its financial year ("**Quarterly Reporting**"). Accordingly, the Company had released an announcement to the SGX-ST via SGXNET that the Company will cease to continue with its Quarterly Reporting with effect from 2 March 2020.

Nonetheless, the Board continues to provide shareholders with a balanced and understandable assessment of the Group's performance, position and prospects on a half-yearly basis and will keep shareholders updated on material developments relating to the Group on a timely basis, as and when appropriate.

Provision 1.1 - Director's conflicts of interest

All Directors exercise due diligence and independent judgement, and make decisions objectively in the best interests of the Group.

Directors facing conflicts of interest are required to recuse themselves from discussions and decisions involving the issues of conflict. They are also required to avoid situations in which their own personal or business interests directly or indirectly conflict, or appear to conflict, with the interests of the Group. Where a Director has a conflict of interest, or it appears that he might have a conflict of interest, in relation to any matter, he is required to declare his interest at a meeting of the Directors or send a written notice to the Company containing details of his interest and the conflict or to declare such interest at a meeting of the Directors (or in written resolutions to be passed), and recuse himself from participating in any discussion and decision on the matter. Where relevant, the Directors have complied with such requirement, and such compliance is duly recorded in the minutes of meeting and/or Directors' Resolutions in writing.

BOARD MATTERS (continued)

The Board's Conduct of Affairs (continued)

Provision 1.2 - Induction and training of Directors

All directors have many years of corporate experience and are familiar with their duties and responsibilities as directors. Directors (including newly appointed Directors, if any) 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.

The Company will provide newly appointed directors with formal letter of appointment setting out their duties and obligations. The newly appointed directors will also be given briefings by the Non-Executive and Non-Independent Chairman and/or the Management of the Company on the business activities of the Group and its strategic directions and corporate governance practices. Arrangements will also be made for new Directors, if any, to meet the Management for a better understanding of the Group's business and operations.

At the quarterly Board meetings, the Acting Chief Executive Officer ("**CEO**") and/or the Chief Financial Officer ("**CFO**") provides the Board with regular updates on the Group's business performance and plans. 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 continuous 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. A first-time director, if any, who has no prior experience as a director of a listed company will undergo the Listed Entity Directors Programme conducted by Singapore Institute of Directors within one year from the date of his appointment to the Board.

Provision 1.3 – Matters requiring Board's approval

The matters reserved for the Board's decision and the types of material transactions that are likely to have a material impact on the Group's operating units and/or financial position as well as matters other than in the ordinary course of business, are as follows:

- Half-year and full year results;
- Long term strategic and financial plan;
- Annual budget;
- Potential joint venture, merger, acquisition, divestment, or other changes in the Company's assets, if any;
- Changes in the Management or changes in effective control of the Company, if any;
- Declaration or omission of dividends, if any;
- Firm evidence of significant improvement or deterioration in near term earnings prospects, if any;
- Subdivision of shares or stock dividends, if any;
- Acquisition or loss of significant contract, if any;
- Public or private sale of significant amount of additional securities of the Company, if any;
- Changes in chief executive officer, directors and substantial shareholdings' interests, if any;
- Share buyback, if any;
- Share option or share schemes, if any;
- Scrip Dividend scheme, if any;
- Interested person transactions, if any;
- Call of securities for redemption;
- Borrowing of a significant amount of funds;
- Occurrence of an event of default under debt or other securities or financing or sale agreements;
- Significant litigation;
- Significant change in capital investment plans;
- Significant dispute(s) with sub-contractors, customers or suppliers, or with any parties;

BOARD MATTERS (continued)

The Board's Conduct of Affairs (continued)

Provision 1.3 – Matters requiring Board's approval (continued)

- Appointment and removal of Secretary;
- Tender offer for another company's securities, if any;
- Valuation of the Group's real assets that has a significant impact on its financial position, if any;
- Involuntary striking-off of the Company's subsidiaries;
- Investigation on a Director or an Executive Officer (as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**")) of the Company, if any;
- Loss of a major customer or significant or a significant reduction of business with major customer, if any; and
- Major disruption to supply of critical goods or services.

Provision 1.4 - Delegation by the Board

To assist the Board in the execution of its responsibilities, the Board has established various Board committees (collectively, "**Board Committees**"), namely the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**"). Each of these Board Committees function within clearly defined terms of reference and operating procedures which are reviewed on a regular basis. The Company will periodically review the composition to ensure compliance with the Code. Board approval is required for any changes to the terms of reference for any Board Committee.

The Board accepts that while these Board Committees have the authority to examine particular issues and report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

The composition of the Board and the Board Committees of the Company as at 31 December 2020 are as follows:

		Board Committees' membership		
Name of Director	**Position**	**AC**	**RC**	**NC**
Chia Soon Loi	Non-Executive and Non-Independent Chairman	Member	Chairman	Member
Chen, Tie-Min	Senior Executive Director	-	-	Member
Geoffrey Yeoh Seng Huat	Lead Independent Director	Chairman	Member	Member
Kenneth Tai, Chung-Hou	Independent Director	Member	Member	Chairman

No alternate Director was appointed to the Board in FY2020 or appointed to the Board currently.

Provision 1.5 - Board processes, including the Directors' attendance at Board and Board Committees' meetings, and general meetings

Despite the cessation of Quarterly Reporting, the Board continues to meet 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. The Company's Constitution and written terms of reference allows Board and Board Committees' meetings to be conducted by way of telephone or video conference or other similar means of communication whereby all persons participating in the meeting are able to communicate as a group, without requiring the Directors' physical presence at the meeting. Decisions of the Board and Board Committees may also be obtained through circular resolutions.

The details of the number of Board and Board Committees' meetings, annual general meeting ("**AGM**") held from 1 January 2020 to 31 December 2020 as well as the Directors' attendance at those meetings are disclosed below:

BOARD MATTERS (continued)

The Board's Conduct of Affairs (continued)

Provision 1.5 - Board processes, including the Directors' attendance at Board and Board Committees' meetings, and general meetings (continued)

Name of Directors	AGM		BOARD		AC		RC		NC	
	No. of meetings		No. of meetings		No. of meetings		No. of meetings		No. of meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Chia Soon Loi	1	1	5	5	2	2	2	2	1	1
Chen, Tie-Min	1	0	5	4	-	-	-	-	1	1
Geoffrey Yeoh Seng Huat	1	1	5	5	2	2	2	2	1	1
Kenneth Tai, Chung Hou	1	1	5	5	2	2	2	2	1	1

There was no extraordinary general meeting held from 1 January 2020 to 31 December 2020.

Provision 1.6 - Complete, adequate and timely information

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 Secretaries at all times.

In order to ensure that the Board is able to discharge its responsibilities effectively, the Management provides the Directors with regular updates on the operational and financial performance of the Group and on material developments relating to the Group. To allow Directors sufficient time to prepare for meetings, Board and Board Committees' papers are required to be distributed to the relevant Directors at least three working days prior to the meeting, save in the case of any ad hoc or urgent meeting. Any additional material or information requested by the Directors is promptly furnished. Key members of the Management who are in a position to provide additional insight in the matters to be discussed will be present at the relevant time during the Board and Board Committees' meetings.

Provision 1.7 - Company Secretaries and independent professional advice

The Company Secretaries (or their representative(s)) attend all Board meetings and ensure that Board procedures and all other applicable rules and regulations applicable to the Company are complied with. The Company Secretaries' responsibilities also include advising the Board on all governance matters, and ensuring good information flow within the Board and its Board committees and between the Management and non-executive directors ("**NEDs**").

Directors have separate and independent access to the Company Secretaries. The Company Secretaries are responsible for, among other things, ensuring that Board procedures are observed and that the Company's Constitution, relevant rules and regulations, including requirements of the Companies Act (Chapter 50 of Singapore) and SGX-ST Listing Manual, are complied with. They also assist the Board to implement corporate governance practices and processes.

The appointment and removal of the Company Secretaries is a matter for the Board as a whole.

The Directors and the chairmen of the respective Board 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.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

BOARD MATTERS (continued)

Board Composition and Guidance (continued)

Provision 2.1 - Directors' independence

An "independent" Director is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company.

The Board, with the concurrence of the NC, had adopted a declaration of independence pursuant to provision 2.1 of the Code and Rules 210(5)(d)(i) and 210(5)(d)(ii) of the SGX-ST Listing Manual ("**Revised Definition on Director's Independence**").

Provisions 2.2 and 2.3 – Composition of (i) Independent Directors and (ii) NEDs on the Board

Currently, the Independent Directors make up half of the Board which comprises 4 Directors, of whom 1 is Executive Director, 2 are Independent Directors and 1 is Non-Executive and Non-Independent Director.

While the Independent Directors do not make up a majority of the Board where the Chairman is not independent, being a variation from provision 2.2 of the Code, the NEDs make up a majority of the Board and the Independent Directors make up at least half of the Board. As such, no individual or select group of individuals dominates the Board's decision-making process. Accordingly, there is a strong and independent element on the Board and consistent with the intent of principle 2 of the Code, the Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provision 2.4 – Composition of the Board and Board Committees, and Board Diversity Policy

The Company is committed to building a diverse, inclusive and collaborative culture. It recognises that a diverse Board of an appropriate size is an important element which will better pave the way for the Company to achieve its strategic objectives, for sustainable development, avoid groupthink and foster constructive debate. A diverse Board also enhances the decision-making process through perspectives derived from differentiating skillsets, business experience, industry discipline, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service and other distinguishing qualities of the 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 skillset, knowledge, expertise and experience.

The current Board comprises persons with diverse expertise and experience in accounting, business and management, finance and risk management who as a group provide the 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.

Pursuant to provision 2.4 of the Code, the Board has adopted a Board Diversity Policy (the "**Policy**"). Having regard the guidelines in the Policy, the NC will, in reviewing the Board's composition, rotation and retirement of Directors and succession planning, take into account factors, including but not limited to age, nationality, ethnicity, cultural background, educational background, experience, skills, knowledge, independence and length of service. These differentiating factors will be considered in determining the optimum composition of the Board and when possible will be balanced appropriately.

Any external search consultants, if required, engaged to assist the Board or the NC to search for candidates for appointment to the Board will be specifically directed to include candidates from diverse backgrounds. The decision on the selection of Director(s) to be appointed on the Board will ultimately be based on merit, and candidates will be considered against objective criteria, having due regard for the benefits of diversity balanced with the needs of the Board.

BOARD MATTERS (continued)

Board Composition and Guidance (continued)

Provision 2.4 – Composition of the Board and Board Committees, and Board Diversity Policy (continued)

Taking into account the nature and scope of the Group's operations and the number of Board Committees, the Board, with the concurrence of the NC, is of the view that the current board size and composition is adequate. The Board believes that the current size and composition provides sufficient diversity without interfering with efficient decision-making. The Directors' credentials including working experience, academic and professional qualifications are presented at the Board of Directors section of the annual report.

The NC will review the Board Diversity Policy from time to time as appropriate, to ensure the effectiveness of this Policy. The NC will also discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

Provision 2.5 - Role of the NEDs

The NEDs participate actively in the Board meetings. Backed by their professional expertise, experience and knowledge, NEDs provide constructive advice and guidance for effective discharge by the Board of its principal functions over the Group's strategies, businesses and other affairs. The NEDs also constructively challenge and advise on the development of directions on strategy as well as review the performance of the Management in achieving targeted goals and objectives. In addition, the NEDs also monitor the reporting of the Group's business and financial performance.

The 2 Independent Directors (which includes the Lead Independent Director) met at least annually without the presence of the Executive Director and the Non-Executive and Non-Independent Chairman to discuss matters of significance which are then reported to the Non-Executive and Non-Independent Chairman accordingly.

The NEDs and/or Independent Directors are also in frequent contact with one another outside the Board and Board Committees' meetings and hold constant informal discussions amongst themselves. Any feedback would be provided to the Board and/or Chairman as appropriate.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision making.

Provisions 3.1 and 3.2 – Chairman and Chief Executive Officer

The roles and responsibilities between the Non-Executive and Non-Independent Chairman and Acting CEO are held by separate individuals to ensure that there is an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. There is no one individual who has unfettered powers of decision-making.

The Non-Executive and Non-Independent Chairman of the Board is Mr Chia Soon Loi. As the Non-Executive and Non-Independent Chairman of the Board, Mr Chia Soon Loi 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 Acting CEO, Mr Hu I-Lung. The Acting CEO, together with the Management comprising the subsidiary's general managers and key senior managers, is responsible for the day-to-day operations of the Group. In addition, the Non-Executive and Non-Independent Chairman also ensures that the Board and the Management work well together with integrity and competency.

Mr Chia Soon Loi and Mr Hu I-Lung do not have any familial relationship.

BOARD MATTERS (continued)

Chairman and Chief Executive Officer (continued)

Provision 3.3 – Lead Independent Director

The Board is of the view that there are sufficient safeguards and checks in place to ensure that there is a good balance of power, accountability and capacity of the Board for independent decision-making. The Board appointed Mr Geoffrey Yeoh Seng Huat to act as the lead independent director. Shareholders with concerns may contact him directly, when contact through the normal channels via the Non-Executive and Non-Independent Chairman, the Acting CEO or the CFO has failed to provide satisfactory resolution, or which such contact is inappropriate.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provisions 4.1 and 4.2 – NC's duties and composition

All Board members, including the lead independent director, are members of the NC. At least half of the NC members, including the NC Chairman, are independent directors:

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

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:

- identifying candidates and review all nominations for the appointment or re-appointment of members of the Board and to determine the selection criteria;
- reviewing succession plans for Directors, in particular the Chairman and the Acting CEO;
- ensuring that all Board appointees undergo an appropriate induction programme;
- reviewing regularly the Board structure, size and composition and making recommendations to the Board with regard to any adjustments that are deemed necessary;
- identifying gaps in the mix of skills, experience and other qualities required in an effective Board and nominating or recommending suitable candidates to fill these gaps;
- deciding 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;
- reviewing the independence of each director annually;
- deciding how the Board's performance, Board Committees and directors may be evaluated and propose objective performance criteria for the Board's approval; and
- evaluating the effectiveness of the Board as a whole and assessing the contribution by each individual director, to the effectiveness of the Board.

BOARD MATTERS (continued)

Board Membership (continued)

Provisions 4.1 and 4.2 – NC's duties and composition (continued)

The NC held one meeting and the principal activities of the NC during FY2020 are summarised below:

a. reviewed and recommended to the Board the nomination of Directors for re-election at the AGM held on 29 June 2020;

b. reviewed other directorships and principal commitments held by each Director and decided whether a Director is able to carry out, and has been adequately carrying out, his/her duties as a Director;

c. reviewed the findings of the assessments on the effectiveness of the Board as a whole, the Board Committees and the individual Directors;

d. reviewed the size and composition of the Board and each Board Committee; and

e. reviewed and assessed the independence of each Independent Director.

Provision 4.3 - Process for selection and appointment of new Directors, re-election and re-appointment of Directors

In its search and nomination process for new directors, the NC will, at its disposal, search companies, personal contacts and recommendations, to cast its net as wide as possible for the right candidates, taking into consideration diversity requirements.

The Directors will submit themselves for re-nomination and re-election at regular intervals of at least once every three 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 record, level of preparedness, participation and candour at the meetings of the Board and Board Committees, as well as the quality of participation and contribution.

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.

Effective 1 January 2022, Rule 210(5)(d)(iii) of the SGX-ST Listing Manual provides that a director will not be independent if he has been a director for an aggregate period of more than 9 years (whether before or after listing) and his continued appointment as an independent director has not been sought and approved in separate resolutions by (A) all shareholders; and (B) shareholders, excluding the directors and the chief executive officer of the issuer, and associates of such directors and chief executive officer ("**2-Tiered Voting**"). For the purpose of the resolution referred to in (B), the directors and the chief executive officer of the issuer, and their respective associates, must not accept appointment as proxies unless specific instructions as to voting are given. Such resolutions may remain in force until the earlier of the following:- (X) the retirement or resignation of the director; or (Y) the conclusion of the third AGM of the issuer following the passing of the resolutions.

Pursuant to Transitional Practice Note 3 Transitional Arrangements Regarding Code of Corporate Governance 2018 of the SGX-ST Listing Manual which is effective from 1 January 2022 ("**Transitional Practice Note 3**"), to ensure that the independence designation of a director who has served for more than 9 years as at and from 1 January 2022 is not affected, the Company is required to seek and obtain approvals at general meeting held in calendar year 2021 for the continued appointment of the Independent Directors who have served on the Board beyond 9 years from the date of their first appointment. In accordance with Rule 210(5)(d)(iii) of the SGX-ST Listing Manual, such approvals will remain valid until the conclusion of third AGM from such approvals.

BOARD MATTERS (continued)

Board Membership (continued)

Provision 4.3 - Process for selection and appointment of new Directors, re-election and re-appointment of Directors (continued)

Both Mr Geoffrey Yeoh Seng Huat and Mr Kenneth Tai, Chung-Hou, Independent Directors of the Company, have served on the Board beyond 9 years from the date of their first appointment. Taking into consideration the progressive refreshing of the Board, the Company is in the midst of identifying suitable candidates who possess the appropriate expertise and experience that best suit the needs of the Company to fill the vacancy of the office of Mr Geoffrey Yeoh Seng Huat and Mr Kenneth Tai, Chung-Hou who will be stepping down from the Board on or before 31 December 2021. Further announcements will be released via the SGXNET when there are material developments on the changes to the composition of the Board and Board Committees in due course.

In view of the above, Mr Geoffrey Yeoh Seng Huat and Mr Kenneth Tai, Chung-Hou who are retiring by rotation under Article 115 of the Company's Constitution will be seeking re-election at the forthcoming AGM without the 2-Tiered Voting.

Upon assessing the contributions, knowledge, experience and performance of Mr Geoffrey Yeoh Seng Huat and Mr Kenneth Tai, Chung-Hou, the NC has recommended to the Board that Mr Geoffrey Yeoh Seng Huat and Mr Kenneth Tai, Chung-Hou be re-elected as the Directors of the Company subject to the shareholders' approval at the AGM.

Mr Geoffrey Yeoh Seng Huat and Mr Kenneth Tai, Chung-Hou have respectively given their consent to continue in office.

The requirements under Rule 720(6) of the SGX-ST Listing Manual are set out below:

Name of Person	Geoffrey Yeoh Seng Huat	Kenneth Tai, Chung-Hou
Date of Appointment	30 April 2007	30 August 2004
Date of last re-appointment (if applicable)	30 April 2019	30 April 2019
Age	64	70
Country of principal residence	Singapore	Taiwan, Republic of China
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	After assessing Mr Geoffrey Yeoh Seng Huat's contributions and performance, the NC has recommended that Mr Geoffrey Yeoh Seng Huat be re-elected as Director of the Company. The Board supported the NC's recommendation. Mr Geoffrey Yeoh Seng Huat had abstained from voting on any resolution and making any recommendation and/or participating in the deliberation in respect of his own re-election.	After assessing Mr Kenneth Tai, Chung-Hou's contributions and performance, the NC has recommended that Mr Kenneth Tai, Chung-Hou be re-elected as Director of the Company. The Board supported the NC's recommendation. Mr Kenneth Tai, Chung-Hou had abstained from voting on any resolution and making any recommendation and/or participating in the deliberation in respect of his own re-election.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Lead Independent Director, Chairman of AC, member of NC and RC	Independent Director, Chairman of NC, member of AC and RC

BOARD MATTERS (continued)

Board Membership (continued)

Provision 4.3 - Process for selection and appointment of new Directors, re-election and re-appointment of Directors (continued)

Name of Person	Geoffrey Yeoh Seng Huat	Kenneth Tai, Chung-Hou
Professional qualifications	Please refer to the Directors' profile as set out on pages 4 and 5 of this Annual Report.	
Working experience and occupation(s) during the past 10 years		
Shareholding in the listed issuer and its subsidiaries	Nil	Direct interest of 12,500 shares in the Company
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of interests (including any competing business)	No	No
Undertaking submitted to the listed issuer in the form of Appendix 7.7 under Rule 720(1) of the SGX-ST Listing Manual has been submitted to the listed issuer	Yes	Yes
*Other Principal Commitments**	Please refer to the Directors' profile as set out on pages 4 and 5 of this Annual Report.	
Directorships		
Past (for the last 5 years)	Hoe Leong Corporation Ltd	SolidPro Technology RichTek Technology Corp
Present	World Class Global Limited	ASUSTeK Computer Inc Jasper Display Corp. Wafer Works Corporation 21Vianet Group, Inc.

**The term "principal commitments" shall include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.*

Mr Geoffrey Yeoh Seng Huat declared that the responses to the following items of Appendix 7.4.1 of the SGX-ST Listing Manual ("**Appendix 7.4.1**") are a "yes", the information required under items (i) and (j)(i) and the corresponding responses are as set out below:

- *Item (i): Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?*

  He was a director of Econ Corporation Limited which was debarred from tendering for public construction works from March 2004 to March 2009, on grounds of the termination of certain public construction contracts arising from the failure of Econ Corporation Limited to complete the relevant contracts as a contractor. Econ Corporation Limited's directors were similarly debarred on grounds that they were directors of a company that failed to complete the relevant public construction contracts.

BOARD MATTERS (continued)

Board Membership (continued)

Provision 4.3 - Process for selection and appointment of new Directors, re-election and re-appointment of Directors (continued)

- *Item (j)(i): Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?*

  He joined the Board of Carats Ltd on 29 August 2005 as an Independent Director and a member of its AC. On 20 November 2005, the AC appointed KPMG LLP as its special auditor to conduct a review of certain transactions which took place prior to his appointment as an Independent Director. The report issued by KPMG LLP was subsequently referred to the Monetary Authority of Singapore and Commercial Affairs Department.

Save for the above, Mr Geoffrey Yeoh Seng Huat confirms that his responses to declaration items (a) to (k) of Appendix 7.4.1 are a "no". Mr Kenneth Tai, Chung Hou also confirms that his responses to declaration items (a) to (k) of Appendix 7.4.1 are a "no".

Provision 4.4 – Review of Directors' independence

The NC determines the independence of each Director annually. For the purpose of determining Directors' independence, every Independent Director has provided the declaration of his independence based on the Revised Definition on Director's Independence, which is deliberated upon by the NC and the Board.

All Independent Directors have also confirmed their independence in accordance with the Revised Definition on Director's Independence for FY2020 or during their appointment as Independent Directors. The Board reviews and determines whether each Director is independent, taking into account the views of the NC and any existence of relationship or circumstances, including those identified by the Code, that are relevant in its determination as to whether a Director is independent.

Mr Geoffrey Yeoh Seng Huat and Mr Kenneth Tai, Chung-Hou have each served as Independent Director of the Company for a period exceeding nine years from their respective date of first appointment. The Board had conducted a rigorous review of the independence of Mr Geoffrey Yeoh Seng Huat and Mr Kenneth Tai, Chung-Hou to determine if they remain independent and carry out their duties objectively, taking into consideration the need for progressive refreshing of the Board. The Board noted that they are not a member of the Management and are free of relationship with the Company, its related companies, officers or its substantial shareholders of the Company that could interfere with their independent judgment or ability to act in the interest of the Company.

The Board had observed the performance of Mr Geoffrey Yeoh Seng Huat and Mr Kenneth Tai, Chung-Hou at Board meetings and other occasions and has no reasons to doubt their independence in the course of discharging their duties as directors. Hence, the Board concurred with the NC's view that they are independent in character and judgement despite having been on the Board for more than nine years. Mr Geoffrey Yeoh Seng Huat and Mr Kenneth Tai, Chung-Hou regularly expressed their individual viewpoints, debated issues and objectively scrutinised and challenged the Management. They have also on various occasions, taken the initiative to seek clarification and amplification as they deemed required, including through direct access to the Group's employees.

Further, having gained in-depth understanding of the Group's business and operating environment, Mr Geoffrey Yeoh Seng Huat and Mr Kenneth Tai, Chung-Hou are well qualified and experienced and have contributed effectively by providing impartial and autonomous views, advice and judgment in the best interests not only the Group but also shareholders, employees and customers. They have provided expertise on accounting, finance, business and management experience, industry knowledge, strategic planning experience and continued to demonstrate strong independence to the Board.

Taking into account the above factors, the Board determined that they are considered independent in character and judgement despite having been on the Board for more than nine years from their respective date of first appointment.

Notwithstanding the above, as mentioned under provision 4.3 above, the NC and the Board have taken into consideration the progressive refreshing of the Board and the Company is in the midst of identifying suitable candidates who possess the appropriate expertise and experience that best suit the needs of the Company to fill the vacancy of the office of Mr Geoffrey Yeoh Seng Huat and Mr Kenneth Tai, Chung-Hou who will be stepping down from the Board on or before 31 December 2021.

BOARD MATTERS (continued)

Board Membership (continued)

Provision 4.5 - Directors' time 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 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 directorship was in line with the Company's guideline of a maximum of six listed company board representations and that each director has discharged his duties adequately.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole and that of each of its board committees and individual directors.

Provisions 5.1 and 5.2 – Assessments of the Board, Board Committees and individual Directors

The Board has implemented a process carried out by the NC, for assessing the effectiveness of the Board as a whole and that each of its Board Committees and individual Directors on an annual basis.

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 the Management and standards of conduct of the directors.

In the course of the year, the NC has conducted the assessments on the effectiveness of the Board as a whole, the Board Committees and the individual Directors by requiring questionnaires to be completed by each director or the members of the respective Board Committees, which were collated and the findings analysed and discussed, with a view to implementing certain recommendations to further enhance the effectiveness of the Board.

The Chairman of the Board would act on the results and recommendations from these performance evaluations, if required.

No external facilitator has been engaged.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provisions 6.1 and 6.2 – RC's duties and composition

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

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

REMUNERATION MATTERS (continued)

Procedures for Developing Remuneration Policies (continued)

Provisions 6.1 and 6.2 – RC's duties and composition (continued)

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

- reviewing 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;
- reviewing and advising the Board on the general framework of the terms of appointment and remuneration of its members, the Acting CEO, key executive officers of the Group and all managerial staff who are related to any of the directors or the Acting CEO;
- reviewing the terms of the employment arrangements with the Management so as to develop consistent group wide employment practices subject to regional differences;
- reviewing 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;
- recommending to the Board in consultation with senior management and the Chairman of the Board, any long term incentive scheme; and
- reviewing and approving any proposals or recommendations relating to key executive officers' remuneration.

The RC had met twice and the principal activities of the RC during FY2020 are summarised below:

a. reviewed and recommended to the Board the year-end bonus to key management personnel;

b. reviewed and recommended to the Board the remuneration of the Acting CEO, Executive Director, key management personnel and employees who are related to the Acting CEO;

c. reviewed the terms of contracts of service that were due for renewal during FY2020 (if any); and

d. reviewed and recommended to the Board the Directors' fees.

Mr Chia Soon Loi is considered as non-independent by virtue of his shareholding interest in the Company. Notwithstanding provision 6.2 of the Code, the NC and the Board are satisfied that the RC will be able to discharge its duties effectively and objectively as Mr Chia Soon Loi shall abstain from voting on any resolutions and making any recommendation and/or participating in deliberation in respect of matters which he has interest in and taking into account that majority of the members of the RC are independent directors.

Provisions 6.3 and 6.4 – Remuneration framework and engagement of remuneration consultants, if any

The Company has a framework of remuneration for Executive Director, staff related to Directors (if any) and other key management personnel.

REMUNERATION MATTERS (continued)

Procedures for Developing Remuneration Policies (continued)

Provisions 6.3 and 6.4 – Remuneration framework and engagement of remuneration consultants, if any (continued)

The remuneration framework seeks to ensure that the Group is able to attract, motivate and retain employees to deliver long-term shareholder returns taking into consideration risk management principles and standards set out in the Code. The following shows the three main thrusts of the Group's remuneration strategy and how they are implemented within the Group:

Main thrusts	Details
Pay for performance	• Instill and drive a pay-for-performance culture • Ensure close linkage between total compensation and annual and long-term business objectives • Calibrate mix of fixed and variable pay to drive sustainable performance that is aligned to the Group's values, taking into account qualitative and quantitative factors
Competitive market pay	• Benchmarking total compensation against other organisations of similar size and standing in the markets that the Group operates in
Guarding against excessive risk-taking	• Focus on achieving risk-adjusted returns that are consistent with prudent risk and capital management as well as emphasis on long-term sustainable outcomes • Design payout structure to align incentive payments with the long-term performance of the Group, for instance, certain components of the incentive payments will be paid over the course of a specified period of time, and providing for clawback arrangements in the service contract of the relevant personnel where appropriate

Under this framework, the total remuneration comprises fixed and variable components. The fixed component comprises basic salary and fixed allowances.

The RC's recommendations were made in consultation with the Chairman of the Board and none of the members of the RC or any Director is involved in deliberations in respect of any remuneration, compensation, share-based incentives or any form of benefits to be granted to him.

There are no contractual provisions to allow the Company to reclaim incentive components of remuneration from the Senior Executive Director and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. In the event of a misstatement of financial results or of misconduct resulting in financial loss to the Company, the RC may, in its absolute discretion, reclaim incentive components of remuneration from the Executive Directors or key management personnel, to the extent that such incentive has not been released or disbursed. The Company should also be able to avail itself to remedies against its Senior Executive Director or key management personnel in the event of such breach of fiduciary duties.

There are also no termination, retirement and post-employment benefits that may be granted to Directors, the Acting CEO and the top three key management personnel (who are not Directors or the Acting CEO) for FY2020.

Framework for NEDs' fees

The RC reviews the scheme put in place by the Company for rewarding the NEDs to ensure that the compensation is commensurate with the responsibilities of, and the time and effort expended by, the NEDs.

Having regard to the scope and extent of the responsibilities and obligations of the NEDs, prevailing market conditions, and taking reference from fees against comparable benchmarks, the Board has agreed with the RC's recommendation that the fee structure for NEDs in FY2020 will continue to apply for the financial year ending 31 December 2021.

REMUNERATION MATTERS (continued)

Framework for NEDs' fees (continued)

The RC did not engage the services of an external remuneration consultant during the financial year under review. Nevertheless, the RC has access to expert professional advice on remuneration matters as and when necessary.

Each member of the RC will abstain from making any recommendation and/or participating in any deliberations of the RC, and voting on any resolutions, in respect of his own remuneration.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provisions 7.1 to 7.3, and provision 8.3 – Level and mix of remuneration

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 NEDs to ensure that the remuneration commensurate 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 AGM.

NEDs are not subjected to service agreements whilst the executive director has entered into a service agreement with the Company.

Each member of the RC will abstain on any resolutions and making any recommendation and/or participating in any deliberations of the RC in respect of his own remuneration.

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1 – Remuneration of Directors and Acting CEO and top five key management personnel

A breakdown of the remuneration of the directors and the top three key management personnel (who are not directors or the CEO) for FY2020 are set out below:

Remuneration of the Directors and the Acting CEO

Name	Based/fixed salary (1)	Variable or performance related income/bonus (1)	Director's fee (2)	Total Remuneration
Below S$250,000				
Executive Director				
Chen, Tie-Min	48%	10%	42%	100%
Non-Executive and Non-Independent Director				
Chia Soon Loi	-	-	100%	100%
Independent Directors				
Geoffrey Yeoh Seng Huat	-	-	100%	100%
Kenneth Tai, Chung-Hou	-	-	100%	100%
Acting CEO				
Hu, I-Lung	43%	57%	-	100%

REMUNERATION MATTERS (continued)

Disclosure on Remuneration (continued)

Provision 8.1 – Remuneration of Directors and Acting CEO and top five key management personnel (continued)

Remuneration of the top three key management personnel (who are not Directors or the Acting CEO)

Remuneration band and names of the key management personnel (who are not directors or the Acting CEO)	Based/fixed salary [(1)]	Variable or performance related income/bonus [(1)]	Benefits in Kind	Total Remuneration
Below S$250,000				
George Wang, Tsai-Wei	55%	45%	-	100%
Warren Yu	56%	44%	-	100%
Chiden Cheng	56%	44%	-	100%
Total:				S$448,000[(3)]

(1) These are under the service agreements.

(2) The directors' fees had been approved at the Company's AGM held in year 2020.

(3) The total aggregate remuneration paid to the top 3 key management personnel (who are not directors or the Acting CEO) for FY2020 was S$448,000.

The remuneration of the directors and the Acting CEO is not disclosed in dollar terms as the Company considers information pertaining to the remuneration of its Directors and Acting CEO commercially sensitive, given the highly competitive environment the Group operates in. Instead, the disclosures had been provided in applicable bands of S$250,000 as above, with a breakdown in percentage of the remuneration earned through fees, variable or performance-related income/bonus and/or benefits in kind. Despite having varied from provision 8.1(a) of the Code, the Board believes that consistent with the intent of principle 8 of the Code, sufficient information has been disclosed for shareholders' understanding with respect to the Group's level and mix of remuneration.

As there were only three key management personnel during the financial year under review, disclosure was only made in respect of the remuneration of these three key management personnel of the Group in the applicable bands of S$250,000, with a breakdown in percentage of the remuneration earned through fees, variable or performance-related income/bonus and/or benefits in kind.

There were no employees who are substantial shareholders or immediate family members of a Director, the Acting CEO or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 for FY2020.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Control

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision 9.1 – Maintenance of a sound system of risk management internal controls

The Board is responsible for ensuring that the 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 Messrs Crowe Taiwan ("**Crowe Taiwan**" or "**Internal Auditors**"), have reviewed the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems ("**Internal Control and Risk Management Systems**").

ACCOUNTABILITY AND AUDIT (continued)

Risk Management and Internal Control (continued)

Provision 9.1 – Maintenance of a sound system of risk management internal controls (continued)

The Company's Internal Auditors conduct an annual review of the effectiveness of the key subsidiary's Internal Control and Risk Management Systems to ensure the adequacy thereof. This review is conducted by the Company's Internal Auditors who 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 Auditors and external auditors and the effectiveness of the actions taken by the 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 Acting CEO and the CFO had assessed the summary and found the internal controls adequate.

Financial risks relating to the Group are set out in Note 4 to the Financial Statements of this Annual Report on pages 55 to 61.

Provision 9.2 – Written assurance regarding (i) financial records and financial statements and (ii) adequacy and effectiveness of the Group's risk management and internal control systems

The Board has written received assurance from the Acting CEO and the CFO that as at 31 December 2020:

(a) nothing has come to their attention which would render the financial statements to be false or misleading in any material aspects;
(b) the financial records of the Group have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances;
(c) the Group's Internal Control and Risk Management Systems in place are adequate and effective in addressing its material risks in the Group's current business environment; and
(d) there are no known significant deficiencies or lapses in the Group's Internal Control and Risk Management Systems which could adversely affect its ability to record, process, summarise or report financial data, or any fraud that involves the Management or other employees who have a significant role in the Group's Internal Control and Risk Management Systems.

The Board has also received written assurance from other key management personnel having authority and responsibility for planning, directing and controlling the activities of the Group that:

(a) the Group's Internal Control and Risk Management Systems in place are adequate and effective in addressing its material risks in the Group's current business environment; and
(b) there are no known significant deficiencies or lapses in the Group's Internal Control and Risk Management Systems which could adversely affect its ability to record, process, summarise or report financial data, or any fraud that involves the Management or other employees who have a significant role in the Group's Internal Control and Risk Management Systems.

Rule 1207(10) of the SGX-ST Listing Manual

Based on the internal controls established and maintained by the Group, work performed by the Internal Auditors and external auditors, as well as the assurance pursuant to provision 9.2 of the Code received from (i) the Acting CEO and the CFO and (ii) key management personnel, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology controls, and risk management systems were adequate and effective as at 31 December 2020.

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.

ACCOUNTABILITY AND AUDIT (continued)

Audit Committee

Principle 10: The Board has an AC which discharges its duties objectively.

Provisions 10.1 to 10.3 and 10.5 – Duties and composition of the AC

The AC comprises the following three members who are NEDs, majority of whom are Independent Directors:-

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

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

- investigating, with explicit authority, any matter within its terms of reference, with full access to and co-operation by the Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;
- reviewing and reporting to the Board at least once a year the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance, information technology controls and risk management systems;
- recommending to the Board the appointment, re-appointment and removal of the external auditors and to approve the remuneration and terms of engagement of the external auditors;
- ensuring that the internal audit function is adequately resourced and has appropriate standing within the Company;
- reviewing interested person transactions (if any) falling with the requirements of the SGX-ST Listing Manual; and
- reviewing policies and arrangements by which staff of the Company and any other persons may in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensuring that arrangements are in place for the independent investigation of such matters and for appropriate follow up action.

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. None of the members of the AC are former partners or directors of the Company's existing external auditing firm or auditing corporation, Messrs Deloitte & Touche LLP (the "**External Auditors**"), within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation, and in any case, for as long as they have any financial interest in the Company's existing auditing firm or auditing corporation.

During the year, the AC held two meetings to review the following, amongst other things:

- 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 co-operation 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 half-yearly and annual announcement of the results of the Group before submission to the Board for approval;
- the adequacy and effectiveness of the Group's internal controls in respect of the management, business and service systems and practices including financial, operational, compliance and information technology controls;
- independence, effectiveness and adequacy of the resources of the Company's internal audit function;
- 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 External and Internal 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.

ACCOUNTABILITY AND AUDIT (continued)

Audit Committee (continued)

Provisions 10.1 to 10.3 and 10.5 – Duties and composition of the AC (continued)

The external auditors and Internal Auditors have unrestricted access to the AC. During FY2020, the AC met with External and Internal Auditors separately, without the presence of the Management. These meetings enable the External and Internal Auditors to raise issues encountered in the course of their work directly 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 23 to the financial statement.

The Company is in compliance with Rule 712 and 715 (read with Rule 716) of the SGX-ST Listing Manual.

The key audit matter considered by the AC in relation to this Annual Report is outlined below.

The issue was discussed with the external auditors during the year and, where appropriate, it has been addressed as a key audit matter as outlined in the Independent Auditor's Report on page 35:

Key audit matter	How AC responded to the Issue
Impairment assessment of property, plant and equipment and investment in a subsidiary	The AC challenged the approach and methodology applied i.e. discounted cash flow model used for the impairment assessment of PPE as well as the impairment assessment of investment in subsidiary. The AC reviewed the reasonableness of cash flow projections, capital expenditure requirements, terminal value, revenue growth rates and the discount rate used in the discounted cash flow model. The External Auditors have included the impairment assessment of PPE and investment in a subsidiary as a key audit matter in its audit report for FY2020.

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.

Provision 10.4 - Internal Audit

Crowe Taiwan, a professional accounting firm has been appointed to carry out the internal audit functions. Crowe 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.

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

For FY2020, the AC is satisfied that the internal audit function is independent, effective and adequately resourced.

Interest Person Transactions

No interested person transactions (within the meaning of the SGX-ST Listing Manual) of S$100,000 or more in value were entered into in FY2020.

The Company does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the SGX-ST Listing Manual.

SHAREHOLDERS RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Group recognises 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. In addition, shareholders are given a balanced and understandable assessment of its performance position and prospects.

Provisions 11.1 to 11.5 – Participation and voting at general meetings of shareholders

The Group strongly encourages shareholder participation during the general meetings 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.

Save for the AGM for the financial year ended 31 December 2019 which was held on 29 June 2020 ("**FY2019 AGM**") and the forthcoming FY2020 AGM, the notices will be published in the local newspapers and the annual reports or circulars will be despatched to shareholders.

Notwithstanding the above and pursuant to the Alternative Arrangements Order (as defined below), the notice of general meetings together with its explanatory notes, annual reports or circulars for FY2019 AGM were made available and the forthcoming FY2020 AGM will be made available to all shareholders via SGXNet and its corporate website.

Every matter requiring shareholders' approval is proposed as a separate resolution. The Company does not "bundle" resolutions, unless the resolutions are interdependent and linked as to form one significant proposal. Where the resolutions are "bundled", the Company will explain the reasons and material implications.

All resolutions tabled by the Company at a general meeting are usually put to the vote by poll. Where physical meetings are held, poll voting is typically conducted "live" during such meeting. Even when meetings are conducted by electronic means (such as the FY2019 AGM), the resolutions tabled by the Company at such meetings are still voted on by poll notwithstanding that shareholders do not vote "live" during the meeting itself. The chairman of the meeting, acting as proxy, will cast the votes in accordance with the instructions specified by shareholders in their respective proxy forms in accordance with the requirements under the Alternative Arrangements Order (as defined below). Voting by poll allows for an equitable and transparent voting process. Shareholders will be better able to demonstrate their concerns in a manner more accurately reflective of their shareholdings. Independent scrutineers are appointed to conduct the voting process. The results of the general meetings are announced via SGXNet after the general meetings.

The Company's Constitution permits shareholders to participate at a general meeting by telephone or video conference or by means of similar communication equipment whereby all persons participating in the meeting are able to hear and, if applicable, see each other and such participation shall constitute presence in person at such meeting and members (or their proxy or in the case of a corporation, their respective corporate representatives) so participating shall be counted in the quorum for the meeting. However, in practice, as the authentication of shareholder identity and other related security and integrity issues remain a concern, the Company has yet to implement such absentia voting at its general meetings.

Nonetheless, shareholders may vote in person by way of proxy forms deposited, in person or by mail, at the registered office address of the Share Registrar at least forty-eight hours before the meetings. Registered corporate shareholders or nominee companies, who are unable to attend the general meetings are provided with the option to appoint more than two proxies to attend and vote at the general meetings. This allows shareholders who hold shares through such corporation to attend and participate in the general meetings as proxies.

SHAREHOLDERS RIGHTS AND ENGAGEMENT (continued)

Shareholder Rights and Conduct of General Meetings (continued)

Provisions 11.1 to 11.5 – Participation and voting at general meetings of shareholders (continued)

The Chairman of the Board and the respective Chairman of the AC, the NC and the RC are usually present and available at the AGM to address shareholders' queries. Appropriate senior management personnel are also present at the meeting to address operational questions from shareholders. The External Auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. The Directors' attendance at the general meetings of the Company held in 2020 is disclosed under provision 1.5 above.

The Company Secretaries prepare minutes of general meetings, which record substantial comments and queries from shareholders relating to the agenda of such meetings. Save for the FY2019 AGM and the forthcoming FY2020 AGM, the Company does not publish its minutes of general meetings on its corporate website. However, the minutes are available to shareholders upon request.

Alternative arrangements for the conduct of general meetings

In 2020, due to the COVID-19 pandemic, Singapore entered a circuit breaker period during which physical meetings were not allowed to be held. The COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, ("**Alternative Arrangements Order**") came into force to provide for alternative arrangements for, amongst others, listed companies in Singapore to hold their general meetings. As such, the FY2019 AGM was held by way of electronic means in accordance with the requirements under the Alternative Arrangements Order.

Notwithstanding that shareholders of the Company were not allowed to attend the FY2019 AGM in person, the Company had put in place arrangements for shareholders to participate in the meeting by submitting questions ahead of the meeting, voting by proxy and/or watching or listening to the proceedings via a "live" webcast. The questions can be submitted by (i) depositing the physical copy at the registered office of the Company's Share Registrar or (ii) sending them to an electronic mail address and the proxy forms can be submitted by (i) depositing the same at the registered office of the Company's Share Registrar or (ii) sending the scanned PDF copy to an electronic mail address. The Company had informed the shareholders of such alternative arrangements and the details relating thereto ahead of the FY2019 AGM in an announcement released by the Company on SGXNet and its corporate website. At the FY2019 AGM, the Company also addressed the question which was submitted by a shareholder no later than 10.00 a.m. on 22 June 2020.

With respect to the FY2019 AGM, the Company tabled separate resolutions at the meeting on each substantially separate issue. The chairman of the meeting was appointed as proxy to vote in accordance with the instructions of the shareholders indicated in the proxy form submitted by such shareholders. Independent scrutineers were appointed to check the validity of the proxy forms received and prepared a report on the results of the votes.

Save for Mr Chen Tie-Min, all Directors attended the FY2019 AGM, together with the External Auditors and other key management personnel via the "live" webcast. The Directors' attendance at the general meetings of the Company held in 2020 is disclosed under provision 1.5 above.

In accordance with the requirements under the Alternative Arrangements Order, the Company had published its minutes of the FY2019 AGM including the shareholder's question and the Company's response, on SGXNet and its corporate website within one month after the said meeting.

The application duration of the Alternative Arrangements Order has been extended to allow entities to hold general meetings via electronic means up to 30 June 2021, even where entities are permitted under safe distancing regulations to hold physical meetings. In view of the current COVID-19 restriction orders in Singapore and the related safe distancing measures, the Company will be conducting its forthcoming FY2020 AGM to be held on 30 April 2021 via electronic means in accordance with the Alternative Arrangements Order.

SHAREHOLDERS RIGHTS AND ENGAGEMENT (continued)

Shareholder Rights and Conduct of General Meetings (continued)

Provision 11.6 - Dividend policy

The Group does not have a fixed dividend policy at present. In the event that the Board decides not to declare or recommend a dividend, the Company would disclose the reason(s) for the decision together with the announcement of the financial statements. For FY2020, no dividend was declared as the Company was in an accumulated losses position.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provisions 12.1 to 12.3 – Interaction/engagement with shareholders

The Company 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 Company adopts the practice of regularly communicating major developments in its businesses and operations through news releases and announcements via the SGXNet.

Although the Group does not have a written investor relations policy currently, it values dialogue sessions with its shareholders. During general meetings of the Company, the Board devotes time and attention to address questions from and concerns raised by shareholders and the Directors are generally present for the entire duration of the meetings. The chairman of the meeting will also endeavour to facilitate constructive dialogue between shareholders and the Board. In addition, members of the Board and key management personnel make themselves available to interact with shareholders both before and after general meetings. The Group believes in regular, effective and fair communication with shareholders and is committed to hearing shareholders' views and addressing their concerns.

Other than communicating with members of the Board and key management personnel at general meetings, shareholders may also contact the Company at ir@gttw.com.tw on any investor relations matters.

Shareholders should however be cognisant that the Company has to consider the interests of all shareholders and its other stakeholders as a whole and the Company cannot respond to questions involving price sensitive or trade sensitive information on a selective basis. In so far as there is any information known to the Company concerning it or any of its subsidiaries or associated company which is necessary to avoid the establishment of a false market in the Company's securities or would be likely to materially affect the price or value of the Company's securities, the Company will make a timely announcement on SGXNET.

Please also refer to provision 13.3 below for information relating to the Company's corporate website, which contains investor-related information.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provisions 13.1 and 13.2 – Identification and engagement with material stakeholder groups, including managing relationships with such groups

The Group believes that forging good relationships with its stakeholders is crucial for the sustainable growth of its business and identified its key stakeholders which include customers, employees, investors, shareholders, contractors, suppliers, government and regulators.

The Group has regularly engaged with its stakeholders through various channels during the financial year. The Group believes that such two-way communication is paramount for stakeholders to be kept abreast of our sustainability initiatives, as well as to gather feedback and concerns. Currently, workshops, surveys, and external audits are carried out to assess our business operations better and ensure their compliance with rules and regulations. The Group is confident that this approach will serve to align stakeholder concerns into its operational, reporting and organisational objectives.

The key areas of focus in relation to the management of stakeholder relationships are set out in the Company's annual sustainability report.

Provision 13.3 - Corporate website

The Group maintains a current and updated corporate website.

All materials on the half-year and full year financial results, as well as the latest annual report of the Company, are available on the Company's website at http://www.gttw.com.tw/. The website also contains various other investor-related information about the Company which serves as an important resource for its Shareholders and all other stakeholders.

MATERIAL CONTRACTS

There are no material contracts entered by the Company and its subsidiary involving the interest of the Acting CEO, each Director or controlling shareholders, either still subsisting at the end of the financial year or if no then subsisting, entered into since the end of the previous financial year.

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 SGX-ST 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 (including share buy-back of its own securities) during the period commencing one month before the announcement of the Company's half-year and full-year 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 FY2020, the Company has complied with Rule 1207(19) of the SGX-ST Listing Manual.

FINANCIAL CONTENTS

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 2020.

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 38 to 73 are drawn up so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the 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:

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

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.

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 directors**		**Shareholdings in which directors are deemed to have an interest**	
The Company - Ordinary shares	**At beginning of year**	**At end of year**	**At beginning of year**	**At end of year**
Chen, Tie-Min	3,785,549	3,785,549	-	-
Chia Soon Loi	2,524,250	2,524,250	-	-
Kenneth Tai, Chung-Hou	12,500	12,500	-	-

The directors' interests in the shares and options of the Company at 21 January 2021 were the same at 31 December 2020.

4 SHARE OPTIONS

(a) *Option to take up unissued shares*

During the financial year, no option to take up unissued shares of the Company or any corporation in the Group was granted.

(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.

4 SHARE OPTIONS (Continued)

(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 option.

5 AUDIT COMMITTEE

The Audit Committee of the Company, consisting all non-executive directors, is chaired by Mr Geoffrey Yeoh Seng Huat, the Lead Independent Director, and includes Mr Chia Soon Loi, who is a non-executive and non-independent director and Mr Kenneth Tai, Chung-Hou, who is an independent director. The Audit Committee has met twice 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 audit plans of the external auditors;

d) 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 auditor's report on those financial statements;

e) the half-yearly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;

f) the co-operation and assistance given by the management to the Group's external auditors; and

g) 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

....
Chia Soon Loi

....
Chen, Tie-Min

Singapore
30 March 2021

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Global Testing Corporation Limited (the "Company") and its subsidiary (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 2020 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 38 to 73.

In our opinion, the accompanying 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 Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How the matter was addressed in the audit
Impairment assessment of property, plant and equipment and investment in a subsidiary The carrying value of property, plant and equipment (Note 10) constitutes 68.7% of the Group's total assets as at 31 December 2020 and the carrying value of investment in a subsidiary (Note 9) constitutes 97.0% of the Company's total assets as at 31 December 2020. The Group carried out a review of the recoverable amount of property, plant and equipment and the Company's investment in a subsidiary, which was determined on the basis of their 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. This assessment requires the exercise of significant judgement about future market conditions and the subsidiary's ongoing operations, such as revenue growth rate, capital expenditures, terminal value and discount rate.	Our audit procedures focused on evaluating and challenging the key assumptions used by management in their impairment assessment. These procedures included: • comparing the key assumptions used in the impairment assessment, in particular the revenue growth rate and discount rate to available market information for reasonableness; • challenging the cashflow forecasts made, with comparison to recent performance, trend analysis and market expectations; • reviewing the valuation report by an independent valuer engaged by the Group to value the land and buildings, including their independence and competency; and • assessing the adequacy of disclosures in Notes 3, 9 and 10 about the assumptions that are of most importance to the impairment assessment and the sensitivity of changes of these key assumptions.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors 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 Act and SFRS(I)s, 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.

The engagement partner responsible for the audit resulting in this independent auditor's report is Ms Soh Lin Leng.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

30 March 2021

STATEMENTS OF FINANCIAL POSITION

31 December 2020

	Note	Group 2020 US$'000	Group 2019 US$'000	Company 2020 US$'000	Company 2019 US$'000
ASSETS					
Current assets					
Cash and cash equivalents	6	5,683	3,580	844	451
Trade receivables	7	4,840	4,502	-	-
Other receivables and prepayments	8	420	403	57	36
Total current assets		10,943	8,485	901	487
Non-current assets					
Investment in subsidiary	9	-	-	28,754	29,132
Property, plant and equipment	10	25,078	27,888	-	-
Financial assets at fair value through profit or loss	11	-	493	-	493
Other receivables and prepayments	8	490	425	-	-
Total non-current assets		25,568	28,806	28,754	29,625
Total assets		36,511	37,291	29,655	30,112
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	13	609	963	-	-
Other payables	14	4,933	5,742	3,856	3,860
Lease liabilities	15	1,425	1,325	-	-
Total current liabilities		6,967	8,030	3,856	3,860
Non-current liabilities					
Lease liabilities	15	442	553	-	-
Deferred tax liabilities	12	5	4	-	-
Total non-current liabilities		447	557	-	-
Capital and reserves					
Share capital	16	33,644	33,644	33,644	33,644
Legal reserve	17	1,194	1,194	-	-
Merger reserve	18	(764)	(764)	-	-
Contributed surplus	18	-	-	2,295	2,295
Accumulated losses		(4,977)	(5,370)	(10,140)	(9,687)
Total equity		29,097	28,704	25,799	26,252
Total liabilities and shareholders' equity		36,511	37,291	29,655	30,112

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2020

	Note	Group 2020 US$'000	Group 2019 US$'000
Revenue	19	22,893	22,372
Cost of sales		(19,092)	(21,458)
Gross profit		3,801	914
Other operating income	20	520	197
Distribution costs		(583)	(590)
Decrease (Increase) in allowance for expected credit loss		115	(168)
Administrative expenses		(2,232)	(2,232)
Other operating expenses		(1,032)	(1,316)
Finance costs	21	(172)	(263)
Profit (Loss) before income tax		417	(3,458)
Income tax (expense) benefit	22	(61)	150
Profit (Loss) for the year	23	356	(3,308)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		37	7
Other comprehensive income for the year, net of tax		37	7
Total comprehensive income (loss) for the year		393	(3,301)
Earnings (Losses) per share (US cents)			
- Basic and diluted	24	1.01	(9.40)

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2020

	Note	Share capital US$'000	Legal reserve US$'000	Merger reserve US$'000	Accumulated losses US$'000	Total US$'000
Group						
Balance at 1 January 2019		36,201	1,194	(764)	(2,069)	34,562
Total comprehensive loss for the year:						
Loss for the year		-	-	-	(3,308)	(3,308)
Other comprehensive income for the year		-	-	-	7	7
Total		-	-	-	(3,301)	(3,301)
Transactions with owners, recognised directly in equity:						
Capital reduction	16	(2,557)	-	-	-	(2,557)
Balance at 31 December 2019		33,644	1,194	(764)	(5,370)	28,704
Total comprehensive loss for the year						
Profit for the year		-	-	-	356	356
Other comprehensive income for the year		-	-	-	37	37
Total		-	-	-	393	393
Balance at 31 December 2020		33,644	1,194	(764)	(4,977)	29,097

	Note	Share capital US$'000	Contributed surplus US$'000	Accumulated losses US$'000	Total US$'000
Company					
Balance at 1 January 2019		36,201	2,295	(5,265)	33,231
Loss for the year, representing total comprehensive loss for the year		-	-	(4,422)	(4,422)
Transactions with owners, recognised directly in equity:					
Capital reduction	16	(2,557)	-	-	(2,557)
Balance at 31 December 2019		33,644	2,295	(9,687)	26,252
Loss for the year, representing total comprehensive loss for the year		-	-	(453)	(453)
Balance at 31 December 2020		33,644	2,295	(10,140)	25,799

See accompanying notes to financial statements.

	Group 2020 US$'000	Group 2019 US$'000
Operating activities		
Profit (Loss) before income tax	417	(3,458)
Adjustments for:		
Depreciation of property, plant and equipment	7,671	8,902
(Decrease) Increase in allowance for expected credit loss	(115)	168
Impairment loss on property, plant and equipment	-	262
Interest income	(5)	(15)
Interest expense	172	263
Gain on disposal of property, plant and equipment	-	(145)
Fair value (gain) loss on financial asset	(494)	33
Operating profit before working capital changes	7,646	6,010
Trade receivables	(223)	797
Other receivables and prepayments	(28)	273
Trade payables	(354)	(182)
Other payables	(424)	(188)
Cash generated from operations	6,617	6,710
Withholding tax paid	(60)	-
Interest received	5	15
Net cash from operating activities	6,562	6,725
Investing activities		
Proceeds from disposal of property, plant and equipment	-	145
Capital distribution from financial asset at fair value through profit or loss	-	107
Proceeds from disposal of financial asset at fair value through profit or loss	970	-
Purchase of property, plant and equipment (Note A)	(3,249)	(3,568)
Net cash used in investing activities	(2,279)	(3,316)
Financing activities		
Proceeds from bank loan	3,993	-
Repayment of bank loan	(3,993)	-
Repayment of lease liabilities (Note B)	(2,008)	(2,047)
Interest paid	(172)	(263)
Cash distribution from capital reduction (Note C)	-	(2,557)
Net cash used in financing activities	(2,180)	(4,867)
Net increase (decrease) in cash and cash equivalents	2,103	(1,458)
Cash and cash equivalents at beginning of year	3,580	5,038
Cash and cash equivalents at the end of the year	5,683	3,580

Note A: During the year, the Group purchased property, plant and equipment with an aggregated cost of US$2,864,000 (2019 : US$3,449,000), of which US$348,000 (2019 : US$733,000) (Note 14) remained unpaid at year end.

Note B: During the year, the Group entered into lease arrangements for certain plant and equipment amounting to US$1,997,000 (2019 : US$1,142,000). Cash payments of US$2,008,000 (2019 : US$2,047,000) was made for repayment of the lease obligations during the year.

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$Nil (2019 : US$2,557,000) (Note 16), of which US$61,000 (2019 : US$61,000) remained unpaid at year end.

See accompanying notes to financial statements.

1 GENERAL

The Company (Registration number 200409582R) is incorporated in Singapore with its registered office at 120 Robinson Road, #08-01, Singapore 068913 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 subsidiary 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 2020 were authorised for issue by the Board of Directors on 30 March 2021.

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 (International) ("SFRS(I)").

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 share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *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:

a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

b) 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

c) Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS - On 1 January 2020, the Group and Company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entity controlled by the Company. 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.

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

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated on consolidation.

Changes in the Group's ownership interests in a subsidiary that do not result in the Group losing control over the subsidiary 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 interest in the subsidiary. 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 SFRS(I)s). 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 SFRS(I) 9, or when applicable, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's separate financial statements, investment in a subsidiary is carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

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 financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

Classification of financial assets

All recognised financial assets within the scope of SFRS(I) 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt instruments 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 instruments and equity investments are measured at fair value through profit or loss (FVTPL) at the end of subsequent accounting periods. In addition, under SFRS(I) 9, 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.

The Group’s financial assets are classified into the following categories: “financial assets at amortised cost” comprising cash and cash equivalents placed with financial institutions, trade and other receivables, and “financial assets at fair value through profit or loss (FVTPL)”.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FINANCIAL INSTRUMENTS (continued)

Amortised cost and effective interest method (continued)

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the "other operating income" line item.

Impairment of financial assets at amortised cost

Financial assets that are measured at amortised cost are subject to impairment allowance based on an expected credit loss model. The expected credit loss model requires the accounting for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition.

The Group recognises a loss allowance for expected credit losses ("ECL") on bank balances, trade and other receivables and contract assets with customers. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition.

The Group always recognises lifetime ECL for its trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets at amortised cost, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12-month after the reporting date.

Significant increase in credit risk, default and write-off policies

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Group presumes that credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FINANCIAL INSTRUMENTS (continued)

Significant increase in credit risk, default and write-off policies (continued)

Despite the aforegoing, the Group assumes that credit risk has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial asset is determined to have low credit risk if i) the asset has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped based on the nature of financial instruments. The Group's trade receivables and contract assets with customers are each assessed as a separate group. Other receivables, including bank balances are assessed for expected credit losses on an individual basis. The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises changes in expected credit loss for its financial assets in profit or loss, with a corresponding adjustment to their carrying amount through a loss allowance account.

Financial assets at FVTPL

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other operating income / expenses" line item. Fair value is determined in the manner described in Note 4(c)(vi).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FINANCIAL INSTRUMENTS (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 when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. 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.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements 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 an entity after deducting all of its liabilities. Equity instruments issued are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

LEASES

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

LEASES (continued)

The Group as lessee (continued)

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss immediately in profit or loss.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as lessor

Leases for which the Group is a lessor are classified as finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance lease are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the lease.

When a contract includes lease and non-lease components, the Group applies SFRS(I) 15 to allocate the consideration under the contract to each component.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

PROPERTY, PLANT AND EQUIPMENT (continued)

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.

Fully depreciated assets still in use are retained in the financial statements.

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.

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

The revenue recognition accounting policy is determined based on the nature of the arrangements entered with customers. Revenue from rendering of services are recognised on a basis to depict the transfer of promised services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for the services. The arrangements under each contract with customer are assessed to identify the performance obligations, determine the transaction price allocated to each performance obligation, and the timing of the performance obligations being fulfilled.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

REVENUE RECOGNITION (continued)

Rendering of services (continued)

Revenue from the rendering of services relate to the provision of testing services, of which the related performance obligation is fulfilled at the point in time when the testing services are completed according to the customers' service order specification. Estimated customers' claims based on established historical trend are recognised as a reduction from revenue.

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 proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable.

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.

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 accumulated in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss when a plan amendment or curtailment occurs. 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 Group presents the first two components of defined benefit costs in profit or loss in the line item cost of sales and administrative expenses.

The retirement benefit obligation/assets 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 subsidiary 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.

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 subsidiary and the presentation currency for the consolidated financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION (continued)

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.

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.

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.

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) 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 indicators have been established, management estimates the recoverable amounts based on the higher of fair value less costs to sell or the value-in-use of the assets.

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

Management has evaluated the recoverable amount of property, plant and equipment and has recognised an impairment loss of US$Nil (2019 : US$262,000) during the year. The carrying amount of the property, plant and equipment is disclosed in Note 10.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

(ii) Impairment of investment in subsidiary

Management reviews the investment in the subsidiary periodically to assess whether there is any indication of impairment. To determine whether the investment in the subsidiary is impaired, management exercises judgment and makes estimation of the recoverable amount of the investment considering the nature of the underlying net assets of the subsidiary. The recoverable amount calculation requires the management to estimate the future cash flows expected from the cash-generating unit which was based on the value-in-use exercise as disclosed in Note 3(i).

Management has evaluated the recoverable amount of the investment in subsidiary and has recognised an impairment loss of US$378,000 (2019 : US$3,632,000) during the year. The carrying value of investment in subsidiary is disclosed in Note 9.

(iii) 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 property, 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 property, 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 property, 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.

(iv) Expected credit loss ("ECL") allowance for financial assets at amortised cost

When determining whether there is significant increase in credit risk, and measuring the amount of expected credit loss, management uses reasonable and supportable assumption about variables such as probability of default and loss given default on the Group's trade receivables and other receivables (including cash and cash equivalents placed with financial institutions). The carrying values of these financial assets are disclosed in Note 6, 7 and 8.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

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

	Group		Company	
	2020	2019	2020	2019
	US$'000	US$'000	US$'000	US$'000
Financial assets				
At amortised cost:				
- Trade receivables	4,840	4,502	-	-
- Other receivables	144	117	57	33
- Cash and cash equivalents	5,683	3,580	844	451
Total	10,667	8,199	901	484
Financial assets at fair value through profit or loss	-	493	-	493
Financial liabilities				
At amortised cost:				
- Trade payables	609	963	-	-
- Other payables	4,933	5,742	3,856	3,860
Total	5,542	6,705	3,856	3,860
Lease liabilities	1,867	1,878	-	-

(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.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(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 Singapore 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			
	Assets		Liabilities	
	2020	2019	2020	2019
	US$'000	US$'000	US$'000	US$'000
Taiwan dollars	1,854	1,561	6,481	5,470
Singapore dollars	65	121	151	115

	Company			
	Assets		Liabilities	
	2020	2019	2020	2019
	US$'000	US$'000	US$'000	US$'000
Taiwan dollars	-	-	7	7
Singapore dollars	63	119	141	114

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 be positively (negatively) impacted as follows:

	Taiwan dollars		Singapore dollars	
	2020	2019	2020	2019
	US$'000	US$'000	US$'000	US$'000
Group				
Profit or loss	(231)	(195)	(4)	*
Company				
Profit or loss	*	*	(4)	*

* Less than US$1,000.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

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

(ii) Interest rate risk management

The Group's primary interest rate risk relates to its bank balances and fixed deposits which are arranged at variable rates and lease liabilities which bear fixed interest rates. The interest rates of bank balances and fixed deposits, and lease liabilities are disclosed in Note 6 and Note 15 to the financial statements respectively.

The Company is not exposed to significant interest rate risk as the intercompany loans are arranged at fixed rates.

Interest rate sensitivity

No sensitivity analysis is prepared as the Group does not expect any material effect on the Group's profit or loss and equity arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period. The investment was disposed of during the current year.

(iii) Equity price risk management

The Group is exposed to equity risks arising from its equity investment in a fund classified as investment at fair value through profit or loss financial asset. The investment in a fund is held for strategic rather than trading purposes. The Group does not actively trade in the investment. The investment was disposed of during the current year.

Further details of the investment can be found in Note 11 to the financial statements.

Equity price sensitivity

For 2019, 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 the equity investment in the fund, if the value of fund's net assets of the fund had been 10% higher or lower while all other variables were held constant, the Group's loss for the year ended 31 December 2019 would have been lower or higher by US$49,000.

(iv) Overview of the Group's exposure to credit risk

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 maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties, arises from the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise credit risk, management determines credit risks of counterparties according to their degree of risk of default. Management uses other publicly available financial information and the Group's own records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

The Group's five largest customers collectively accounted for approximately 53.06% (2019 : 52.78%) of trade receivables as at year end. 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.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

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

(iv) Overview of the Group's exposure to credit risk (continued)

The tables below detail the credit quality of the Group's and Company's financial assets at amortised cost (excluding cash and cash equivalents placed with financial institutions), as well as maximum exposure to credit risk:

	Note	12-month or lifetime ECL	Gross carrying amount US$'000	Loss allowance US$'000	Net carrying amount US$'000
Group					
2020					
Trade receivables	7	Lifetime ECL (simplified approach)	5,026	(186)	4,840
Other receivables	8	12-month ECL	144	-	144
Total				(186)	
2019					
Trade receivables	7	Lifetime ECL (simplified approach)	4,803	(301)	4,502
Other receivables	8	12-month ECL	117	-	117
Total				(301)	
Company					
2020					
Other receivables	8	12-month ECL	57	-	57
2019					
Other receivables	8	12-month ECL	33	-	33

For trade receivables and contract assets, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix as set out in Note 7.

The carrying amount of the Group's financial assets at FVTPL as disclosed in Note 11 best represents their respective maximum exposure to credit risk.

The Group and Company's cash and cash equivalents are placed with creditworthy financial institutions which management has assessed that the credit risk is low.

The Group and Company do not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

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

(v) Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, working capital 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, and also entering into leasing arrangements for certain purchases of plant and equipment.

As at 31 December 2020, the Company has net current liabilities of US$2,955,000. The Company's cash flows requirements are primarily financed through the subsidiary's operations and managed on a Group basis.

As at 31 December 2020, the Group has a 3-year loan facility for US$11,600,000 secured against certain plant and property expiring in July 2023, and a revolving short-term unsecured bank loan facility of US$10,000,000. The Group has not drawn down any bank loan facilities as at year end.

Liquidity and interest risk analyses

Non-derivative financial liabilities

As at year end, the Group's non-derivative financial liabilities, except for lease liabilities, are non-interest bearing and are due on demand or within 1 year. Further details on the maturity analysis and interest rate of the lease liabilities are disclosed in Note 15.

As at year end, the Company's non-derivative financial liabilities, except for amount due to subsidiary, are non-interest bearing and are due on demand or within 1 year. The amount due to subsidiary bears fixed interest of 2% (2019 : 2%) per annum and are due on demand or within 1 year (Note 14).

Reconciliation of liabilities from financing activities

The table below details the key changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

		Financing cash flows		**Non-cash changes**	
	1 January 2020	Proceeds	Repayment	New leases	31 December 2020
	US$'000	US$'000	US$'000	US$'000	US$'000
Bank loans	-	3,993	(3,993)	-	-
Lease liabilities	1,878	-	(2,008)	1,997	1,867
Total	1,878	3,993	(6,001)	1,997	1,867

				Financing cash flows		**Non-cash changes**	
	31 December 2018	Adoption of SFRS 16	1 January 2019	Proceeds	Repayment	New leases	31 December 2019
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Finance leases	2,764	(2,764)	-	-	-	-	-
Lease liabilities	-	2,783	2,783	-	(2,047)	1,142	1,878
Total	2,764	19	2,783	-	(2,047)	1,142	1,878

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

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

(v) Liquidity risk management (continued)

Non-derivative financial assets

The following tables detail the expected maturity for non-derivative financial assets, excluding financial asset at fair value through profit or loss. 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
Group					
2020					
Non-interest bearing	-	4,871	144	-	5,015
Variable interest rate instruments	0.04	5,654	-	(2)	5,652
Total		10,525	144	(2)	10,667
2019					
Non-interest bearing	-	4,532	117	-	4,649
Variable interest rate instruments	0.32	3,561	-	(11)	3,550
Total		8,093	117	(11)	8,199
Company					
2020					
Non-interest bearing	-	57	-	-	57
Variable interest rate instruments	0.05	844	-	*	844
Total		901	-	-	901
2019					
Non-interest bearing	-	33	-	-	33
Variable interest rate instruments	0.28	451	-	*	451
Total		484	-	-	484

* Less than US$1,000.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(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 financial assets at fair value through profit or loss is disclosed in Note 11 to the financial statements.

As disclosed in Note 11, the fair value of financial assets at fair value through profit or loss is determined by reference to the Net Asset Value in the financial statements of the Fund. As at 31 December 2019, amounts of US$470,000 and US$6,000 were 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 financial assets.

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

(d) Capital 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 Company, 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 prior year, the Company effected a capital reduction by way of cash distribution. Refer to Note 16 for details.

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

5 RELATED PARTY TRANSACTIONS

Some of the Group's and Company'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 other key management personnel [(a)]

	Group		Company	
	2020	2019	2020	2019
	US$'000	US$'000	US$'000	US$'000
Director's fees	210	215	210	215
Salaries and other short-term benefits	341	241	80	80
Total	551	456	290	295

(a) Other key management personnel refers to the Group's Acting Chief Executive Officer and Chief Financial Officer.

The remuneration of directors and other key management personnel are determined by the Remuneration Committee having regard to the performance of the individuals and the performance of the Group.

6 CASH AND CASH EQUIVALENTS

	Group		Company	
	2020	2019	2020	2019
	US$'000	US$'000	US$'000	US$'000
Cash and bank balances	5,683	3,580	844	451

7 TRADE RECEIVABLES

	Group	
	2020	2019
	US$'000	US$'000
Outside parties	5,026	4,803
Allowance for doubtful receivables	(186)	(301)
Net	4,840	4,502

The credit period on the sale of goods ranges from 30 to 90 days (2019 : 30 to 90 days). No interest is charged on past due trade receivables.

The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtors and an analysis of the debtors' current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The following table details the risk profile of trade receivables from contracts with customers based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

	Group							
		Trade receivables - days past due						
2020	Not past due	< 90 days	91 to 120 days	121 to 180 days	181 to 270 days	271 to 365 days	> 365 days	Total
Expected credit loss rate	2.23%	7.98%	5.00%	15.00%	25.00%	50.00%	100.00%	
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Estimated total gross carrying amount at default	4,424	507	11	1	42	11	30	5,026
Lifetime ECL	(99)	(40)	(1)	-	(10)	(6)	(30)	(186)
Net								4,840

	Group							
		Trade receivables - days past due						
2019	Not past due	< 90 days	91 to 120 days	121 to 180 days	181 to 270 days	271 to 365 days	> 365 days	Total
Expected credit loss rate	1.15%	4.51%	5%	15%	25%	50%	100%	
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Estimated total gross carrying amount at default	3,864	703	-	2	1	18	215	4,803
Lifetime ECL	(45)	(32)	-	-	-	(9)	(215)	(301)
Net								4,502

7 TRADE RECEIVABLES (continued)

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

	Lifetime ECL - not credit-impaired			
	Collectively assessed	Individually assessed	Lifetime ECL - credit-impaired	Total
	US$'000	US$'000	US$'000	US$'000
Balance as at 1 January 2019	133	-	-	133
Changes in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	168	-	-	168
Balance as at 31 December 2019	301	-	-	301
Changes in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	(115)	-	-	(115)
Balance as at 31 December 2020	186	-	-	186

8 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2020	2019	2020	2019
	US$'000	US$'000	US$'000	US$'000
Prepayments	286	279	-	3
Deposits (Note i)	67	64	-	-
Retirement benefit (Note ii)	423	362	-	-
Sales tax receivables	57	70	-	-
Other receivables	77	53	57	33
Total	910	828	57	36
Current	420	403	57	36
Non-current	490	425	-	-
Total	910	828	57	36

Note i: 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 ii: The retirement benefit pertains to a pension scheme, which is a defined benefit plan set up by the Company's subsidiary, Global Testing Corporation ("GTC"), incorporated in Taiwan, Republic of China. GTC participates in the 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.

There is no asset ceiling requirement and the plan assets comprise fixed income instruments subject to minimum financial risks and are held with reputable financial institutions.

Actuarial valuation has been performed on the pension plan at the end of the reporting period by an independent valuer in Taiwan, Republic of China using projected unit credit cost method.

The principal assumptions used for the purpose of the actuarial valuations are the discount rate of 0.90% (2019 : 1.15%), expected rate of salary increase of 2.50% (2019 : 2.50%) and actuarial long term funding rate of -0.60% (2019 : -0.60%).

8 OTHER RECEIVABLES AND PREPAYMENTS (continued)

The amount included in the consolidated statement of financial position arising from the defined benefit plan is as follows:

	Group 2020 US$'000	Group 2019 US$'000
Present value of defined benefit obligations	(383)	(375)
Fair value of plan assets	806	737
Net	423	362

Management has assessed and determined no further disclosure required under SFRS(I) 1-19 *Employee Benefits* as the movements in the retirement benefit plan is not material and any changes to the principal assumptions would not have significant impact on the carrying value of the defined benefit plan.

9 INVESTMENT IN SUBSIDIARY

	Company 2020 US$'000	Company 2019 US$'000
Equity shares, at cost	46,471	46,471
Less: Impairment allowance	(17,717)	(17,339)
Net	28,754	29,132

	Company 2020 US$'000	Company 2019 US$'000
Movement in equity shares, at cost		
At the beginning of the year	46,471	49,130
Capital reduction	-	(2,659)
At the end of the year	46,471	46,471

	Company 2020 US$'000	Company 2019 US$'000
Movement in the impairment allowance		
At the beginning of the year	17,339	13,707
Impairment loss	378	3,632
At the end of the year	17,717	17,339

Management carried out a review of the recoverable amount of investment in subsidiary at the end of the reporting period. Based on their judgment and estimation of the recoverable amount of the investment in the subsidiary which include consideration of the nature of the underlying net assets of the subsidiary and the subsidiary's performance, management has recognised an impairment loss of US$378,000 (2019 : US$3,632,000) in the current year.

9 INVESTMENT IN SUBSIDIARY (continued)

Details of the Company's subsidiary at the end of the reporting period is as follow:

Subsidiary	Country of incorporation	Proportion of ownership interest and voting power held 2020 %	2019 %	Principal activities
Held by the Company				
Global Testing Corporation [1]	Taiwan, Republic of China	100	100	Provision of testing services

[1] Audited by Deloitte & Touche, Taiwan, Republic of China.

10 PROPERTY, PLANT AND EQUIPMENT

	Freehold land US$'000	Buildings US$'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
Group								
Cost:								
At 1 January 2019	7,799	3,512	247,494	260	23,386	655	386	283,492
Additions	-	-	3,539	-	432	18	621	4,610
Disposal	-	-	(8,259)	-	(2)	(292)	-	(8,553)
Reclassification	-	-	537	-	-	15	(552)	-
At 31 December 2019	7,799	3,512	243,311	260	23,816	396	455	279,549
Additions	-	-	3,472	-	500	146	743	4,861
Disposal	-	-	(1,740)	-	-	(301)	-	(2,041)
Reclassification	-	-	21	-	564	296	(881)	-
At 31 December 2020	7,799	3,512	245,064	260	24,880	537	317	282,369
Accumulated depreciation and impairment:								
At 1 January 2019	-	1,290	230,256	170	18,888	446	-	251,050
Depreciation for the year	-	97	7,600	24	1,038	143	-	8,902
Impairment Loss	-	-	262	-	-	-	-	262
Disposal	-	-	(8,259)	-	(2)	(292)	-	(8,553)
At 31 December 2019	-	1,387	229,859	194	19,924	297	-	251,661
Depreciation for the year	-	97	6,341	24	1,123	86	-	7,671
Disposal	-	-	(1,740)	-	-	(301)	-	(2,041)
Reclassification	-	-	(98)	-	98	-	-	-
At 31 December 2020	-	1,484	234,362	218	21,145	82	-	257,291
Carrying amount:								
At 31 December 2020	7,799	2,028	10,702	42	3,735	455	317	25,078
At 31 December 2019	7,799	2,125	13,452	66	3,892	99	455	27,888

10 PROPERTY, PLANT AND EQUIPMENT (continued)

(i) Certain property, plant and equipment of the Group with a total carrying value of approximately US$11,636,000 (2019 : US$12,719,000) are pledged as security for the banking facilities in Note 4(c)(v).

(ii) The Group carried out a review of the recoverable amount of property, plant and equipment having regard to its ongoing operations of the subsidiary as a cash-generating unit. 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 revenue 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 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 pre-tax rate used to discount the forecast cash flows of the Group is 13.63% (2019 : 13.18%).

The Group recognised an impairment loss of US$Nil (2019 : US$262,000) for the current year, and is included in "other operating expenses".

Management has performed certain sensitivity analysis on the value-in-use calculations to assess the extent of change to the key assumptions applied that may possibly cause the recoverable amount of the property, plant and equipment to be below the carrying amount.

Based on the analysis, assuming all other variables are held constant, the following unfavourable changes in the key assumptions which are most sensitive in the current economic environment, may possibly cause the estimated recoverable amount of property, plant and equipment to become materially lower than the carrying amount:

- If the annual revenue growth rate for the next five financial years is about 2.5% (2019 : 0.5%) lower than management's current best estimate; or
- If discount rate is increased by about 6.1% (2019 : 1.2%) due to changes in market conditions.

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.

Right-of-use assets from leases classified within property, plant and equipment

Certain of the Group's equipment are acquired under lease arrangement with average lease term of 3 to 5 years.

The Group has options to purchase certain equipment for a nominal amount at the end of the lease term. The Group's obligations are secured by the lessor's title to the leased assets.

The carrying amount and movement analysis are as follows:

	Plant and equipment US$'000
Group	
Cost:	
At 1 January 2019	2,935
Additions	1,142
At 31 December 2019	4,077
Additions	1,997
Disposal	(257)
Reclassification	(752)
At 31 December 2020	5,065

10 PROPERTY, PLANT AND EQUIPMENT (continued)

Right-of-use assets from leases classified within property, plant and equipment (continued)

	Plant and equipment US$'000
Accumulated depreciation and impairment:	
At 1 January 2019	187
Depreciation for the year	1,519
At 31 December 2019	1,706
Depreciation for the year	1,633
Disposal	(257)
Reclassification	(245)
At 31 December 2020	2,837
Carrying amount:	
At 31 December 2020	2,228
At 31 December 2019	2,371

11 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group/Company	
	2020 US$'000	2019 US$'000
Represented by:		
- Quoted equity shares and convertible bond, at fair value (level 2)	-	470
- Privately-held equity, at fair value (level 3)	-	6
- Others, at cost	-	17
Total	-	493

The above represents 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 fund offers the Group the opportunity for return through fair value gains.

During the year, a fair value gain of US$494,000 (2019 : fair value loss of US$33,000) has been included in profit or loss, under the line item "other operating income" (2019 : "other operating expense"). The investment was disposed of during the current year.

12 DEFERRED TAX

The following are the deferred tax assets (liabilities) recognised by the Group and movement thereon during the year:

	Tax losses US$'000	Retirement benefit obligations US$'000	Total US$'000
Group			
At 1 January 2019	29	-	29
Charged to profit or loss (Note 22)	(29)	(4)	(33)
At 31 December 2019	-	(4)	(4)
Charged to profit or loss (Note 22)	-	(1)	(1)
At 31 December 2020	-	(5)	(5)

12 DEFERRED TAX (continued)

Group

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

	Group		Expiry	
	2020	2019	2020	2019
	US$'000	US$'000	Year	Year
Unutilised tax losses	48,601	46,176	2021 to 2030	2020 to 2029
Unutilised capital allowance	1,225	1,076	*	*

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

The Group has not recognised deferred tax assets of US$9,965,000 (2019 : US$9,450,000) due to unpredictability of future profit streams.

At the end of the reporting period, the amount of temporary differences associated with undistributed earnings of subsidiary for which deferred tax liabilities have not been recognised is US$3,442,000 (2019 : US$3,011,000). No deferred tax liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

13 TRADE PAYABLES

	Group	
	2020	2019
	US$'000	US$'000
Third parties	609	963

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 (2019 : 30 to 90 days). No interest is charged on the outstanding trade payables.

14 OTHER PAYABLES

	Group		Company	
	2020	2019	2020	2019
	US$'000	US$'000	US$'000	US$'000
Amounts due to a subsidiary (Note 9)	-	-	3,369	3,304
Accrued operating expenses	4,321	4,664	426	495
Payable for plant and equipment	348	733	-	-
Allowance for customers' claims	111	253	-	-
Others	153	92	61	61
Total	4,933	5,742	3,856	3,860

The amounts due to a subsidiary bear an interest of 2% (2019 : 2%) per annum, is unsecured and repayable on demand.

15 LEASES LIABILITIES

	Group 2020 US$'000	Group 2019 US$'000
Maturity analysis		
Year 1	1,479	1,445
Year 2	389	562
Year 3	60	29
	1,928	2,036
Less: Unearned interest	(61)	(158)
Net	1,867	1,878
Analysed as:		
Current	1,425	1,325
Non-current	442	553
Total	1,867	1,878

The Group's lease liabilities were secured over certain plant and equipment of the Group (Note 10), and bears average effective interest rate of approximately 8.29% (2019: 9.88%).

The fair value of the Group's lease obligations approximated their carrying amount as at year end.

16 SHARE CAPITAL

	Group and Company			
	2020	2019	2020	2019
	'000	'000	US$'000	US$'000
	Number of ordinary shares			
Issued and paid up:				
At the beginning of the year	35,204	35,204	33,644	36,201
Cash distribution from capital reduction	-	-	-	(2,557)
At the end of the year	35,204	35,204	33,644	33,644

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.

In 2019, the Company undertook a capital reduction by way of cash distribution of S$0.10 per share pursuant to Section 78C of the Companies Act and shareholders' approval at the extraordinary general meeting held on 30 April 2019. The total cash to be distributed to the shareholders amounted to approximately US$2,557,000.

As of the end of the reporting period, US$61,000 (2019 : US$61,000) of the capital reduction distribution remained unpaid and is recognised in "other payables".

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.

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 a past Restructuring Exercise and the par value of the share capital of the Company issued as consideration for the acquisition.

(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 a past Restructuring Exercise and the par value of the share capital issued by the Company as consideration for the acquisition.

19 REVENUE

	Group	
	2020	2019
	US$'000	US$'000
Rendering of services	22,711	22,324
Lease of equipment	182	48
Total	22,893	22,372

20 OTHER OPERATING INCOME

	Group	
	2020	2019
	US$'000	US$'000
Interest income	5	15
Gain on disposal of property, plant and equipment	-	145
Fair value gain on financial asset	494	-
Others	21	37
Total	520	197

21 FINANCE COSTS

Finance costs comprise interest expense, including fees arising from bank credit facilities.

	Group	
	2020	2019
	US$'000	US$'000
Interest on bank loans	23	22
Interest on lease liabilities	149	241
	172	263

22 INCOME TAX (EXPENSE) BENEFIT

	Group	
	2020	2019
	US$'000	US$'000
Overprovision for current tax in prior year	-	183
Deferred tax (Note 12)	(1)	(33)
Withholding tax	(60)	-
Net	(61)	150

22 INCOME TAX (EXPENSE) BENEFIT (continued)

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

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 (loss) before income tax as a result of the following differences:

	Group	
	2020	2019
	US$'000	US$'000
Profit (Loss) before income tax	417	(3,458)
Income tax (expense) benefit at statutory rate of 17% (2019 : 17%)	(71)	588
Effect of expenses that are not deductible in determining taxable profit	(3)	(3)
Effect of income not taxable in determining taxable profit	112	-
Effect of unutilised tax losses and capital allowance not recognised	(26)	(718)
Effect of different tax rate of a subsidiary operating in other jurisdiction	(13)	100
Tax on distribution of prior year earnings of a subsidiary	-	(8)
Adjustments for prior year's tax	-	191
Withholding tax	(60)	-
Income tax (expense) benefit recognised in profit or loss	(61)	150

23 PROFIT (LOSS) FOR THE YEAR

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

	Group	
	2020	2019
	US$'000	US$'000
Depreciation of property, plant and equipment	7,671	8,902
Impairment loss on property, plant and equipment	-	262
Expenses relating to short-term leases	458	514
Foreign exchange loss	211	131
(Decrease) Increase in credit loss allowance	(115)	168
Employee benefits expense (including directors' remuneration):		
- Staff costs	7,849	8,048
- Cost of defined contribution plan	359	353
- Defined benefit plan	(5)	(5)
Total	8,203	8,396
Audit fees:		
- Paid to auditors of the Company	53	70
- Paid to other auditors	47	83
Total	100	153
Non-audit fees:		
- Paid to auditors of the Company	11	22
- Paid to other auditors	10	12
Total	21	34

24 EARNINGS (LOSS) PER SHARE

	Group	
	2020	2019
Profit (Loss) for the year (US$'000)	356	(3,308)
Weighted average number of ordinary shares in issue during the year ('000)	35,204	35,204
Basic earnings (loss) per share (US cents)	1.01	(9.40)

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

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

25 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, Japan, 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	
	2020	2019	2020	2019
	US$'000	US$'000	US$'000	US$'000
Taiwan, Republic of China	8,683	8,123	25,145	27,952
Japan	4,942	4,289	-	-
United States of America	4,779	5,971	-	-
Singapore	2,146	2,437	-	-
People's Republic of China	1,516	620	-	-
Others	827	932	-	-
Total	22,893	22,372	25,145	27,952

25 OPERATING SEGMENT INFORMATION (continued)

Information about major customers

During the year, there are 2 (2019 : 3) customers which each contributed to 10% or more of the Group's total revenue:

	2020 US$'000	2019 US$'000
Revenue		
Customer A	3,165	3,659
Customer B	2,892	3,378
Customer C	N.A.	2,437

26 OPERATING LEASE COMMITMENTS

The Group as lessee

As at 31 December 2020, the Group is committed to US$119,206 (2019: US$34,277) for short-term leases.

The Group as lessor

The Group leases 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.

27 COMMITMENTS

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

	Group	
	2020 US$'000	2019 US$'000
Financial assets at fair value through profit or loss (Note 11)	-	100
Property, plant and equipment	328	1,290

28 STANDARD ISSUED BUT NOT EFFECTIVE

At the date of authorisation of these financial statements, management has considered that the SFRS(I) pronouncements issued but not yet effective are not expected to have material impact in the year of their initial application.

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

Issued and fully paid-up capital	:	S$39,091,475.49
Number of Ordinary Shares issued	:	35,203,627
Class of shares	:	Ordinary
Voting rights	:	One vote per share

The Company has no treasury shares and subsidiary holdings.

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDING	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
1 - 99	76	2.77	3,625	0.01
100 - 1,000	1,274	46.45	754,968	2.15
1,001 - 10,000	1,194	43.53	4,123,106	11.71
10,001 - 1,000,000	196	7.14	9,546,947	27.12
1,000,001 and above	3	0.11	20,774,981	59.01
	2,743	**100.00**	**35,203,627**	**100.00**

SUBSTANTIAL SHAREHOLDERS AS AT 19 MARCH 2021
(As recorded in the Register of Substantial Shareholders)

NAME OF SHAREHOLDER	DIRECT INTEREST NUMBER OF SHARES	%	DEEMED INTEREST NUMBER OF SHARES	%
Chen, Tie-Min	3,785,549	10.75	0	0
Chia Soon Loi	2,524,250	7.17	0	0
Yageo Corporation	8,232,388	23.39	1,838,954[i]	5.22
Kuo Shin Investment Corporation	1,838,954	5.22	0	0

Notes:
[i] 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**"). Yageo is deemed interested in the shares held by Kuo Shin.

TWENTY LARGEST SHAREHOLDERS AS AT 19 MARCH 2021

NO.	NAME OF SHAREHOLDERS	NUMBER OF SHARES	%
1.	CITIBANK NOMINEES SINGAPORE PTE LTD	17,331,646	49.23
2	DBS NOMINEES (PRIVATE) LIMITED	1,875,540	5.33
3	RAFFLES NOMINEES (PTE.) LIMITED	1,567,795	4.45
4	UOB KAY HIAN PRIVATE LIMITED	993,325	2.82
5	MAYBANK KIM ENG SECURITIES PTE. LTD.	862,102	2.45
6	LIM MONG HOO	845,650	2.40
7	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	538,622	1.53
8	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	329,340	0.94
9	LIM GEK SUAN	328,200	0.93
10	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	301,655	0.86
11	PHILLIP SECURITIES PTE LTD	249,200	0.71
12	OCBC SECURITIES PRIVATE LIMITED	153,093	0.43
13	LIM HIU TIAN	140,200	0.40
14	LIM SWEE NIAN	105,000	0.30
15	ANG KIAN HENG	100,000	0.28
16	CHEN SHUEH SY	100,000	0.28
17	ANG CHIN SAN	90,000	0.26
18	LOO HWEE CHOO	82,000	0.23
19	LIM & TAN SECURITIES PTE LTD	74,700	0.21
20	CHAI KEOK KEOW MRS SIM YONG GECK	70,300	0.20

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

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC HANDS

53.43% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

*This Notice has been made available on the Company's corporate website (http://www.gttw.com.tw/) and SGXNET. A printed copy of this Notice will **not** be despatched to members of the Company.*

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company ("**AGM**" or "**Meeting**") will be held by way of electronic means on Friday, 30 April 2021 at 10.00 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 2020 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors of the Company retiring pursuant to Article 115 of the Company's Constitution:

   Mr Yeoh Seng Huat Geoffrey **(Resolution 2)**
   Mr Kenneth Tai, Chung-Hou **(Resolution 3)**
   [See Explanatory Note (i)]

3. To approve the payment of Directors' fees of S$290,000 for the financial year ending 31 December 2021, to be paid quarterly in arrears. (FY2020: S$290,000) **(Resolution 4)**

4. To re-appoint Messrs Deloitte & Touche LLP as the Company's Auditors and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**

5. 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:

6. **SHARE ISSUE MANDATE**

   That pursuant to Section 161 of the Companies Act, Cap. 50 (the "**Act**") and Rule 806 of the Listing Manual 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 ("**shares**"), 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 (as well as adjustments to) 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 Instruments 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 the Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued shares excluding subsidiary holdings (as defined in the Listing Manual of the SGX-ST) and 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 (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) does not exceed twenty per cent (20%) of the total number of issued shares excluding subsidiary holdings (as defined in the Listing Manual of the SGX-ST) and treasury shares of the Company (as calculated in accordance with sub-paragraph (ii) below):

(ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of the total number of issued shares excluding subsidiary holdings (as defined in the Listing Manual of the SGX-ST) and treasury shares of the Company shall be calculated based on the total number of issued shares excluding subsidiary holdings (as defined in the Listing Manual of the SGX-ST) and 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 which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(2) new shares arising from exercise of share options or vesting of share awards which were issued and 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 Note (ii)] **(Resolution 6)**

7. **RENEWAL OF SHARE PURCHASE MANDATE**

That:

(a) for the purposes of Sections 76C and 76E of 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 SGX-ST through the ready market, or on another stock exchange on which the Company's equity securities are listed, through one or more duly licensed dealers appointed by the Company for that purpose; and/or

(ii) off-market purchases (each an "**Off-Market Purchase**") under an equal access scheme (as defined in Section 76C of the Act) for the purchase or acquisition of Shares from Shareholders;

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:

(i) the date on which the next annual general meeting of the Company is held or required by law to be held;

(ii) the date on which the Share purchases are carried out to the full extent mandated; or

(iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in general meeting.

(c) in this Resolution:

"**Prescribed Limit**" means ten per cent (10%) of the total number of issued Shares (excluding subsidiary holdings (as defined in the Listing Manual of the SGX-ST) and any Shares which are held as treasury shares) as at the date of the passing of this Resolution, unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Act at any time during the Relevant Period, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding subsidiary holdings (as defined in the Listing Manual of the SGX-ST) and any treasury shares that may be held by the Company from time to time);

"**Relevant Period**" means the period commencing from the date of the passing of this Resolution and expiring on the date the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier; and

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, commission, 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) market days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the 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 equal access scheme, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) day period and the day on which the Market Purchase or Off-Market Purchase is made;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares to holders of Shares 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; and

"**Market Day**" means a day on which the SGX-ST is open for trading in securities;

(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 Note (iii)] **(Resolution 7)**

By Order of the Board

Toh Li Ping, Angela
Company Secretary

14 April 2021

Explanatory Notes:

(i) Resolution 2 proposed in item 2. above is to re-elect Mr Yeoh Seng Huat Geoffrey as a Director of the Company. Mr Yeoh, upon re-election as a Director of the Company, will remain as Chairman of the Audit Committee and a member of the Nominating Committee and the Remuneration Committee and will be considered independent.

Resolution 3 proposed in item 2. above is to re-elect Mr Kenneth Tai, Chung-Hou as a Director of the Company. Mr Tai, upon re-election as a Director of the Company, will remain as Chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee will be considered independent.

The information relating to Mr Yeoh and Mr Tai as required under Rule 720(6) of the Listing Manual of the SGX-ST is set out on pages 17 to 19 of the Annual Report.

(ii) Resolution 6 proposed in item 6. 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 per cent (50%) of the total number of issued shares excluding subsidiary holdings (as defined in the Listing Manual of the SGX-ST) and treasury shares of the Company, with a sub-limit of twenty per cent (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. For the purpose of determining the aggregate number of shares that may be issued, the percentage of the total number of issued shares excluding subsidiary holdings (as defined in the Listing Manual of the SGX-ST) and treasury shares of the Company will be calculated based on the total number of issued shares excluding subsidiary holdings (as defined in the Listing Manual of the SGX-ST) and 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 which were issued and outstanding or subsisting at the time of the passing of Resolution 6; (ii) new shares arising from exercise of share options or vesting of share awards which were issued and 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.

(iii) Resolution 7 proposed in item 7. above, if passed, will empower the Directors of the Company effective 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, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to ten per cent (10%) of the total number of issued shares excluding subsidiary holdings (as defined in the Listing Manual of SGX-ST) and treasury shares of the Company at the Maximum Price as defined in Resolution 7. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Purchase Mandate on the audited consolidated financial statements of the Company for the financial year ended 31 December 2020 are set out in greater detail in the Proposed Renewal of the Share Purchase Mandate attached.

Notes:

General

1. Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company has the option to hold a virtual meeting, even where the Company is permitted under safe distancing to hold a physical meeting. Due to current COVID-19 situation and the Company's efforts to minimise physical interactions and COVID-19 transmission risk to a minimum, the AGM will be held by way of electronic means and members will NOT be allowed to attend the AGM in person.

2. Alternative arrangements are put in place to allow members to participate in the AGM by:

   (a) observing and/or listening to the AGM proceedings by "live" audio-visual webcast or by "live" audio-only stream. Members who wish to participate as such will have to pre-register in the manner outlined in Notes 3 to 6 below;
   (b) submitting questions ahead of the AGM. Please refer to Notes 7 to 9 below for further details; and
   (c) voting by proxy at the AGM. Please refer to Notes 10 to 18 below for further details.

   The Notice of AGM is also made available on SGXNet at the following URL: https://www.sgx.com/securities/company-announcements and the Company's website at the following URL: http://www.gttw.com.tw/.

Participation in AGM proceedings via "live webcast"

3. A member of the Company or their corporate representative (in the case of a member which is a legal entity) will be able to watch or listen to the proceedings of the AGM through a "live" webcast via mobile phone, tablet or computer ("**Live Webcast**"). In order to do so, the member must pre-register by 10.00 a.m. on 27 April 2021 ("Registration Deadline"), at the following URL: http://events.rajahtann.com/GlobalTestingAGM (the "**Pre-registration Website**").

4. It is important that you provide your email address in your registration form. Following authentication of his/her/its status as a member of the Company, such member will receive an email on their authentication status containing login credentials to access the Live Webcast of the AGM proceedings using the account created.

5. Members who have pre-registered by the Registration Deadline but do not receive the aforementioned email by 10.00 a.m. on 29 April 2021 should contact the Company at the following email address: gtc.agm2021@rajahtann.com, with the following details included: (1) the full name of the shareholder; and (2) his/her/its identification/registration number.

6. Investors who hold Shares through depository agents (as defined in Section 81SF of the Securities and Futures Act, Chapter 289) and wish to watch the "live" audio-visual webcast of the AGM must approach their respective depository agents to pre-register by 10.00 a.m. on 20 April 2021 in order to allow sufficient time for their respective depository agents to in turn register their interest with the Company.

Submission of questions prior to the AGM

7. A member of the Company may also submit questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations. The Company will endeavour to address questions which are substantial and relevant during the AGM proceedings.

8. To do so, all questions must be submitted no later than 10.00 a.m. on 27 April 2021:

   (a) in physical copy by depositing the same at the registered office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623; or

   (b) by email to RSVP@boardroomlimited.com.

9. If the questions are deposited in physical copy at the Company's registered office of the Company's Share Registrar or sent via email, and in either case not accompanied by the completed and executed Proxy Form (as defined below), the following details must be included with the submitted questions: (i) the member's full name; and (ii) his/her/its identification/registration number for verification purposes, failing which the submission will be treated as invalid.

Voting by proxy

10. A member will not be able to vote through the Live Webcast. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the instrument appointing the Chairman of the Meeting as proxy ("**Proxy Form**"), failing which the appointment will be treated as invalid.

11. The Proxy Form for the AGM can be accessed at the Company's website at the following URL: http://www.gttw.com.tw/, and is made available with this Notice of AGM on SGXNet at the following URL: https://www.sgx.com/securities/company-announcements on the same day.

Notes: (Continued)

Voting by proxy (Continued)

12. The Chairman of the Meeting, as proxy, need not be a member of the Company.

13. The Proxy Form must be submitted through any one of the following means:

(a) by depositing a hard copy by post at the registered office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623; or

(b) by sending a scanned PDF copy by email to RSVP@boardroomlimited.com,

in either case, no later than 10.00 a.m. on 28 April 2021 ("**Proxy Deadline**").

14. A member who wishes to submit a Proxy Form must first **download, complete and sign the proxy form**, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

15. **In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.**

16. The instrument appointing the Chairman of the AGM as proxy must be signed by the appointer or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

17. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the AGM as proxy).

18. Investors who hold their Shares through a relevant Intermediary* as defined in Section 181 of the Companies Act, Chapter 50 of Singapore (including CPF investors, SRS investors and holders under depository agents) and who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries (including their respective CPF agent banks, SRS approved banks or depository agents) to submit their voting instructions by 10.00 a.m. on 20 April 2021 in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf no later than the Proxy Deadline.

*A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act, Chapter 19 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act, Chapter 289 and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 (the "**CPF Act**"), in respect of shares purchased under the subsidiary legislation made under the CPF Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal data privacy:

By pre-registering for the Live Webcast, submitting a Proxy Form appointing the Chairman of the Meeting as proxy to vote at the AGM and/or any adjournment thereof, and/or submitting questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations, a member of the Company: (i) consents to the collection, use and disclosure of such 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 AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (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 such member discloses the personal data of such member's proxy(ies) and/or representative(s) to the Company (or its agents), such 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 such member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of such member's breach of warranty.

GLOBAL TESTING CORPORATION LIMITED

(Incorporated in Singapore)
(Registration No. 200409582R)

PROXY FORM

This Proxy Form has been made available on the Company's corporate website (http://www.gttw.com.tw/) and SGXNET. A printed copy of this Proxy Form will not be despatched to members of the Company.

IMPORTANT:

1. Alternative arrangements relating to, amongst others, attendance, submission of questions in advance and voting by proxy at the Annual General Meeting ("**AGM**" or "**Meeting**") are set out in the Company's Notice of Annual General Meeting dated 14 April 2021 which has been uploaded on SGXNET on the same day. The announcement and the Notice of Annual General Meeting can also be assessed at the Company's corporate website (http://www.gttw.com.tw/).
2. A member will not be able to attend the AGM in person. Please see Note 3 below for further details.
3. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid. By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 April 2021.
4. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors should approach their relevant intermediary as soon as possible to specify voting instructions. CPF/SRS investors should approach their respective CPF Agent Banks or SRS Operators at least seven working days before the AGM to ensure their votes are submitted.
5. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to vote on his/her/its behalf at the AGM.

I/We*, ____ (Name)

of ____ (NRIC/Passport/Co. Regn no.)

of ____ (Address)

being a member/members of Global Testing Corporation Limited (the "**Company**"), hereby appoint the **Chairman of the Meeting** as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting ("**AGM**" or the "**Meeting**") of the Company, to be held by way of electronic means on Friday, 30 April 2021 at 10.00 a.m. and at any adjournment thereof.

The proxy shall vote on the Resolutions set out in the Notice of Annual General Meeting dated 14 April 2021 in accordance with my/our directions as indicated hereunder.

No.	Ordinary Resolutions	For*	Against*	Abstain*
ORDINARY BUSINESS				
1.	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2020			
2.	Re-election of Mr Yeoh Seng Huat Geoffrey as a Director			
3.	Re-election of Mr Kenneth Tai, Chung Hou as a Director			
4.	Payment of Directors' fees of S$290,000 for the financial year ending 31 December 2021, to be paid quarterly in arrears			
5.	Re-appointment of Messrs Deloitte & Touche LLP as Auditors of the Company			
SPECIAL BUSINESS				
6.	Approval of the Share Issue Mandate			
7.	Approval of the renewal of Share Purchase Mandate			

**Voting will be conducted by poll. If you wish the Chairman of the Meeting, as your proxy, to cast all your votes for or against a Resolution, please indicate with a "√ in the space provided under "For" or "Against". If you wish the Chairman of the Meeting as your proxy to abstain from voting on a Resolution, please indicate with a "√" in the space provided under "Abstain". Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to vote "For" or "Against" or to abstain from voting. In the absence of specific directions, the appointment of the Chairman of the Meeting as your proxy will be treated as invalid.*

Dated this ____________ day of April 2021

Total Number of Shares held in:	
CDP Register	
Register of Members	

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

IMPORTANT: PLEASE READ OVERLEAF

Notes:

1. Please insert the total number of shares held by you. If you have shares registered in your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), 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 instrument appointing a proxy or proxies shall be deemed to relate all the Shares held by you.

2. Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company has the option to hold a virtual meeting, even where the Company is permitted under safe distancing to hold a physical meeting. Due to current COVID-19 situation and the Company's efforts to minimise physical interactions and COVID-19 transmission risk to a minimum, the AGM will be held by way of electronic means and member will NOT be allowed to attend the AGM in person.

3. A member will not be able to vote through the Live Webcast. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

4. The Chairman of the Meeting, as a proxy, need not be a member of the Company.

5. This Proxy Form must be submitted:

   (a) by depositing a physical copy at the registered office of the Company's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01 Singapore 048623; or

   (b) by sending a scanned PDF copy by email to RSVP@boardroomlimited.com,

   in either case, no later than 10.00 a.m. on 28 April 2021, and failing which, the Proxy Form will not be treated as valid.

6. A member who wishes to submit an instrument of proxy must first **download, complete and sign the proxy form**, before submitting it by depositing to the address provided above, or scanning and sending it by email to the email address provided above.

7. **In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.**

8. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

   Where this Proxy Form is submitted by email, it must be authorised in the following manner:

   (a) by way of the affixation of an electronic signature by the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or

   (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing this Proxy Form under hand and submitting a scanned copy of the signed Proxy Form by email.

   Where this Proxy Form is signed or, as the case may be, authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this Proxy Form, failing which this Proxy Form may be treated as invalid.

9. Investors who hold their Shares through a relevant Intermediary* as defined in Section 181 of the Companies Act, Chapter 50 of Singapore (including CPF investors, SRS investors and holders under depository agents) and who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries (including their respective CPF agent banks, SRS approved banks or depository agents) to submit their voting instructions by 10.00 a.m. on 20 April 2021 in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf no later than the Proxy Deadline.

   *A Relevant Intermediary is:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

   (b) a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act, Chapter 289 and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 (the "**CPF Act**"), in respect of shares purchased under the subsidiary legislation made under the CPF Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

General:

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy 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 the Chairman of the Meeting as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the Meeting as proxy). In addition, in the case of members whose shares are entered against their names in the depository register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if such members are not shown to have shares entered against their names in the depository register as at 72 hours before the time appointed for the AGM, 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 AGM dated **14 April 2021**.

GLOBAL TESTING
CORPORATION
LIMITED

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