

**GLOBAL TESTING CORPORATION LIMITED**

(Registration No. 200409582R)  
(the "**Company**")

**MINUTES OF ANNUAL GENERAL MEETING  
HELD BY WAY OF ELECTRONIC MEANS VIA A "LIVE" WEBCAST**

---

<b>DATE</b>	:	Friday, 29 April 2022
<b>TIME</b>	:	10.00 a.m.
<b>PRESENT</b>	:	As set out in the webcast attendance records maintained by the Company
<b>CHAIRMAN OF MEETING</b>	:	Mr Chia Soon Loi

---

**1. INTRODUCTION & QUORUM**

Mr Chia Soon Loi, the Non-Executive and Non-Independent Chairman of the Company ("**Chairman of the Meeting**"). The Chairman of the Meeting welcomed all present at the Company's Annual General Meeting ("**AGM**" or "**Meeting**").

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 (as amended from time to time) (the "**Alternative Arrangements Order**"), the Company had the option to hold a virtual meeting, even where the Company was permitted under safe distancing to hold a physical meeting. Due to the COVID-19 situation and the Company's efforts to minimise physical interactions and COVID-19 transmission risk to a minimum, the AGM was held by way of electronic means and members were not allowed to attend the AGM in person.

Pursuant to the Alternative Arrangements Order, the share registrar of the Company had verified that at least 2 shareholders of the Company attended the Meeting via live webcast. As a quorum of at least 2 shareholders were electronically present at the Meeting, the Chairman of the Meeting declared the Meeting open and introduced the Directors and senior executives.

**2. NOTICE OF MEETING**

The Chairman of the Meeting highlighted that no printed copies of the Annual Report, Notice of AGM, the accompanying Appendix relating to the renewal of the Company's share purchase mandate (the "**Appendix**") and the proxy form were despatched to shareholders of the Company in accordance with the provisions under the Alternative Arrangements Order. An electronic copy of each of the documents had been made available on the Company's corporate website and SGXNet.

The Notice of the AGM was taken as read.

**3. VOTING BY WAY OF A POLL**

As the live webcast would not provide for online voting, it was noted that a shareholder of the Company (whether individual or corporate) who had wished to exercise his/her/its voting rights at

the Meeting should have appointed the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM at least 48 hours before the Meeting. In appointing the Chairman of the Meeting as proxy, such shareholder (whether individual or corporate) must have given specific instructions as to the manner of voting, or abstentions from voting, in the instrument appointing the Chairman of the Meeting as proxy ("**Proxy Form**"), failing which the appointment would be treated as invalid.

Shareholders who had held their shares through relevant intermediaries (including Central Provident Fund ("**CPF**") or Supplementary Retirement Scheme ("**SRS**") Investment Account Holders) and who had wished to exercise their votes by appointing the Chairman of the Meeting as proxy should have approached their respective relevant intermediaries (including their respective CPF Agent Banks or SRS Approved Banks) to submit their voting instructions at least 7 working days prior to the date of this Meeting.

The Chairman of the Meeting informed that he had been appointed as proxy on behalf of the shareholders who had directed him to vote for and against certain motions for the Meeting. All resolutions at the Meeting would be voted by way of poll which also complies with the requirement of the listing manual of Singapore Exchange Securities Trading Limited ("**SGX-ST**") that all listed companies would have to conduct voting by poll for all general meetings.

It was noted that In.Corp Business Advisory Pte. Ltd. had been appointed as the Scrutineer and Boardroom Corporate & Advisory Services Pte. Ltd. had been appointed as the polling agent. The Scrutineer had verified checked the validity of the proxy forms received and prepared a report on the poll results which would be announced after each motion has been formally proposed at the Meeting.

#### **4. QUESTIONS AND ANSWERS**

It was noted that the Company had addressed the substantial and relevant questions submitted by shareholders ahead of the AGM no later than 10.00 a.m. on 22 April 2022 ("**Company's Responses**") in (i) an announcement released to the SGX-ST via SGXNET on 24 April 2022 (i.e. at least 48 hours prior to the closing date and time for the lodgement of the Proxy Forms) ("**Responses to Q&A**") and (ii) a clarification announcement to the Responses to Q&A released to the SGX-ST via SGXNET on 26 April 2022. The Company's Responses to Q&A is attached to these minutes as Appendix I.

The Chairman of the Meeting then proceeded with the agenda of the meeting.

#### **ORDINARY BUSINESS**

#### **5. DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 – RESOLUTION 1**

The first item on the agenda was to receive the directors' statement and the audited financial statements of the Company for the financial year ended 31 December 2021 ("**FY2021**") together with the auditors' report thereon.

Following the proposal of the motion for Resolution 1 by the Chairman of the Meeting, the results verified by the Scrutineer were as follows:

	<b>Votes</b>	<b>Percentage (%)</b>
No. of shares for:	19,661,447	100.00
No. of share against:	0	0.00

Based on the results of the poll, the Chairman of the Meeting declared Resolution 1 duly carried and it was RESOLVED:

"THAT the Audited Financial Statements of the Company for the financial year ended 31 December 2021, together with the Directors' Statement and the Auditors' Report thereon, be hereby received and adopted."

## **6. FINAL DIVIDEND – RESOLUTION 2**

The Directors had recommended the payment of a final dividend of S\$0.20 per share for the financial year ended 31 December 2021. If approved, the dividend would be paid on 30 June 2022.

Following the proposal of the motion for Resolution 2 by the Chairman of the Meeting, the results verified by the Scrutineer were as follows:

	<b>Votes</b>	<b>Percentage (%)</b>
No. of shares for:	19,661,447	100.00
No. of share against:	0	0.00

Based on the results of the poll, the Chairman of the Meeting declared Resolution 2 duly carried and it was RESOLVED:

"That the payment of a final tax-exempt (one-tier) dividend of S\$0.20 per share for the financial year ended 31 December 2021 be approved."

## **7. RE-ELECTION OF DIRECTORS – RESOLUTIONS 3 TO 5**

The Meeting noted that Mr Law Ambrose Tiang Beng and Mr Wang, Han-Min, the Directors who were retiring pursuant to Article 119 of the Company's Constitution, and Mr Chen, Tie-Min, a Director who was retiring pursuant to Article 115, had signified their consents to continue in office.

### **7.1 RE-ELECTION OF MR LAW AMBROSE TIANG BENG AS A DIRECTOR – RESOLUTION 3**

Resolution 3 was to re-elect Mr Law Ambrose Tiang Beng as a Director of the Company.

It was noted that Mr Law Ambrose Tiang Beng, upon re-election, would remain as the Lead Independent Director of the Company, Chairman of the Audit Committee ("AC") and a member of the Nominating Committee ("NC") and the Remuneration Committee ("RC") and would be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

Following the proposal of the motion for Resolution 3 by the Chairman of the Meeting, the results verified by the Scrutineer were as follows:

	<b>Votes</b>	<b>Percentage (%)</b>
No. of shares for:	19,661,447	100.00
No. of share against:	0	0.00

Based on the results of the poll, the Chairman of the Meeting declared Resolution 3 duly carried and it was RESOLVED:

“THAT Mr Law Ambrose Tiang Beng be re-elected as a Director of the Company.”

## **7.2 RE-ELECTION OF MR WANG, HAN-MIN AS A DIRECTOR – RESOLUTION 4**

Resolution 4 was to re-elect Mr Wang, Han-Min as a Director of the Company.

It was noted that Mr Wang, Han-Min, upon re-election, would remain as an Independent Director of the Company, Chairman of the NC and a member of the AC and the RC and would be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

Following the proposal of the motion for Resolution 4 by the Chairman of the Meeting, the results verified by the Scrutineer were as follows:

	<b>Votes</b>	<b>Percentage (%)</b>
No. of shares for:	19,661,447	100.00
No. of share against:	0	0.00

Based on the results of the poll, the Chairman of the Meeting declared Resolution 4 duly carried and it was RESOLVED:

“THAT Mr Wang, Han-Min be re-elected as a Director of the Company.”

## **7.3 RE-ELECTION OF MR CHEN, TIE-MIN AS A DIRECTOR – RESOLUTION 5**

Resolution 5 was to re-elect Mr Chen, Tie-Min as a Director of the Company.

It was noted that Mr Chen, Tie-Min, upon re-election, would remain as Senior Executive Director of the Company, a member of the NC and would be considered non-independent.

Following the proposal of the motion for Resolution 5 by the Chairman of the Meeting, the results verified by the Scrutineer were as follows:

	<b>Votes</b>	<b>Percentage (%)</b>
No. of shares for:	19,604,982	99.71
No. of shares against:	56,465	0.29

Based on the results of the poll, the Chairman of the Meeting declared Resolution 5 duly carried and it was RESOLVED:

“THAT Mr Chen, Tie-Min be re-elected as a Director of the Company.”

## **8. DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2022, TO BE PAYABLE QUARTERLY IN ARREARS – RESOLUTION 6**

The Board had recommended a sum of S\$260,000/- as Directors' fees for the financial year ending 31 December 2022, payable quarterly in arrears.

Following the proposal of the motion for Resolution 6 by the Chairman of the Meeting, the results verified by the Scrutineer were as follows:

	<b>Votes</b>	<b>Percentage (%)</b>
No. of shares for:	19,661,447	100.00
No. of share against:	0	0.00

Based on the results of the poll, the Chairman of the Meeting declared Resolution 6 duly carried and it was RESOLVED:

"THAT the Directors' fees amounting to S\$260,000/- for the financial year ending 31 December 2022 be approved and that such fees be paid quarterly in arrears."

**9. RE-APPOINTMENT OF MESSRS DELOITTE & TOUCHE LLP AS AUDITORS OF THE COMPANY – RESOLUTION 7**

The Meeting noted that the next item on the agenda was to approve the re-appointment of the Messrs Deloitte & Touche LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. Messrs Deloitte & Touche LLP had expressed their willingness to continue in office.

Following the proposal of the motion for Resolution 7 by the Chairman of the Meeting, the results verified by the Scrutineer were as follows:

	<b>Votes</b>	<b>Percentage (%)</b>
No. of shares for:	19,661,447	100.00
No. of share against:	0	0.00

Based on the results of the poll, the Chairman of the Meeting declared Resolution 7 duly carried and it was RESOLVED:

"THAT Messrs Deloitte & Touche LLP be re-appointed Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Directors."

**10. ANY OTHER BUSINESS**

As no further items of routine business were received, the Chairman of the Meeting proceeded to deal with the items of special business.

**SPECIAL BUSINESS**

**11. SHARE ISSUE MANDATE – RESOLUTION 8**

Resolution 8 was to seek shareholders' approval to empower the Directors of the Company to issue shares in the capital of the Company and/or instruments (as defined in the Notice of AGM).

Following the proposal of the motion for Resolution 8 by the Chairman of the Meeting, the results verified by the Scrutineer were as follows:

	<b>Votes</b>	<b>Percentage (%)</b>
No. of shares for:	19,604,982	99.71
No. of shares against:	56,465	0.29

Based on the results of the poll, the Chairman of the Meeting declared Resolution 8 duly carried and it was RESOLVED:

That pursuant to Section 161 of the Companies Act 1967 (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."

## 12. RENEWAL OF SHARE PURCHASE MANDATE – RESOLUTION 9

Resolution 9 was to seek shareholders' approval to renew the share purchase mandate of the Company. The motion, if passed, would renew the Company's share purchase mandate which shall thereafter be valid from the date of this AGM until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

Following the proposal of the motion for Resolution 9 by the Chairman of the Meeting, the results verified by the Scrutineer were as follows:

	<b>Votes</b>	<b>Percentage (%)</b>
No. of shares for:	5,804,556	100.00
No. of share against:	0	0.00

Based on the results of the poll, the Chairman of the Meeting declared Resolution 9 duly carried and it was RESOLVED:

"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."

The summary of the poll results for Resolutions 1 to 9 was also shown on the screen for the shareholders' reference.

**13. TERMINATION**

There being no further business, the Meeting concluded at 10.15 a.m. and was declared closed by the Chairman.

CHIA SOON LOI  
CHAIRMAN OF THE MEETING

**Annex A****RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM SHAREHOLDERS  
IN RESPECT OF THE ANNUAL GENERAL MEETING TO BE HELD ON 29 APRIL 2022****Question 1**

<i>Questions from shareholders are reproduced below "as-is".</i>	
<i>(i)</i>	<i>In the Annual Report it was mentioned that testing prices rose in tandem with the increase in semiconductor prices. May I know how often semiconductor testing prices are revised for Global Testing (once a month, twice a year etc.)? Is semiconductor testing prices fixed at a certain percentage of the type of semiconductors being tested?</i>
<i>(ii)</i>	<i>On page 2 of Annual Report 2021, the group states that "Additionally, the chip shortage since late 2020 has led to the prices of semiconductors increasing, with testing prices also rising in tandem." We could understand that the price of semiconductors increases because due to chip shortage, demand outstrips supply of chips. But why would testing prices also rise in tandem?</i>

*It was mentioned in the FY2021 Annual Report that testing prices rose in tandem with the increase in semiconductor prices. How often are semiconductor testing prices revised for the Company? Are testing prices fixed at a certain percentage of the price of the semiconductors being tested?*

**Company's response**

**There is no specific timing for revision of testing prices. The testing prices are dependent on market supply and demand. Management is closely monitoring the market and will make any adjustments accordingly.**

## **Question 2**

<i>Questions from shareholders are reproduced below "as-is".</i>	
<i>(i)</i>	<i>Does Global Testing have any plans to test semiconductor devices used in artificial intelligence applications? Any plans to test other semiconductor devices beyond the current mixed signals, logic and contact image sensors?</i>
<i>(ii)</i>	<i>The company's core business has been testing mixed signals, logic and contact image sensors but has recently extended its niche to automotive and commercial applications. What specifically are these commercial applications? What proportion of total sales are related to the automotive and commercial applications for FY 2021?</i>
<i>(iii)</i>	<i>What is the proportion of the automotive segment in our revenues? What are the other segments?</i>
<i>(iv)</i>	<i>Referring to page 3 of the AR, could the company explain in greater detail what exactly is its testing for "automotive applications and for commercial applications" and thus help share holders understand better if this segment is sustainable?</i>
<i>(v)</i>	<i>Noticed that the business started building capabilities for automotive devices since 2017. a) is this geared towards electric vehicles or passenger vehicles in general? b) does the margin profile vary from testing for logic / mixed signal for PC / smart phones?</i>
<i>(vii)</i>	<i>On page 3 of the Annual Report 2021, the group states that "Having expanded our niche in recent years to include testing for automotive applications and for commercial applications, Global Testing's core business also encompasses testing mixed signals, logic and contact image sensors in our key markets.". "Commercial applications" did not appear in prior years Annual Report. Could you give some examples of "Commercial applications"?</i>
<i>(viii)</i>	<i>Could you give a ballpark figure or range on the group revenue from the automotive devices industry compared to prior year(s)?</i>

- a. Referring to page 3 of the FY2021 Annual Report, can the Company explain in greater detail what testing for "automotive applications and for commercial applications" entail?*
- b. What proportion of total sales are related to automotive applications and commercial applications?*
- c. Does Global Testing have any plans to test semiconductor devices used in artificial intelligence applications? Any plans to test other semiconductor devices beyond the current mixed signals, logic and contact image sensors?*

### **Company's response**

**In recent years, the Group has widened its testing capabilities to include areas such as security image sensors and high and low temperature processes for use in the up-and-coming technology fields. Automotive applications refer to semiconductor chips used in vehicles, while commercial applications include semiconductor chips used in non-consumer industrial applications.**

**The Group does not disclose revenue by product application segment due to business sensitivities and competitive reasons.**

**The Group currently does not have any plans to venture further into a different segment of the industry and is focused on its main business segment, which is to provide testing services. Nonetheless, the Group look forward to diversifying within its main business segment into emerging application areas to meet the latest technological requirements.**

### **Question 3**

<i>Questions from shareholders are reproduced below "as-is".</i>	
<i>(i)</i>	<i>Is the management confident of sustaining the good sales and profit shown in FY 2021 in subsequent years? Has the company managed to secure a strong order book in order to sustain the good performance?</i>
<i>(ii)</i>	<i>If chips shortage were to recover, would global testing's business be in trouble?</i>
<i>(iii)</i>	<i>On note 10, it is stated that "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, factoring in raised uncertainties where necessary." Could the company share the industry growth forecast or share its info source to help shareholders understand the longer term prospects of the company?</i>
<i>(iv)</i>	<i>What are the management's thoughts on FY2022's sales forecast given existing supply chain situation and relatively robust front-end semiconductor demand</i>
<i>(v)</i>	<i>On page 1 of Annual Report 2021, the group states that "The Group has also extended its testing capability and established its niche in the provision of wafer testing services for automotive applications and for commercial applications." How does the recent global chip shortage for automotive affect the group?</i>
<i>(vi)</i>	<i>On page 2 of the Annual Report 2021, the group states that "The improvement in Global Testing's top line was largely due to the favourable conditions in the Taiwan semiconductor industry, which produces a large supply of the world's semiconductors." We noted that your revenue from Japan and Singapore also saw growth of 123.8% and 148.4% respectively. The combined revenue from Japan and Singapore of US\$16.391m is more than revenue from Taiwan of US\$14.712m. Could we say that the improvement in Global Testing's top line was due to favourable conditions in the global semiconductor industry instead or there are some gaps in our understanding?</i>

- a. *How does the global chip shortage for automotive affect the Group?*
- b. *Referring to page 2 of the FY2021 Annual Report, the Group stated that "The improvement in Global Testing's top line was largely due to the favourable conditions in the Taiwan semiconductor industry, which produces a large supply of the world's semiconductors." We noted that your revenue from Japan and Singapore also saw growth of 123.8% and 148.4% respectively. The combined revenue from Japan and Singapore of US\$16.391m is more than revenue from Taiwan of US\$14.712m. Could we say that the improvement in Global Testing's topline was due to favourable conditions in the global semiconductor industry instead or there are some gaps in our understanding?*
- c. *Can the Company elaborate on its outlook and order book?*
- d. *Can the Company share more about the industry growth outlook? If the chip shortage were to recover, would Global Testing's business be affected?*

### **Company's response**

**The improvement in the Company's topline in the financial year ended 31 December 2021 ("FY2021") was largely due to the favourable conditions in the Taiwan semiconductor industry, which is producing a large supply of the world's semiconductor chips. During Covid-19, Taiwan's supply of semiconductor chips was minimally disrupted.**

**The Group's business is in testing semiconductor chips. Through improving its production efficiency and cost management, the Group's bottomline has grown as well.**

**While chip production was maintained, the increase in demand for semiconductor chips during Covid-19 led to the chip shortage. The shortage is expected to last till early 2023, as more manufacturers and foundries expand their facilities.**

**Despite global macroeconomic headwinds in the form of the Russia-Ukraine war, rising inflation, supply chain disruptions and chip shortage ending, the Group is cautiously optimistic on the outlook for the financial year ending 31 December 2022. The Group remains focused on delivering quality testing services to all clients and growing its orderbook. It will also continue to exercise financial prudence and seek ways to enhance its operational efficiency to maximise long-term shareholders' value.**

#### **Question 4**

<i>Questions from shareholders are reproduced below "as-is".</i>	
<i>(i)</i>	<i>How much capital expenditure can we expect for the next financial year (approximately the same as FY 2021 or lower/higher)? Does the company encounter difficulty in purchasing new equipment due to the ongoing supply chain disruption and shortages in semiconductor chips? What proportion of the existing company's testing equipment are on lease arrangement and how does the company decide to whether to lease them instead of purchasing new equipment?</i>
<i>(ii)</i>	<i>What was our utilization rate in FY2021 and do we need to expand our testing capacities in FY2022?</i>
<i>(iii)</i>	<i>Capex. The company is spending more on capex. What is the long term plan for the company in investing in PPE? What is the rate of recovery (to recoup) the investments in capex?</i>
<i>(iv)</i>	<i>At listing, you indicated your utilisation rates, which fluctuated within a range of 40-80% roughly. Can you share what your utilisation rates are for past 5 years?</i>
<i>(v)</i>	<i>Could you share the reasons for declining capex over the years? Is this driven by long lifespan PPE or by a shift towards a more asset-light model?</i>

- a. *What was our utilisation rate for the past five years?*
- b. *Do we need to expand our testing capacities in FY2022? How much capex can we expect for the next financial year; will it be approximately the same, higher or lower as compared to FY2021?*
- c. *Has the Company encountered difficulties in purchasing new equipment due to the ongoing supply chain disruptions? What is the Company's long-term plan with regards to investing in property, plant and equipment ("PPE") and what is the rate of return on such investments?*
- d. *What is the proportion of the Company's equipment on lease arrangement?*

#### **Company's response**

**The rate of utilisation for the Group remains healthy. It is not commonplace to disclose the utilisation rate figures in the semiconductor testing industry.**

**The Company typically sets aside US\$5 million to US\$8 million for capital expenditure ("CAPEX") requirements. The Group reviews its CAPEX requirements carefully on a quarterly basis and utilises the CAPEX budget prudently in order to meet the ongoing needs and demands of the Company, while taking into account any industry challenges. The Board and management work closely to review market demand and CAPEX requirements prudently to provide capacity with flexibility to meet our customer's needs and deal with market demand fluctuations.**

### **Question 5**

<i>Question from shareholder is reproduced below “as-is”.</i>	
<i>(i)</i>	<i>Deferred Tax assets of 2m. Will there be a possibility of more to be recognized in future?</i>

*Regarding the deferred tax assets of US\$2m in FY2021, is there a possibility of more to be recognised in the future?*

### **Company’s response**

**The Group has recognised deferred tax assets (liabilities) of US\$2.0 million on the basis that the Group’s performance has turned around in FY2021.**

**Deferred tax assets may be recognised in the future as the Group continues to generate sufficient taxable profits.**

### **Question 6**

<i>Questions from shareholders are reproduced below “as-is”.</i>	
<i>(i)</i>	<i>There are very big players in the testing industry. What is our competitive edge? Is our relative limited size an issue?</i>
<i>(ii)</i>	<i>Referring to page 3 of AR, can the company elaborate a bit more on its strengths e.g. it stated that it is backed by its strong engineering capability. For e.g. isn’t global testing using other brand’s testing machines? How sustainable is its current testing business? Wouldn’t Semicon players (e.g. like TSMC) invest in its own testing capability? Why should they outsource to Global testing?</i>
<i>(iii)</i>	<i>Besides King Yuan, Ardentec, Winstek, who do you see as your competitors?</i>

*Is there a possibility of other semiconductor players investing in its own testing capability? What is Global Testing’s competitive advantage compared to peers? Is our relatively limited size an issue?*

### **Company’s response**

**The Group has a strong commitment to stringent quality controls. It has also built up close working relationships with its customers.**

**Over the years, the Group has focused its attention on widening its testing capabilities to areas such as security image sensors, as well as high and low temperature processes to leverage the growth in the automotive industry. The Group has been known in the testing industry for its capability in testing high-end IC/Wafers. In order to maintain its competitiveness in the industry, the Group has continued investing and widening its testing capabilities for automotive and commercial applications, in line with specifications provided by customers.**

**The Group is well-positioned to take on projects and pursue new business opportunities globally.**

## **Question 7**

<i>Questions from shareholders are reproduced below "as-is".</i>	
<i>(i)</i>	<i>Did we have any one off project for our customers that was completed during FY2021 and will not be recurrent in the future?</i>
<i>(ii)</i>	<i>Do we have long term contracts with our main customers? What is the visibility we have on our revenues?</i>
<i>(iii)</i>	<i>Can the company elaborate how management is helping to make its business more sustainable with its long term customers? Eg lock in long term contracts?</i>
<i>(iv)</i>	<i>Major customers. In note 24, top 3 customers contributed 7m, 6m, 5m revenue in 2021. Does the company secure long term contracts with these customers? How does the company plan against customer concentration risks?</i>
<i>(v)</i>	<i>At listing, your largest customers were the likes of TSMC, Marvell, Ali etc. Are they still your major customers? Have you managed to win new customers since 2017, especially with automotive device capability?</i>

- a. *At listing in 2005, your largest customers were TSMC, Marvell, Ali, etc. Are they still your major customers? Have you gained new customers since 2017, especially with the expanded capability to test for automotive applications?*
- b. *Referring to page 83 of the FY2021 Annual Report Note 24 to the Financial Statement, the top 3 customers contributed US\$7m, US\$6m and US\$5m of revenue in FY2021. Does the Company have long term contracts with these customers? How does the Company plan against customer concentration risks?*

### **Company's response**

**We are unable to provide more details on our customers due to business sensitivities and competitive reasons.**

**We welcome all kinds of business and projects from customers, as long as we are able to accommodate the order based on our facilities.**

**While the Group has established close working relationships with our customers, we are constantly seeking opportunities with new customers to expand our customer base, and to diversify our revenue sources.**



### **Question 8**

<i>Question from shareholder is reproduced below "as-is".</i>	
<i>(i)</i>	<i>Geographical spread of revenue. Could the company share its strategies on diversification? Does the company see better growth prospects with Taiwan, Japan, Singapore and Thailand going forward? What is happening to PRC? And why is US revenue not growing?</i>

*Can the Company share its strategies on geographical diversification? Does the Company see better growth prospects with Taiwan, Japan, Singapore and Thailand going forward? What is happening to PRC? And why is US revenue not growing?*

### **Company's response**

The business in the People's Republic of China ("PRC") and United States ("US") markets were mainly affected by the trade tensions between the two markets, where US restricted the export of technological products to the PRC. The PRC was also affected by the strict COVID-zero policy.

The Group has established both long-term and close relationships with customers in its key geographical markets i.e. Taiwan, Japan and Singapore, and it will continue to focus on growing its business in these markets.

### **Question 9**

<i>Question from shareholder is reproduced below "as-is".</i>	
<i>(i)</i>	<i>Special thanks to global testing board for the generous dividend. Could the company share its thinking behind its dividend policy as well as its thinking behind cash management?</i>

*Special thanks to the Board for the generous dividend. Can the Company share its thinking behind the dividend policy as well as cash management?*

### **Company's response**

The Company would like to take the opportunity to assure Shareholders that the Board and Management had discussed this matter at length and performed all due diligence necessary to ensure that existing cash flow will be sufficient for the Group's requirements, including its growth, before proceeding with the dividend recommendation of SGD0.20.

The Group manages the capital to ensure all its entities will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. It looks to ultimately deliver returns to stakeholders on a long-term basis by growing its business and operations, which may require the Group to make CAPEX investments and setting aside finances for additional working capital, among others.

## **Question 10**

<i>Questions from shareholders are reproduced below "as-is".</i>	
<i>(i)</i>	<i>Are there any investor outreach events which you are planning to drive awareness of your business and positive outlook? It seems to me that you have a solid underlying business, with the right secular trends backing it, but markets may not understand the business well, which explains the &lt;5x P/E</i>
<i>(ii)</i>	<i>With regards to "ENGAGEMENT WITH SHAREHOLDERS", could the group provide a presentation deck during the AGM to give shareholders a good overview of the group business operation in the semiconductor supply chain and its outlook?</i>
<i>(iii)</i>	<i>With regards to "ENGAGEMENT WITH SHAREHOLDERS", could we suggest the group provide a platform to allow shareholders to ask questions at the AGM during the Live Webcast?</i>

- a. *Are there any investor outreach events that the Company is planning to drive awareness of your business and positive outlook? It seems that you have a solid underlying business, with the right secular trends backing it, but markets may not understand the business well, which explains the <5x P/E.*
- b. *Can the Group provide a presentation deck during the AGM to give shareholders a good overview of the group business operation in the semiconductor supply chain and its outlook?*
- c. *Can the Group also look into providing a platform to allow shareholders to ask questions at the AGM during the live webcast?*

### **Company's response**

**We will take your recommendations into consideration.**

**Investors can find comprehensive information about the Company, including news releases, annual reports, presentations, financial results and stock exchange announcements on the Company's corporate website.**