



Second Quarter Financial Statements for the Period Ended 30 June 2018

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

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

	Group			Group		
	1-Apr-18 to	1-Apr-17 to	(1)	1-Jan-18 to	1-Jan-17 to	(1)
	30-Jun-18	30-Jun-17	Change	30-Jun-18	30-Jun-17	Change
Note	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	4,810	7,021	(31.5)	10,852	13,746	(21.1)
Cost of sales	(5,583)	(5,465)	2.2	(10,612)	(10,016)	6.0
Gross (loss)/profit	(773)	1,556	NM	240	3,730	(93.6)
Other operating income	57	46	23.9	137	49	179.6
Distribution costs	(168)	(143)	17.5	(352)	(313)	12.5
Administration expenses	(678)	(1,046)	(35.2)	(1,539)	(1,946)	(20.9)
Other operating expenses	(398)	(200)	99.0	(690)	(637)	8.3
(Loss)/Profit from operations	(1,960)	213	NM	(2,204)	883	NM
Finance costs	(5)	(5)	0.0	(10)	(10)	0.0
(Loss)/Profit before income tax	(1,965)	208	NM	(2,214)	873	NM
Income tax expenses	(911)	(93)	879.6	(668)	(288)	131.9
Net (loss)/profit from continuing operations	(2,876)	115	NM	(2,882)	585	NM
Loss from discontinued operation	-	(523)	NM	-	(520)	NM
Net (loss)/profit for the period	(2,876)	(408)	604.9	(2,882)	65	NM
Other comprehensive income :						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Fair value gain on available for sale financial assets	-	-	NM	-	15	NM
Other comprehensive profit for the period, net of tax	-	-	NM	-	15	NM
Total comprehensive (loss)/income attributable to equity holders of the Company	(2,876)	(408)	604.9	(2,882)	80	NM
(Loss)/Earnings per share attributable to equity holders of the Company (US cent)						
From continuing and discontinued operations						
- Basic	(8.17)	(1.15)	610.4	(8.19)	0.18	NM
- Diluted	(8.17)	(1.15)	610.4	(8.19)	0.18	NM
From continuing operations						
- Basic	(8.17)	0.32	NM	(8.19)	1.65	NM
- Diluted	(8.17)	0.32	NM	(8.19)	1.65	NM
A. Net (loss)/profit is arrived at after charging (crediting) :						
- Directors' remuneration	131	260	(49.6)	258	536	(51.9)
- Interest on borrowings	5	5	0.0	10	10	0.0
- Depreciation expense	2,156	2,213	(2.6)	4,312	4,338	(0.6)
- Gain on disposal of property, plant and equipment	(81)	(69)	17.5	(51)	(69)	(26.0)
- Foreign currency exchange loss/(gain)	53	(49)	NM	90	109	(17.4)
- Interest income	(5)	(7)	(22.1)	(5)	(10)	(45.5)
- Loss/(Gain) on valuation of financial asset	80	-	NM	(80)	-	NM
- Provision for tax penalty	-	-	NM	-	1,048	NM

NM - Not meaningful



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

	Group		Company		
	30-Jun-18	31-Dec-17	30-Jun-18	31-Dec-17	
	Note	US\$'000	US\$'000	US\$'000	
<b>Current Assets</b>					
Cash		2,078	6,855	427	312
Trade receivables		6,112	6,740	-	-
Other receivables and prepayments		449	552	64	6,073
Total current assets		<u>8,639</u>	<u>14,147</u>	<u>491</u>	<u>6,385</u>
<b>Non-current Assets</b>					
Investment in subsidiaries		-	-	35,794	41,537
Property, plant and equipment		32,367	35,381	-	-
Available-for-sale investments		-	571	-	571
Financial asset at fair value through profit or loss		651	-	651	-
Other receivables and prepayments		364	340	-	-
Deferred tax assets		548	1,318	-	-
Total non-current assets		<u>33,930</u>	<u>37,610</u>	<u>36,445</u>	<u>42,108</u>
<b>Total Assets</b>		<u><u>42,569</u></u>	<u><u>51,757</u></u>	<u><u>36,936</u></u>	<u><u>48,493</u></u>
<b>Current Liabilities</b>					
Trade payables		450	493	-	-
Other payables		5,237	5,775	2,885	2,391
Obligation under finance leases		66	-	-	-
Income tax payable		97	794	-	-
Total current liabilities		<u>5,850</u>	<u>7,062</u>	<u>2,885</u>	<u>2,391</u>
<b>Non-current Liabilities</b>					
Obligation under finance leases		97	-	-	-
Total non-current liabilities		<u>97</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Capital and Reserves</b>					
Share capital		36,201	39,181	36,201	39,181
Treasury shares		-	(125)	-	(125)
Legal reserve		1,194	973	-	-
Merger reserve		(764)	(764)	-	-
Contributed surplus		-	-	2,295	2,295
Fair value reserve		-	344	-	(20)
Accumulated (losses)/profits		(9)	5,086	(4,445)	4,771
Net shareholders' equity		<u>36,622</u>	<u>44,695</u>	<u>34,051</u>	<u>46,102</u>
<b>Total Liabilities and Shareholders' Equity</b>		<u><u>42,569</u></u>	<u><u>51,757</u></u>	<u><u>36,936</u></u>	<u><u>48,493</u></u>



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

	<b>Group</b>	<b>Group</b>
	<b>30-Jun-18</b>	<b>31-Dec-17</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b><u>Obligation under finance leases - secured</u></b>		
Amount repayable in one year or less, or on demand	66	-
Amount repayable after one year	97	-
	<b>163</b>	<b>-</b>

**Details of loans, borrowings and collateral**

The Group acquired certain plant and equipment under finance leases. The average lease term is 2.5 years and some have options to purchase the underlying equipment.

The Group entered into a five-year syndication loan facility agreement for NT\$900 million from a consortium of banks in June 2015. As at 30 June 2018, the Group has available credit facility of US\$29,547,000 (31 Dec 2017: US\$30,242,000) with the consortium of banks. The facility is secured against certain property, plant and equipment.



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

	Group 1-Apr-18 to 30-Jun-18	Group 1-Apr-17 to 30-Jun-17	Group 1-Jan-18 to 30-Jun-18	Group 1-Jan-17 to 30-Jun-17
Note	US\$'000	US\$'000	US\$'000	US\$'000
<b>Operating activities</b>				
(Loss)/Profit before income tax from continuing operations	(1,965)	208	(2,214)	873
Loss before income tax from discontinued operation	-	(523)	-	(520)
(Loss)/Profit before income tax	(1,965)	(315)	(2,214)	353
Adjustments for :				
Provision for tax penalty	-	-	-	1,048
Depreciation expense	2,156	2,213	4,312	4,338
Interest income	(5)	(7)	(5)	(10)
Interest expense	5	5	10	10
Gain on disposal of property, plant and equipment	(81)	(69)	(51)	(69)
Fair value loss/(gain) on financial asset	80	-	(80)	-
Operating profit before working capital changes	190	1,827	1,972	5,670
Trade receivables	342	(635)	628	149
Other receivables and prepayments	82	3	78	219
Trade payables	47	523	(43)	199
Other payables	484	517	(430)	(1,971)
Cash generated from operations	1,145	2,235	2,205	4,266
Income tax paid	(595)	-	(595)	-
Interest received	5	7	5	9
Net cash generated from operating activities	555	2,242	1,615	4,275
<b>Investing activity</b>				
Proceeds from disposal of property, plant and equipment	51	94	51	94
Purchase of property, plant and equipment	(439)	(2,647)	(1,230)	(4,111)
Net cash used in investing activity	(388)	(2,553)	(1,179)	(4,017)
<b>Financing activity</b>				
Repayment of finance lease liabilities	(12)	-	(12)	-
Interest paid	(5)	(5)	(10)	(10)
Cash distribution from capital reduction	(2,855)	(2,544)	(2,855)	(2,544)
Dividend Paid	(2,336)	(2,544)	(2,336)	(2,544)
Net cash used in financing activity	(5,208)	(5,093)	(5,213)	(5,098)
Net decrease in cash	(5,041)	(5,404)	(4,777)	(4,840)
Cash at the beginning of the period	7,119	8,681	6,855	8,117
<b>Cash at the end of the period</b>	<b>2,078</b>	<b>3,277</b>	<b>2,078</b>	<b>3,277</b>



Note

A. Property, plant and equipment

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

	<u>1-Apr-18 to</u> <u>30-Jun-18</u>	<u>1-Apr-17 to</u> <u>30-Jun-17</u>	<u>1-Jan-18 to</u> <u>30-Jun-18</u>	<u>1-Jan-17 to</u> <u>30-Jun-17</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Total acquisition of property, plant and equipment	273	2,950	1,122	4,478
Add: Other payables at beginning of period	720	717	662	653
Less: Other payables at end of period	<u>(554)</u>	<u>(1,020)</u>	<u>(554)</u>	<u>(1,020)</u>
Cash paid	<u>439</u>	<u>2,647</u>	<u>1,230</u>	<u>4,111</u>

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

Group	Note	Share capital	Treasury shares	Legal reserve	Merger reserve	Fair value reserve	Accumulated profits/(losses)	Net
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance at 1 Jan 2017</b>		41,725	-	388	(764)	343	5,741	47,433
Total comprehensive income for the period								
Profit for the period		-	-	-	-	-	473	473
Other comprehensive income for the period		-	-	-	-	15	-	15
Total		-	-	-	-	15	473	488
<b>Balance at 31 Mar 2017</b>		<u>41,725</u>	<u>-</u>	<u>388</u>	<u>(764)</u>	<u>358</u>	<u>6,214</u>	<u>47,921</u>
<b>Balance at 1 Apr 2017</b>		41,725	-	388	(764)	358	6,214	47,921
Loss for the period, representing total comprehensive loss for the period		-	-	-	-	-	(408)	(408)
Total		-	-	-	-	-	(408)	(408)
Transactions with owners, recognised directly in equity								
Capital Reduction		(2,544)	-	-	-	-	-	(2,544)
Dividend Paid		-	-	-	-	-	(2,544)	(2,544)
Appropriation to legal reserve		-	-	585	-	-	(585)	-
<b>Balance at 30 Jun 2017</b>		<u>39,181</u>	<u>-</u>	<u>973</u>	<u>(764)</u>	<u>358</u>	<u>2,677</u>	<u>42,425</u>
<b>Balance at 31 Dec 2017, previously reported</b>		39,181	(125)	973	(764)	344	5,086	44,695
Effect of application of SFRS(I) 9		-	-	-	-	(344)	344	-
<b>Balance at 1 Jan 2018, restated</b>		39,181	(125)	973	(764)	-	5,430	44,695
Loss for the period, representing total comprehensive loss for the period		-	-	-	-	-	(6)	(6)
<b>Balance at 31 Mar 2018</b>		<u>39,181</u>	<u>(125)</u>	<u>973</u>	<u>(764)</u>	<u>-</u>	<u>5,424</u>	<u>44,689</u>
<b>Balance at 1 Apr 2018</b>		39,181	(125)	973	(764)	-	5,424	44,689
Loss for the period, representing total comprehensive loss for the period		-	-	-	-	-	(2,876)	(2,876)
Total		-	-	-	-	-	(2,876)	(2,876)
Transactions with owners, recognised directly in equity								
Capital Reduction		(2,855)	-	-	-	-	-	(2,855)
Dividend Paid		-	-	-	-	-	(2,336)	(2,336)
Appropriation to legal reserve		-	-	221	-	-	(221)	-
Cancellation of shares		(125)	125	-	-	-	-	-
<b>Balance at 30 Jun 2018</b>		<u>36,201</u>	<u>-</u>	<u>1,194</u>	<u>(764)</u>	<u>-</u>	<u>(9)</u>	<u>36,622</u>



Company	Note	Share capital US\$'000	Treasury shares US\$'000	Contributed surplus US\$'000	Fair value reserve US\$'000	Accumulated profits/(losses) US\$'000	Net US\$'000
<b>Balance at 1 Jan 2017</b>		41,725	-	2,295	-	8,002	52,022
Loss for the period, representing total comprehensive loss for the period		-	-	-	-	(190)	(190)
<b>Balance at 31 Mar 2017</b>		41,725	-	2,295	-	7,812	51,832
<b>Balance at 1 Apr 2017</b>		41,725	-	2,295	-	7,812	51,832
Loss for the period, representing total comprehensive loss for the period		-	-	-	-	(153)	(153)
Transactions with owners, recognised directly in equity							
Capital Reduction		(2,544)	-	-	-	0	(2,544)
Dividend Paid		-	-	-	-	(2,544)	(2,544)
<b>Balance at 30 Jun 2017</b>		39,181	-	2,295	-	5,115	46,591
<b>Balance at 31 Dec 2017, previously reported</b>		39,181	(125)	2,295	(20)	4,771	46,102
Effect of application of SFRS(I) 9		-	-	-	20	(20)	-
<b>Balance at 1 Jan 2018, restated</b>		39,181	(125)	2,295	-	4,751	46,102
Loss for the period, representing total comprehensive loss for the period		-	-	-	-	(48)	(48)
<b>Balance at 31 Mar 2018</b>		39,181	(125)	2,295	-	4,703	46,054
<b>Balance at 1 Apr 2018</b>		39,181	(125)	2,295	-	4,703	46,054
Loss for the period, representing total comprehensive loss for the period		-	-	-	-	(6,812)	(6,812)
Total		-	-	-	-	(6,812)	(6,812)
Transactions with owners, recognised directly in equity							
Capital Reduction		(2,855)	-	-	-	-	(2,855)
Cancellation of shares		(125)	125	-	-	-	-
Dividend Paid		-	-	-	-	(2,336)	(2,336)
<b>Balance at 30 Jun 2018</b>		36,201	-	2,295	-	(4,445)	34,051



1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share Capital	Number of shares ('000)			
	Quarter		Year-to-date	
	Q2 2018	Q2 2017	30-Jun-18	30-Jun-17
Balance at beginning of period	35,358	35,358	35,358	35,358
Cancellation during the period	(154)	-	(154)	-
Balance at end of period	35,204	35,358	35,204	35,358

Treasury Shares	Number of shares ('000)			
	Quarter		Year-to-date	
	Q2 2018	Q2 2017	30-Jun-18	30-Jun-17
Balance at beginning of period	154	-	154	-
Cancellation during the period	(154)	-	(154)	-
Balance at end of period	-	-	-	-

The Company undertook a capital reduction and cash distribution and declaration of the dividend pursuant to Section 78C of the Companies Act and the shareholders' approval at the annual general meeting held on 30 April 2018.

The Company made two separate payments to the shareholders of (i) S\$0.11 per share for the cash distribution pursuant to the capital reduction and (ii) S\$0.09 per share for the dividend. The sum of US\$5,190,744 (S\$7,040,725 at S\$0.20 per share) was distributed to shareholders on 30 June 2018.

The capital reduction reduced the issued and paid-up share capital of the Company by US\$2,854,909 (S\$3,872,399) from US\$39,180,543 (S\$46,653,231) to US\$36,325,634 (S\$42,780,832).

The Company purchased a total of 154,400 shares through market purchase in 2017. The total amount paid to acquire shares was US\$125,000 and the 154,400 treasury shares has been cancelled on 18 May 2018.





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

Total number of issued shares excluding treasury shares as at the end of the current financial period is 35,203,627 (31 December 2017 : 35,203,627) shares.

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

The company cancelled 154,400 treasury shares amounting to US\$125,000 on 18 May 2018.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not Applicable.

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

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

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

Please see attached review report.

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

The interim condensed financial information set out in Sections 1,4,5,6,7,8,11,12 and 16 for the second quarter and 6-month period ended 30 June 2018 are prepared in accordance with SFRS(I)1-34 *Interim Financial Reporting*. This interim report should be read in conjunction with the most recent audited Annual Financial Statements for year ended 31 December 2017 and the first interim financial report for the three months period ended 31 March 2018 (unaudited).

As disclosed in Note 32 of the audited Annual Financial Statements for year ended 31 December 2017, the Group and Company will be adopting the Singapore Financial Reporting Standards (International) ("SFRS(I)") for the first-time for financial year ending 31 December 2018, with 1 January 2017 as the date of transition.

SFRS(I) 1 *First-time Adoption of SFRS(I)* will be applied for the first set of SFRS(I) financial statements. SFRS(I) 9 *Financial Instruments* and SFRS(I) 15 *Revenue from Contracts with Customers* which are effective from annual periods beginning 1 January 2018, will also be applied for the first time for financial year ending 31 December 2018.



Please refer to Note 32 of the audited Annual Financial Statements for the year ended 31 December 2017 for further details on the effects arising from the application of SFRS(I) 1 for transition to SFRS(I) and the initial application of SFRS(I) 9 and SFRS(I) 15 for financial year ending 31 December 2018.

The accounting policies to be applied for the first set of SFRS(I) financial statements for year ending 31 December 2018 are expected to be the same as those disclosed in Note 2 of the audited Annual Financial Statements for year ended 31 December 2017, except for the changes to accounting policies in the areas as described in Section 5 of the first interim financial report for the three months period ended 31 March 2018.

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

Please refer to Section 5 of the first interim financial report for the three months period ended 31 March 2018.

**5.1 Effects of transition to SFRS(I) and initial application of SFRS(I) 9 and SFRS(I) 15**

Please refer to the effects of transition as disclosed in Section 5.1 of the first interim financial report for the three months period ended 31 March 2018.

In the SFRS(I) interim condensed financial information for the second quarter and 6-month period ended 30 June 2018, and the SFRS(I) comparative information as presented with respect of the application of SFRS(I) 1, SFRS(I) 9 and SFRS(I) 15:

- There is no restatement of line items and/or amounts in the statement of financial position and equity as at 30 June 2017 previously reported;
- There is no restatement to line items and/or amounts in the statement of profit or loss and other comprehensive for the second quarter and 6 months ended 30 June 2017 previously reported;

As SFRS(I) 1 requires the application of accounting policies based on each SFRS(I) effective as at 31 December 2018, should there be new SFRS(I) pronouncements issued that are effective as at 31 December 2018, the above effects may change.

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

	<b>Group</b>	
	<b>1- Jan-18 to 30-Jun-18</b>	<b>1- Jan-17 to 30-Jun-17</b>
From continuing and discontinued operations		
On a basic and fully diluted basis (US cents per share)	(8.19)	0.18
- Weighted average number of shares ('000)	35,204	35,358

	<b>Group</b>	
	<b>1- Jan-18 to 30-Jun-18</b>	<b>1- Jan-17 to 30-Jun-17</b>
From continuing operations		
On a basic and fully diluted basis (US cents per share)	(8.19)	1.65
- Weighted average number of shares ('000)	35,204	35,358

The diluted (loss)/earnings per share is the same as basic (loss)/earning per share as there is no potential dilutive ordinary shares.

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

	<b>30-Jun-18</b>	<b>30-Jun-17</b>
Net asset value per share (US dollars)		
-The Group	<u>1.04</u>	<u>1.20</u>
-The Company	<u>0.97</u>	<u>1.32</u>

Net asset value per ordinary share is calculated based on the share capital of 35,203,627 (31 December 2017 : 35,203,627) ordinary shares outstanding excluding treasury share as at the end of the relevant financial period.

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

**(a) any significant factors that affected the turnover, costs, and loss of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**



## **Review of Operating Results**

### **Revenue**

Revenue for 2Q 2018 decreased by 31.5% to US\$4.8 million, compared to US\$7.0 million in 2Q 2017. Revenue for the current half year period decreased by 21.1% to US\$10.9 million, compared to US\$13.7 million in the corresponding half year period of 2017. This reduction in revenues is mainly due to disruptions in the global semiconductor supply chain as a result of the trade friction between the US and China.

### **Cost of sales**

Cost of sales for the current half year period increased by 6% to US\$10.6 million, compared to US\$10.0 million in the corresponding half year period of 2017, as there was a reversal of bonus accrual in the half year period of 2017.

### **Administration expenses**

The administration expenses for the first half year period of 2017 included a provision for tax penalty which was reversed in the second half of 2017, as it was deemed unnecessary.

### **Other operating expenses**

Other operating expenses for 2Q 2018 increased by 99.0% to US\$0.4 million, compared to US\$0.2 million in 2Q 2017, mainly due to the fair value loss of a financial asset recognized in 2Q 2018 and reversal of bonus accrual in prior year no longer required in 2017.

### **Income tax expenses**

Income tax expenses for 2Q 2018 increased by 879.6% to US\$0.9 million, compared to US\$0.1 million in 2Q 2017. Income tax expenses for the current half year period increased by 131.9% to US\$0.7 million, compared to US\$0.3 million in the corresponding half year period of 2017. This is mainly due to the reduction of deferred tax assets as a result of a lowering of projected profitability.

## **Financial position of the Group**

### **Cash**

Cash decreased by 69.7% to US\$2.1 million as at 30 June 2018, compared to US\$6.9 million as at 31 December 2017, mainly due to the payment of US\$5.2 million in capital distribution and dividend payments in 2Q 2018.

### **Trade receivables**

Trade receivables decreased by 9.3% to US\$6.1 million as at 30 June 2018, compared to US\$6.7 million as at 31 December 2017, reflecting the lower sales in 2Q 2018.



### **Property, plant and equipment**

Property, plant and equipment decreased by 8.5% to US\$32.4 million as at 30 June 2018, compared to US\$35.4 million as at 31 December 2017, mainly due to depreciation expense charged during the period which was partially offset by additions to property, plant and equipment during the period.

### **Other payables**

Other payables decreased by 9.3% to US\$5.2 million as at 30 June 2018, compared to US\$5.8 million as at 31 December 2017, mainly due to the payment of FY2017 year-end bonus in February 2018.

### **Financial asset at fair value through profit or loss / Available-for-sale investments / Fair value reserve**

Due to the adoption of SFRS(I) 9, the available-for-sale investments is reclassified to financial assets at fair value through profit or loss.

### **Share capital**

Share capital decreased by 7.6% to US\$36.2 million as at 30 June 2018, compared to US\$39.2 million as at 31 December 2017, as a result of the capital reduction in 2Q 2018.

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

Not applicable.

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

Trade friction between the US and China have impacted the global semiconductors supply chain during the second quarter, resulting in lower demand for testing services.

As we move into the second half of 2018, we expect that demand for our services will continue to be vulnerable to the trade dispute between the US and China. The management remains focused on effective cost management to mitigate slowing near-term growth in the industry.

**11. Dividend**

**(a) Current financial period reported on**

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

**(b) Corresponding period of the immediately preceding financial year**

Any dividend declared for the corresponding period of the immediately preceding financial year?



Dividend of S\$0.09 per share.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

Not applicable.

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

No IPT mandate has been obtained from shareholders. The company and its subsidiaries did not enter into any IPT during the financial period ended 30 June 2018.

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

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results for the second quarter and 6-months ended 30 June 2018 of the Company and of the Group to be false or misleading, in any material aspect.

**15. Confirmation Pursuant to Rule 720(1) of the Listing Manual**

The Company has procured undertaking from all its directors and executive officers as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

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

**Products and services from which reportable segments derive their revenues**

Information 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. As there is only one principal operating segment, the information regarding its revenues and results, assets and other information is represented by the financial statements as a whole.

**Geographical information**

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



**Revenue by geographical region based on customers**

	1 Jan 2018 to 30 Jun 2018		1 Jan 2017 to 30 Jun 2017	
	US\$'000	%	US\$'000	%
Continuing Operations				
Asia	6,924	63.8	9,777	67.3
USA	3,748	34.5	3,845	26.5
Others	180	1.7	124	0.8
	<u>10,852</u>	<u>100.0</u>	<u>13,746</u>	<u>94.6</u>
Discontinued Operation				
USA	-	-	781	5.4
	<u>10,852</u>	<u>100.0</u>	<u>14,527</u>	<u>100.0</u>
	1 Apr 2018 to 30 Jun 2018		1 Apr 2017 to 30 Jun 2017	
	US\$'000	%	US\$'000	%
Asia	3,245	67.5	5,067	69.4
USA	1,513	31.5	1,912	26.2
Others	52	1.0	42	0.6
	<u>4,810</u>	<u>100.0</u>	<u>7,021</u>	<u>96.2</u>
Discontinued Operation				
USA	-	-	283	3.8
	<u>4,810</u>	<u>100.0</u>	<u>7,304</u>	<u>100.0</u>

**Non-current assets by geographical location**

	30-Jun-18	31-Dec-17
	US\$'000	US\$'000
Taiwan	<u>32,429</u>	<u>35,421</u>

**BY ORDER OF THE BOARD**

Chen Tie-Min  
Senior Executive Director  
14 August 2018

August 14, 2018

The Board of Directors  
Global Testing Corporation Limited  
9 Battery Road  
#25-01 MYP Centre  
Singapore 049910

Dear Sirs

## **REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION FOR GLOBAL TESTING CORPORATION LIMITED AS OF AND FOR THE SECOND QUARTER AND SIX MONTHS ENDED JUNE 30, 2018**

### **Introduction**

We have reviewed the accompanying interim condensed financial information of Global Testing Corporation Limited (the "Company") and its subsidiaries (the "Group") which comprises the condensed statement of financial position of the Group and the Company as at June 30, 2018, and the condensed statement of profit or loss and other comprehensive income, statement of changes in equity, and cash flow statement of the Group and the condensed statement of changes in equity of the Company for the Second Quarter and Six Months then ended, and selected explanatory notes as enumerated in sections 1, 4, 5, 6, 7, 8, 11, 12 and 16 of the announcement ("interim condensed financial information").

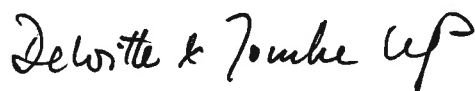
Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with Singapore Financial Reporting Standards (International) 1-34 *Interim Financial Reporting* ("SFRS(I) 1-34"). Such interim condensed financial information has been prepared by the Company for announcement on the Singapore Exchange Securities Trading Limited. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

### **Scope of Review**

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

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with SFRS(I) 1-34.



Public Accountants and  
Chartered Accountants  
Singapore