

Financial Statements and Related Announcement::First Quarter Results

Issuer & Securities

Issuer/ Manager	GLOBAL TESTING CORPORATION LIMITED
Securities	GLOBAL TESTING CORPORATION LTD - SG1BB4000008 - AYN
Stapled Security	No

Announcement Details

Announcement Title	Financial Statements and Related Announcement
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Additional Details

For Financial Period Ended	30/03/2018
Attachments	<p>GTCL_Q12018Annoucement_30Apr18.pdf</p> <p>Total size =441K</p>

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First Quarter Financial Statements for the Period Ended 31 March 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.

	Note	Group		(1) Change %
		1-Jan-18 to 31-Mar-18	1-Jan-17 to 31-Mar-17	
		US\$'000	US\$'000	
Revenue		6,042	6,726	(10.2)
Cost of sales		(5,029)	(4,552)	10.5
Gross Profit		1,013	2,174	(53.4)
Other operating income		160	2	7,900.0
Distribution costs		(184)	(170)	8.2
Administration expenses		(861)	(899)	(4.2)
Other operating expenses		(372)	(437)	(14.9)
(Loss)/Profit from operations		(244)	670	NM
Finance costs		(5)	(5)	0.0
(Loss)/Profit before income tax		(249)	665	NM
Income tax benefit/(expenses)		243	(195)	NM
Net (loss)/profit from continuing operations		(6)	470	NM
Profit from discontinued operation		-	3	NM
Net (loss)/profit for the period	A	(6)	473	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		-	15	NM
Other comprehensive profit for the period, net of tax		-	15	NM
Total comprehensive (loss)/income attributable to equity holders of the Company		(6)	488	NM
(Loss)/Earnings per share attributable to equity holders of the Company (US cent)				
From continuing and discontinued operations				
- Basic		(0.02)	1.34	NM
- Diluted		(0.02)	1.34	NM
From continuing operations				
- Basic		(0.02)	1.33	NM
- Diluted		(0.02)	1.33	NM
A. Net (loss)/profit is arrived at after charging (crediting) :				
- Directors' remuneration		127	276	(54.0)
- Interest on borrowings		5	5	0.0
- Depreciation expense		2,156	2,125	1.5
- Foreign currency exchange loss		37	158	(76.6)
- Interest income		-	(3)	NM
- Gain on valuation of financial asset		(160)	-	NM
- Provision for tax penalty		-	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.

	Note	Group		Company	
		31-Mar-18 US\$'000	31-Dec-17 US\$'000	31-Mar-18 US\$'000	31-Dec-17 US\$'000
Current Assets					
Cash		7,119	6,855	149	312
Trade receivables		6,454	6,740	-	-
Other receivables and prepayments		531	552	6,154	6,073
Total current assets		14,104	14,147	6,303	6,385
Non-current Assets					
Investment in subsidiaries		-	-	41,537	41,537
Property, plant and equipment		34,044	35,381	-	-
Available-for-sale investments	5-2	-	571	-	571
Financial asset at fair value through profit or loss	5-2	731	-	731	-
Other receivables and prepayments		367	340	-	-
Deferred tax assets		1,561	1,318	-	-
Total non-current assets		36,703	37,610	42,268	42,108
Total Assets		50,807	51,757	48,571	48,493
Current Liabilities					
Trade payables		405	493	-	-
Other payables		4,919	5,775	2,517	2,391
Income tax payable		794	794	-	-
Total current liabilities		6,118	7,062	2,517	2,391
Capital and Reserves					
Share capital		39,181	39,181	39,181	39,181
Treasury shares		(125)	(125)	(125)	(125)
Legal reserve		973	973	-	-
Merger reserve		(764)	(764)	-	-
Contributed surplus		-	-	2,295	2,295
Fair value reserve		-	344	-	(20)
Accumulated profits		5,424	5,086	4,703	4,771
Net shareholders' equity		44,689	44,695	46,054	46,102
Total Liabilities and Shareholders' Equity		50,807	51,757	48,571	48,493



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

Details of loans and borrowings

The Group has entered into a five-year syndication loan facility agreement for NT\$900 million from a consortium of banks in June 2015.

As at 31 March 2018, the Group has available banking facilities of US\$30,917,000 (31 Dec 2017: US\$30,242,000) with a consortium of banks. The facility is secured using certain property, plant and equipment.

As at 31 March 2018, there was no loan outstanding.



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

	Note	Group 1-Jan-18 to 31-Mar-18 US\$'000	Group 1-Jan-17 to 31-Mar-17 US\$'000
Operating activities			
(Loss)/Profit before income tax from continuing operations		(249)	665
Profit before income tax from discontinued operation		-	3
(Loss)/Profit before income tax		(249)	668
Adjustments for :			
Provision for tax penalty		-	1,048
Loss on disposal of property, plant and equipment		30	-
Depreciation expense		2,156	2,125
Interest income		-	(3)
Interest expense		5	5
Fair value gain on financial asset		(160)	-
Operating profit before working capital changes		1,782	3,843
Trade receivables		286	784
Other receivables and prepayments		(4)	216
Trade payables		(90)	(324)
Other payables		(914)	(2,488)
Cash generated from operations		1,060	2,031
Interest received		-	2
Net cash generated from operating activities		1,060	2,033
Investing activity			
Purchase of property, plant and equipment	A	(791)	(1,464)
Net cash used in investing activity		(791)	(1,464)
Financing activity			
Interest paid		(5)	(5)
Net cash used in financing activity		(5)	(5)
Net increase in cash		264	564
Cash at the beginning of the period		6,855	8,117
Cash at the end of the period		7,119	8,681



Note

A. Property, plant and equipment

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

	1-Jan-18 to 31-Mar-18	1-Jan-17 to 31-Mar-17
	US\$'000	US\$'000
Total acquisition of property, plant and equipment	849	1,528
Add: Other payables at beginning of period	662	653
Less: Other payables at end of period	<u>(720)</u>	<u>(717)</u>
Cash paid	<u><u>791</u></u>	<u><u>1,464</u></u>

During the financial period, the Group has entered into lease arrangement for certain equipment for 12 months period and with option to purchase. The Group is reasonably certain that the option to purchase will be exercised and has accounted for the arrangement as a finance lease. The aggregate cost of equipment is approximately US\$445,000, of which US\$20,000 has been paid and the remaining finance lease payable is included in other payables.



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	Net
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 Jan 2017		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
Balance at 31 Mar 2017		41,725	-	388	(764)	358	6,214	47,921
Balance at 1 Jan 2018, previously reported		39,181	(125)	973	(764)	344	5,086	44,695
Effect of application of SFRS(I) 9	5-2	-	-	-	-	(344)	344	-
Balance at 1 Jan 2018, restated		39,181	(125)	973	(764)	-	5,430	44,695
Loss for the period, representing total comprehensive loss for the period		-	-	-	-	-	(6)	(6)
Balance at 31 Mar 2018		39,181	(125)	973	(764)	-	5,424	44,689

Company	Note	Share capital	Treasury shares	Contributed surplus	Fair value reserve	Accumulated profits	Net
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 Jan 2017		41,725	-	2,295	-	8,002	52,022
Loss for the period, representing total comprehensive loss for the period		-	-	-	-	(190)	(190)
Balance at 31 Mar 2017		41,725	-	2,295	-	7,812	51,832
Balance at 1 Jan 2018, previously reported		39,181	(125)	2,295	(20)	4,771	46,102
Effect of application of SFRS(I) 9	5-2	-	-	-	20	(20)	-
Balance at 1 Jan 2018, restated		39,181	(125)	2,295	-	4,751	46,102
Loss for the period, representing total comprehensive loss for the period		-	-	-	-	(48)	(48)
Balance at 31 Mar 2018		39,181	(125)	2,295	-	4,703	46,054



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)	
	Year-to-date	
	31-Mar-18	31-Mar-17
Balance at beginning of period and end of period	35,358	35,358

Treasury Shares	Number of shares ('000)	
	Year-to-date	
	31-Mar-18	31-Mar-17
Balance at beginning of period and end of period	154	-

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 28 April 2017 and at the extraordinary general meeting held on 15 May 2017.

The Company made two separate payments to the shareholders of (i) S\$0.10 per share for the cash distribution pursuant to the capital reduction and (ii) S\$0.10 per share for the dividend. The sum of US\$5,087,486 (S\$7,071,605 at S\$0.20 per share) was distributed to shareholders on 30 June 2017.

The capital reduction reduced the issued and paid-up share capital of the Company by US\$2,543,743 (S\$3,535,803) from US\$41,724,286 (S\$50,189,034) to US\$39,180,543 (S\$46,653,231).

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 has been separately recorded as treasury shares in shareholders' equity in 2017.



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.

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

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 3-month period ended 31 March 2018 as presented herein is the first interim financial report covered by the first-set of SFRS(I) financial statements to be issued for year ending 31 December 2018, and 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.

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 below.

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.

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 in accounting policies for the following areas due to the application of SFRS(I) 9 from 1 January 2018, and retrospective application of SFRS(I) 15 from 1 January 2017:

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.

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.



Revenue recognition

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 recognized 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.

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

The judgement and estimates used in the application of SFRS(I) 9 and SFRS 15 accounting policies are not expected to be significant.

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

In the SFRS(I) interim condensed financial information for the 3-month period ended 31 March 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 1 January 2017, 31 March 2017 and 31 December 2017 previously reported;
- There is no restatement to line items and/or amounts in the statement of profit or loss and other comprehensive and statement of cash flows for year ended 31 December 2017 and the period ended 31 March 2017 previously reported;
- A reclassification of line item has been made to the statement of financial position as at 1 January 2018 to reflect the new SFRS(I) 9 classification determined for the previously reported "available-for-sale investments" as at 31 December 2017. The exemption from restating comparative information on initial application of SFRS(I) 9 has been applied. See reconciliation and explanatory note in 5.2 below.

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

5.2 Reconciliation and Explanatory Notes

Statement of financial position line items	31 December 2017 US\$'000	Reclassification US\$'000	1 January 2018 US\$'000
<u>Group and Company</u>			
<u>Non-current assets:</u>			
Available-for-sale investments (previously reported)	571	(571)	-
Financial asset at fair value through profit or loss (under SFRS(I) 9)	-	571	571
<u>Group</u>			
<u>Capital and Reserves:</u>			
Fair value reserve	344	(344)	-
Accumulated profits	5,086	344	5,430
<u>Company</u>			
<u>Capital and Reserves:</u>			
Fair value reserve	(20)	20	-
Accumulated profits	4,771	(20)	4,751

Explanatory notes

The investment fund held by the Company and the Group is determined as a financial asset to be measured at fair value through profit or loss under SFRS(I) 9. Under the previous classification as “available-for-sale investments”, the changes in fair value were accounted for in other comprehensive income and accumulated in the fair value reserve. Further details on the “available-for-sale investments” and its related accounting policies can be found in Note 11 and Note 2 of the Annual Financial Statements for year ended 31 December 2017 respectively.

5.3 Discontinued operation

The statement of profit or loss and other comprehensive income and the statement of cash flow of the Group for quarter ended 31 March 2017 previously reported have been re-presented to reflect the discontinued operation of GTC USA in 2017.



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.

	Group	
	1- Jan-18 to 31-Mar-18	1- Jan-17 to 31-Mar-17
From continuing and discontinued operations		
On a basic and fully diluted basis (US cents per share)	(0.02)	1.34
- Weighted average number of shares ('000)	35,204	35,358

	Group	
	1- Jan-18 to 31-Mar-18	1- Jan-17 to 31-Mar-17
From continuing operations		
On a basic and fully diluted basis (US cents per share)	(0.02)	1.33
- 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.

	31-Mar-18	31-Mar-17
Net asset value per share (US dollars)		
-The Group	1.27	1.36
-The Company	1.31	1.47

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 1Q 2018 decreased by 10.2% to US\$6 million, compared to US\$6.7 million in 1Q 2017, mainly due to the decrease in customers' orders.

Cost of sales

Cost of sales for 1Q 2018 increased by 10.5% to US\$5 million, compared to US\$4.6million in 1Q 2017, mainly due to the reversal of bonus accrual in prior year no longer required in 1Q 2017.

Other operating income

Other operating income for 1Q 2018 increased by 1500.0% to US\$0.2 million compared to US\$0.01 million in 1Q 2017, mainly due to the fair value gain of financial asset recognized in 1Q 2018.

Administration expenses

The administration expenses in 1Q 2017 included provision of tax penalty net of reversal of overprovision in prior year's accruals.

Income tax benefit / expenses

Income tax benefit for 1Q 2018 was US\$0.2 million, compared to income tax expenses of US\$ 0.2 million in 1Q 2017, mainly due to the amendment to Taiwan Income Tax Act in February 2018, increasing the corporate income tax rate from 17% to 20%.

Financial position of the Group

Cash

Cash increased by 3.9% to US\$7.1 million as at 31 March 2018, compared to US\$6.9 million as at 31 December 2017, mainly contributed by cash generated from operating activities during the period, which was partially offset by purchase of property, plant and equipment.

Trade receivables

Trade receivables decreased by 4.2% to US\$6.5 million as at 31 March 2018, compared to US\$6.7 million as at 31 December 2017, mainly due to lower sales in 1Q 2018.



Property, plant and equipment

Property, plant and equipment decreased by 3.8% to US\$34 million as at 31 March 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 of property, plant and equipment during the period.

Other payables

Other payables decreased by 14.8% to US\$4.9 million as at 31 March 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. At 31 March 2018, US\$0.4 million finance lease payable is included in other payables.

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. See section 5.2.

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.

The first quarter is a seasonally slower period for the semiconductor industry as a result of the Lunar New Year holidays. Nonetheless, GTC continues to believe in the long-term prospects of the semiconductor industry and our business remains fundamentally sound.

In the course of 2017, we have made some headway in extending our customer base to include chip suppliers in emerging technological areas, such as “IoT”(Internet of Things) appliances, as well as automotive industry.

Looking ahead, we will continue to seek opportunities to develop our business in these upcoming technological fields and exercise diligence and prudence in managing our cost as well as improve our operational effectiveness and efficiency to better meet the evolving needs of our customers

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?
None.

(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 31 March 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 financial period ended 31 March 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 31 Mar 2018		1 Jan 2017 to 31 Mar 2017	
	US\$'000	%	US\$'000	%
Continuing Operations				
Asia	3,679	60.9	4,710	65.2
USA	2,235	37.0	1,934	26.8
Others	128	2.1	82	1.1
	6,042	100.0	6,726	93.1
Discontinued Operation				
USA	-	-	497	6.9
	6,042	100.0	7,223	100.0

Non-current assets by geographical location

	31-Mar-18	31-Dec-17
	US\$'000	US\$'000
Taiwan	35,142	36,292
USA	-	-
Total	35,142	36,292

BY ORDER OF THE BOARD

Chen Tie-Min
Senior Executive Director
30 April 2018

April 30, 2018

The Board of Directors
Global Testing Corporation Limited
9 Battery Road
#15-01 MYP Centre
Singapore 049910

Dear Sirs

REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION FOR GLOBAL TESTING CORPORATION LIMITED FOR THE THREE MONTHS ENDED MARCH 31, 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 March 31, 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 three months period 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