



Condensed Interim Financial Information for the Six Months Ended 30 June 2022

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

		Group	
		1-Jan-22 to	1-Jan-21 to
		30-Jun-22	30-Jun-21
	Note	US\$'000	US\$'000
Revenue	4	24,066	15,987
Cost of sales		(15,629)	(11,772)
Gross profit		8,437	4,215
Other operating income		89	16
Distribution costs		(387)	(280)
Decrease in allowance for expected credit loss		41	9
Administration expenses		(1,369)	(1,340)
Other operating expenses		(540)	(586)
Finance costs		(5)	(47)
Profit before taxation	5	6,266	1,987
Income tax (expense)/benefit	6	(609)	342
Net profit for the period attributable to equity holders of the Company		<u>5,657</u>	<u>2,329</u>
Earnings per share for profit for the period attributable to equity holders of the Company (US Cents)			
- Basic		<u>16.08</u>	<u>6.62</u>
- Diluted		<u>16.08</u>	<u>6.62</u>



B. Condensed interim statements of financial position

		Group		Company	
		30-Jun-22	31-Dec-21	30-Jun-22	31-Dec-21
Note		US\$'000	US\$'000	US\$'000	US\$'000
Current Assets					



C. Condensed interim statements of changes in equity

Group	Note	Share capital	Treasury shares	Legal reserve	Merger reserve	Accumulated profits/(losses)	Net
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 Jan 2022		33,644	-	1,194	(764)	4,388	38,462
Profit for the period, representing total comprehensive income for the period		-	-	-	-	5,657	5,657
Dividend paid		-	-	-	-	(5,139)	(5,139)
Appropriation to legal reserve		-	-	963	-	(963)	-
Repurchase of shares		-	(240)	-	-	-	(240)
Balance at 30 Jun 2022		<u>33,644</u>	<u>(240)</u>	<u>2,157</u>	<u>(764)</u>	<u>3,943</u>	<u>38,740</u>
Balance at 1 Jan 2021		33,644	-	1,194	(764)	(4,977)	29,097
Profit for the period, representing total comprehensive income for the period		-	-	-	-	2,329	2,329
Balance at 30 Jun 2021		<u>33,644</u>	<u>-</u>	<u>1,194</u>	<u>(764)</u>	<u>(2,648)</u>	<u>31,426</u>

Company	Note	Share capital	Treasury shares	Contributed surplus	Accumulated profits/(losses)	Net
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 Jan 2022		33,644	-	2,295	6,893	42,832
Loss for the period, representing total comprehensive loss for the period		-	-	-	(334)	(334)
Dividend paid		-	-	-	(5,139)	(5,139)
Repurchase of shares		-	(240)	-	-	(240)
Balance at 30 Jun 2022		<u>33,644</u>	<u>(240)</u>	<u>2,295</u>	<u>1,420</u>	<u>37,119</u>
Balance at 1 Jan 2021		33,644	-	2,295	(10,140)	25,799
Profit for the period, representing total comprehensive income for the period		-	-	-	2,540	2,540
Balance at 30 Jun 2021		<u>33,644</u>	<u>-</u>	<u>2,295</u>	<u>(7,600)</u>	<u>28,339</u>



D. Condensed interim consolidated statement of cash flows

	Note	Group 1-Jan-22 to 30-Jun-22 US\$'000	Group 1-Jan-21 to 30-Jun-21 US\$'000
Operating activities			
Profit before income tax		6,266	1,987
Adjustments for :			
Depreciation expense		3,184	3,671
Decrease in allowance for expected credit losses		(41)	(9)
Interest income		(8)	(1)
Interest expense		5	47
Operating profit before working capital changes		9,406	5,695
Trade receivables		174	(2,175)
Other receivables and prepayments		91	(198)
Trade payables		27	923
Other payables		(96)	145
Cash generated from operations		9,602	4,390
Income tax paid		(5)	(5)
Interest received		9	1
Net cash generated from operating activities		9,606	4,386
Investing activities			
Purchase of property, plant and equipment	A	(3,983)	(3,336)
Net cash used in investing activity		(3,983)	(3,336)
Financing activities			
Proceeds from bank loans		-	1,612
Repayment of bank loans		-	(1,612)
Repayment of lease liabilities		(443)	(1,077)
Purchase of treasury shares		(240)	-
Interest paid		(5)	(47)
Dividend paid		(5,139)	-
Net cash used in financing activities		(5,827)	(1,124)
Net decrease in cash and cash equivalents		(204)	(74)
Cash and cash equivalents at the beginning of the period		11,706	5,683
Cash and cash equivalents at the end of the period		11,502	5,609

Note A : During the financial period, the Group entered into lease arrangements for certain plant and equipment amounting to US\$Nil (30 June 2021: US\$833,000) and purchased property plant and equipment with an aggregated cost of US\$4,459,000 (30 June 2021: US\$3,645,000), of which US\$850,000 (31 December 2021: US\$374,000) remained unpaid at end of period.

E. Notes to the condensed interim financial information

1. Corporate information

The Company (Registration number 200409582R) is incorporated in Singapore with its registered office at 9 Straits View, #06-06 Marina One West Tower, Singapore 018937 and its principal place of business at No. 75 Guangfu Rd., Hu-Kou, Hsin-Chu Industrial Park, Hsin-Chu County, 303 Taiwan, Republic of China. The Company is listed on the Singapore Exchange Securities Trading Limited. There were no changes to the Group structure or the principal activities of the Company and its subsidiary.

2. Basis of preparation

- 2.1** The condensed interim consolidated financial information for the six months ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial information do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual consolidated financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s.

The condensed interim consolidated financial statements are presented in United States dollar which is the Company's functional currency.

- 2.2** A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.
- 2.3** In preparing the condensed interim financial information, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 31 December 2021.

Management has determined that there is no impairment loss for the Group's property, plant and equipment and investment in subsidiaries as at 30 June 2022.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.



4. Segment and revenue information

Products and services from which reportable segments derive their revenues

Information is reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance. The Group's sole operating segment is the provision of testing services to customers in the semi-conductor industry.

As there is only one principal operating segment, the information regarding its revenue and result, assets and other information is represented by the financial statements as a whole. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of the Group's performance.

Disaggregation of revenue

	Group	
	1-Jan-22 to 30-Jun-22	1-Jan-21 to 30-Jun-21
	US\$'000	US\$'000
Type of services:		
Rendering of services	24,049	15,499
Lease of equipment	17	488
Total	24,066	15,987
Timing of revenue recognition:		
At a point in time	24,049	15,499
Over time	17	488
Total	24,066	15,987

Geographical information

The Group's operations and its assets are located mainly in Taiwan, Republic of China. Its key customers are located mainly in Taiwan, Republic of China, Japan, 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 from external customers

	Group	
	1-Jan-22 to	1-Jan-21 to
	30-Jun-22	30-Jun-21
	US\$'000	US\$'000
Taiwan, Republic of China	6,577	7,075
Japan	10,070	3,504
United States of America	1,514	2,297
Singapore	4,202	1,978
Thailand	1,148	486
People's Republic of China	89	291
Others	466	356
Total	24,066	15,987

Non-current assets by geographical location

	30-Jun-22	31-Dec-21
	US\$'000	US\$'000
Taiwan	25,590	24,320

5. Profit before taxation

Profit before taxation includes the following items:

	Group	
	1-Jan-22 to	1-Jan-21 to
	30-Jun-22	30-Jun-21
	US\$'000	US\$'000
Income		
Interest income	8	1
Decrease in allowance for expected credit losses	41	9
Expenses		
Interest expense	5	47
Depreciation expense	3,184	3,671
Foreign currency exchange (gain)/loss	(68)	167



There were no related parties transactions other than the following:

Compensation of directors and other key management personnel^(a)

	Group	
	1-Jan-22 to 30-Jun-22	1-Jan-21 to 30-Jun-21
	US\$'000	US\$'000
Director's fees	95	109
Salaries and other short-term benefits	139	118
Total	234	227

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

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

6. Income tax (expense) benefit

	Group	
	1-Jan-22 to 30-Jun-22	1-Jan-21 to 30-Jun-21
	US\$'000	US\$'000
Current tax expense	(1,651)	(128)
Deferred tax benefits	1,047	475
Withholding tax	(5)	(5)
Net	(609)	342

Current tax expense relates to the tax on net profit and tax accrued on undistributed earnings for the period. Deferred tax benefits relates to the recognition of deferred tax assets from previous unrecognised unutilized tax losses and capital allowances in view of the expectation of sufficient taxable profits for the foreseeable future.

7. Net asset value

	30-Jun-22	30-Jun-21
Net asset value per share (US dollars)		
-The Group	1.11	0.89
-The Company	1.06	0.80



8. Property, plant and equipment

During the six months ended 30 June 2022, the Group acquired assets amounting to US\$4,459,000 (30 June 2021:US\$4,478,000) and disposed of assets amounting to US\$Nil (30 June 2021: US\$Nil).

9. Borrowings

	Group 30-Jun-22	Group 31-Dec-21
	US\$'000	US\$'000
<u>Lease liabilities - secured</u>		
Amount repayable in one year or less, or on demand	313	686
Amount repayable after one year	16	86
	<u>329</u>	<u>772</u>

Details of loans, borrowings and collateral

The Group obtained rights of use for certain plant and equipment under lease arrangements amounting to US\$Nil (30 June 2021:US\$833,000) during the financial period ended 30 June 2022.

The average lease term of the Group's plant and equipment is 2.6 years and all leases are on a fixed repayment basis and some with purchase options.

The carrying amount of rights of use assets as at 30 June 2022 amounted to US\$260,000 and are included in the line item of Property, plant and equipment.

Outstanding capital commitment as at 30 June 2022 is US\$900,000.

The Group has obtained the following facilities from Shin Kong Bank in July 2020.

- (i) A revolving short-term credit facility of up to NTD300 million (Equivalent to USD10 million) for a tenure of 12-month; and
- (ii) A long-term credit facility of up to NTD350 million (Equivalent to USD11.6 million) for a tenure of 36-month.

The Bank facilities are secured against certain property and plant of the Group. As at 30 June 2022, there was no loan outstanding.

10. Share capital

	Group and Company			
	30-Jun-22		31-Dec-21	
Share Capital	Number of shares	Amount	Number of shares	Amount
	'000	US\$'000	'000	US\$'000
Beginning and end of interim period	35,204	33,644	35,204	33,644



	Group and Company	
	30-Jun-22	31-Dec-21
	Number of shares	Number of shares
Treasury Shares	'000	'000
Balance at beginning of period	-	-
Repurchase during the period	269	-
Balance at end of period	269	-

The shareholders had approved the declaration of a final dividend at the annual general meeting held on 29 April 2022.

The Company made a payment to the shareholders of S\$0.20 per share for the dividend. The sum of US\$5,139,000 (S\$7,040,725 at S\$0.20 per share) was distributed to shareholders on 30 June 2022

The Company purchased a total of 269,100 (31 December 2021: US\$Nil) shares through market purchase. The total amount paid to acquire shares for the period was US\$240,000 (31 December 2021: US\$Nil) and has been separately recorded as treasury shares in shareholders' equity.

The Company's subsidiary does not hold any shares in the Company as at 30 June 2022 and 30 June 2021.

There are also no outstanding convertibles as at 30 June 2022 and as at the end of the corresponding period of the immediately preceding financial year.

11. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1 Review

The accompanying condensed interim financial information set out in Sections A to E, which comprise the condensed interim statements of financial position of the Group and Company as at June 30, 2022, and the condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows of the Group, and condensed interim statement of changes in equity of the Company for the six months period then ended, and the notes to the condensed interim financial information, have been reviewed by Deloitte & Touche LLP in Singapore in accordance with the Singapore Standard on Review Engagement 2410 – *Review of Interim Financial information Performed by the Independent Auditor of the Entity*.



2(i) 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 34,934,527 (31 December 2021 : 35,203,627) shares.

2(ii) 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.

3 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.

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-22 to 30-Jun-22	1- Jan-21 to 30-Jun-21
On a basic and fully diluted basis (US cents per share)	16.08	6.62
- Weighted average number of shares ('000)	35,176	35,204

The diluted earnings per share is the same as basic earnings per share as there is no potential dilutive ordinary shares.

4 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 earnings 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 the current half year period increased by 50.5% to US\$24.1 million, compared to US\$16.0 million in the corresponding period of 2021, mainly due to an increase in customers' orders.



Cost of sales

Cost of sales for the current half year period increased by 32.8% to US\$15.6 million, compared to US\$11.8 million in the corresponding period of 2021, mainly due to an increase in short term equipment rental expense to meet customers' requirements.

Income tax expense/ benefit

Income tax expense for the current half year period was US\$0.6 million, compared to income tax benefit of US\$0.3 million in the corresponding period of 2021, mainly due to the increase of net profit and tax accrued on undistributed earnings for the period which is partially offset by the recognition of deferred tax assets from previous unrecognised unutilised tax losses and capital allowances in view of the expectation of sufficient taxable profits for the foreseeable future.

Financial position of the Group

Property, plant and equipment

Property, plant and equipment increased by 5.3% to US\$25.5 million as at 30 June 2022, compared to US\$24.3 million as at 31 December 2021, mainly due to the additions of property, plant, and equipment for production demand which was partially offset by depreciation expense charged during the period.

Lease liabilities current and non-current

Lease liabilities decreased by 57.4% to US\$0.3 million as at 30 June 2022, compared to US\$0.8 million as at 31 December 2021, mainly due to the repayment of lease liabilities during the period.

Income tax payable

Income tax payable increased by 50.3% to US\$0.5 million as at 30 June 2022, compared to US\$0.4 million as at 31 December 2021, mainly due to the tax accrued on undistributed earnings during the period.

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

Not applicable.

6 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 operating period and the next 12 months

The outlook remains muted, with uncertainties brought on by a spike in geo-political risks in the region and the ongoing conflict between Russia and Ukraine. In addition, macro uncertainties also arise from the continuing supply chain backlog and the tightening of monetary policies around the world in response to the rapid rate of inflation. All these uncertainties might tip the global economy into recession and affect global demand. The COVID-19 situation also remains fluid, with unclear



impact on economic activities.

The Group is cautiously optimistic on the outlook for 2H FY2022. The underlying demand for the Group's business remains steady, with larger clients stable and unaffected. In addition, its entry into the automotive applications and commercial applications should also position the Group well to capture growth in these industries. At the same time, the Group remains mindful of the uncertainties ahead and will continue to be prudent. Backed by its strong engineering capability and established partnerships with suppliers and customers, the Group remains focused on delivering quality testing services to all clients and growing its orderbook.

7 Dividend

(a) Current financial period reported on

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

(b) Corresponding period of the immediate 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.

8 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared / recommended for the current financial period reported on as dividend, if any, will be declared at the full year results announcement.

9 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 subsidiary did not enter into any IPT during the financial period ended 30 June 2022.

10 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 6-months ended 30 June 2022 of the Company and of the Group to be false or misleading, in any material aspect.

11 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.



BY ORDER OF THE BOARD

Chen Tie-Min
Senior Executive Director
11 August 2022