

**TEST RESEARCH, INC.**  
**PARENT COMPANY ONLY FINANCIAL**  
**STATEMENTS AND INDEPENDENT AUDITORS’**  
**REPORT**  
**DECEMBER 31, 2024 AND 2023**

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For the convenience of readers and for information purpose only, the auditors’ report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors’ report and financial statements shall prevail.

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Test Research, Inc.

### ***Opinion***

We have audited the accompanying parent company only balance sheets of Test Research, Inc. (the “Company”) as at December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### ***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the ‘*Auditors’ responsibilities for the audit of the parent company only financial statements*’ section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2024 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2024 parent company only financial statements are stated as follows:

#### **Valuation of inventories**

##### Description

Refer to Note 4(10) for accounting policies adopted for the valuation of inventories, Note 5 for critical accounting estimates and assumptions related to the valuation of inventories, and Note 6(3) for details of inventories. As of December 31, 2024, inventory and allowance for valuation losses are NT\$1,552,096 thousand and NT\$182,390 thousand, respectively.

The Company is primarily engaged in the design, manufacture, sales, repairs and maintenance of automated inspection and testing equipment, and inventories are stated at the lower of cost and net realisable value. Management considers the rapidly changing technology and the short life cycle of electronic products in evaluating inventories. For inventories that are over a certain aging and individually identified obsolete or slow-moving items, the net realisable value is determined based on inventory aging and the market demand of such items in the future for a specific period, which are based on sales, obsolescence and the inventory quality. As the amount of inventory is significant, involves numerous items, and the valuation of inventory requires critical judgement and a high degree of uncertainty in estimation, we considered the valuation of inventory a key audit matter.

#### How our audit addressed the matter

Our audit procedures performed in respect of the above key audit matter included the following:

1. Understanding the industry and operations of the Company, and assessing the reasonableness of accounting policies applied in determining the adequacy of inventory provision.
2. Understanding the inventory management processes, examining the annual physical count plan, and performing physical inventory observation to assess the effectiveness of judgement and control over obsolete or slow-moving inventory.
3. Obtaining inventory aging report and testing movements to confirm whether they are assigned to the correct aging category and are in accordance with the Company's accounting policy. We also recalculated to check the adequacy of the allowance for valuation losses.
4. Analysing and comparing the difference of inventory valuation losses between the latest two years and examining supporting evidences in relation to allowance for slow-moving inventory valuation losses, which were individually identified by the management based on the inventory clearance condition, to assess the propriety of inventory valuation losses.

#### **Cutoff of export revenue recognition**

##### Description

For accounting policies adopted for revenue recognition, refer to Note 4(23).

The Company recognises export revenue in accordance with the terms of the transaction with the customer. Export revenue constitutes approximately 80% of parent company only operating revenue and the period of revenue recognition is based on transaction terms of different customers. As the timing of revenue recognition is subject to management's judgement based on past experience, revenue may not be recorded in the proper period. Thus, we considered the cutoff of export revenue recognition a key audit matter.

How our audit addressed the matter

Our audit procedures performed in respect of the above key audit matter included the following:

1. Understanding and assessing the effectiveness of export revenue recognition control processes.
2. Obtaining a detailed listing of export sales within a certain period before and after period end, selecting samples and assessing the completeness by agreeing the sale to supporting documentation (such as export bill of lading and proof of delivery) to ascertain whether the sale was recorded in the proper period.

***Responsibilities of management and those charged with governance for the parent company only financial statements***

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

***Auditors' responsibilities for the audit of the parent company only financial statements***

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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Huang, Pei-Chuan

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Yen, Yu-Fang

For and on behalf of PricewaterhouseCoopers, Taiwan

February 26, 2025

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The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.



TEST RESEARCH, INC.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 635,881	6	\$ 638,882	7
1140	Current contract assets	6(2)	1,208,983	12	1,009,951	12
1150	Notes receivable, net	6(2)	2,626	-	2,633	-
1170	Accounts receivable, net	6(2)	1,262,405	13	819,822	9
1180	Accounts receivable due from related parties, net	7	219,579	2	128,923	2
1200	Other receivables		9,570	-	14,110	-
1210	Other receivables due from related parties	7	31,717	-	-	-
130X	Inventory	6(3)	1,369,706	14	1,235,742	14
1470	Other current assets		37,285	-	30,718	-
11XX	Total current assets		4,777,752	47	3,880,781	44
Non-current assets						
1550	Investments accounted for using equity method	6(4)	1,358,518	14	1,219,503	14
1600	Property, plant and equipment	6(5) and 8	3,803,746	38	3,569,979	41
1780	Intangible assets		26,683	-	27,512	-
1840	Deferred income tax assets	6(15)	95,919	1	94,446	1
1920	Guarantee deposits paid		1,584	-	760	-
15XX	Total non-current assets		5,286,450	53	4,912,200	56
1XXX	Total assets		\$ 10,064,202	100	\$ 8,792,981	100

(Continued)

TEST RESEARCH, INC.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			Notes	December 31, 2024		December 31, 2023		
				AMOUNT	%	AMOUNT	%	
Current liabilities								
2130	Contract liabilities - current	6(11)	\$	50,804	-	\$	47,956	1
2150	Notes payable			17,006	-		18,056	-
2170	Accounts payable			654,165	7		493,266	6
2180	Accounts payable to related parties	7		257	-		143	-
2200	Other payables	6(6)		427,670	4		392,432	4
2220	Other payables to related parties	7		69,713	1		24,350	-
2230	Current income tax liabilities			299,376	3		377,358	4
2300	Other current liabilities			9,790	-		9,932	-
21XX	Total current liabilities			1,528,781	15		1,363,493	15
Non-current liabilities								
2550	Provisions for liabilities - non-current			16,953	-		13,051	-
2570	Deferred income tax liabilities	6(15)		219,152	3		198,398	2
2600	Other non-current liabilities	6(7)		18,310	-		32,459	1
25XX	Total non-current liabilities			254,415	3		243,908	3
2XXX	Total liabilities			1,783,196	18		1,607,401	18
Equity								
	Share capital	6(8)						
3110	Common stock			2,362,160	23		2,362,160	27
	Capital surplus	6(9)						
3200	Capital surplus			53,290	-		53,290	1
	Retained earnings	6(10)						
3310	Legal reserve			1,826,883	18		1,726,831	20
3320	Special reserve			67,549	1		48,704	-
3350	Unappropriated retained earnings			4,004,888	40		3,062,144	35
	Other equity interest							
3400	Other equity interest		(	33,764)	-	(	67,549)	( 1)
3XXX	Total equity			8,281,006	82		7,185,580	82
	Significant events after the balance sheet date	11						
3X2X	Total liabilities and equity		\$	10,064,202	100	\$	8,792,981	100

The accompanying notes are an integral part of these parent company only financial statements.

**TEST RESEARCH, INC.**  
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

			Year ended December 31			
			2024		2023	
Items	Notes		AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(11) and 7	\$ 6,078,739	100	\$ 4,113,221	100
5000	Operating costs	6(13)(14)	( 2,564,547)	( 42)	( 1,775,375)	( 43)
5900	Gross profit from operations		3,514,192	58	2,337,846	57
5910	Unrealised profit from sales	6(4)	( 89,184)	( 2)	( 62,459)	( 2)
5920	Realised profit from sales	6(4)	62,459	1	85,016	2
5950	Gross margin		3,487,467	57	2,360,403	57
	Operating expenses	6(13)(14) and 7				
6100	Selling expenses		( 800,340)	( 13)	( 557,313)	( 14)
6200	General and administrative expenses		( 147,615)	( 3)	( 129,786)	( 3)
6300	Research and development expenses		( 572,995)	( 9)	( 428,174)	( 10)
6450	Expected credit impairment loss	12(2)	( 3,747)	-	( 295)	-
6000	Total operating expenses		( 1,524,697)	( 25)	( 1,115,568)	( 27)
6900	Operating profit		1,962,770	32	1,244,835	30
	Non-operating income and expenses					
7100	Interest income		7,298	-	6,305	-
7010	Other income		4,293	-	4,993	-
7020	Other gains and losses	6(12)	136,506	2	22,776	1
7050	Finance costs		-	-	( 16)	-
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method	6(4)	50,284	1	( 37,353)	( 1)
7000	Total non-operating income and expenses		198,381	3	( 3,295)	-
7900	Profit before income tax		2,161,151	35	1,241,540	30
7950	Income tax expense	6(15)	( 324,523)	( 5)	( 240,286)	( 6)
8200	Profit for the year		\$ 1,836,628	30	\$ 1,001,254	24
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Actuarial gain (loss) on defined benefit plan	6(7)	\$ 4,526	-	( \$ 734)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		42,231	1	( 23,556)	-
8399	Income tax relating to the components of other comprehensive (loss) income that will be reclassified to profit or loss	6(15)	( 8,446)	-	4,711	-
8360	Other comprehensive income (loss) that will be reclassified to profit or loss		33,785	1	( 18,845)	-
8300	Total other comprehensive income (loss) for the year		\$ 38,311	1	( \$ 19,579)	-
8500	Total comprehensive income for the year		\$ 1,874,939	31	\$ 981,675	24
	Earnings per share (in dollars)	6(16)				
9750	Basic earnings per share		\$ 7.78		\$ 4.24	
9850	Diluted earnings per share		\$ 7.76		\$ 4.23	

The accompanying notes are an integral part of these parent company only financial statements.

TEST RESEARCH, INC.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Notes	Ordinary share	Capital Reserves		Retained Earnings			Exchange differences on translation of foreign financial statements	Total equity
			Capital surplus, additional paid-in capital	Capital surplus, changes in equity of associates and joint ventures accounted for using equity method	Legal reserve	Special reserve	Unappropriated retained earnings		
<u>2023</u>									
Balance at January 1, 2023		\$ 2,362,160	\$ 51,874	\$ 1,416	\$ 1,533,787	\$ 68,362	\$ 3,297,982	(\$ 48,704)	\$ 7,266,877
Profit for the year		-	-	-	-	-	1,001,254	-	1,001,254
Other comprehensive loss for the year		-	-	-	-	-	( 734)	( 18,845)	( 19,579)
Total comprehensive income (loss) for the year		-	-	-	-	-	1,000,520	( 18,845)	981,675
Appropriations and distribution of 2022 retained earnings	6(10)								
Legal reserve		-	-	-	193,044	-	( 193,044)	-	-
Special reserve		-	-	-	-	( 19,658)	19,658	-	-
Cash dividends		-	-	-	-	-	( 1,062,972)	-	( 1,062,972)
Balance at December 31, 2023		\$ 2,362,160	\$ 51,874	\$ 1,416	\$ 1,726,831	\$ 48,704	\$ 3,062,144	(\$ 67,549)	\$ 7,185,580
<u>2024</u>									
Balance at January 1, 2024		\$ 2,362,160	\$ 51,874	\$ 1,416	\$ 1,726,831	\$ 48,704	\$ 3,062,144	(\$ 67,549)	\$ 7,185,580
Profit for the year		-	-	-	-	-	1,836,628	-	1,836,628
Other comprehensive income for the year		-	-	-	-	-	4,526	33,785	38,311
Total comprehensive income for the year		-	-	-	-	-	1,841,154	33,785	1,874,939
Appropriations and distribution of 2023 retained earnings	6(10)								
Legal reserve		-	-	-	100,052	-	( 100,052)	-	-
Special reserve		-	-	-	-	18,845	( 18,845)	-	-
Cash dividends		-	-	-	-	-	( 779,513)	-	( 779,513)
Balance at December 31, 2024		\$ 2,362,160	\$ 51,874	\$ 1,416	\$ 1,826,883	\$ 67,549	\$ 4,004,888	(\$ 33,764)	\$ 8,281,006

The accompanying notes are an integral part of these parent company only financial statements.

TEST RESEARCH, INC.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 2,161,151	\$ 1,241,540
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(13)	108,136	65,581
Amortisation	6(13)	18,686	16,260
Expected credit impairment loss	12(2)	3,747	295
Interest income	(	7,298 )	( 6,305 )
Interest expense		-	16
Share of profit or loss of subsidiaries accounted for using the equity method	6(4)	( 50,284 )	37,353
Unrealised (profit) loss from sales, net	6(4)	26,725	( 22,557 )
Gain on disposal of property, plant and equipment	6(12)	( 5,836 )	( 10,059 )
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets	(	199,180 )	232,131
Accounts receivable	(	446,182 )	214,227
Notes receivable		7	( 653 )
Accounts receivable due from related parties	(	90,656 )	44,249
Other receivables		4,608	( 1,608 )
Other receivables due from related parties	(	31,717 )	1,427
Inventory	(	192,087 )	173,888
Other current assets	(	11,567 )	1,715
Changes in operating liabilities			
Contract liabilities - current		2,848	10,819
Notes payable	(	1,050 )	884
Accounts payable		160,899	31,188
Accounts payable to related parties		114	143
Other payables		115,111	( 116,050 )
Other payables to related parties		45,363	( 8,201 )
Other current liabilities	(	142 )	2,196
Provisions for liabilities - non-current		3,902	( 906 )
Other non-current liabilities	(	9,623 )	( 7,855 )
Cash inflow generated from operations		1,605,675	1,899,718
Interest received		7,230	6,522
Interest paid		-	( 16 )
Income taxes paid	(	391,670 )	( 217,533 )
Net cash flows from operating activities		<u>1,221,235</u>	<u>1,688,691</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of investments accounted for using the equity method	6(17)	( 68,225 )	-
Acquisition of property, plant and equipment	6(17)	( 365,649 )	( 850,673 )
Proceeds from disposal of property, plant and equipment		7,832	10,866
Acquisition of intangible assets	(	17,857 )	( 20,451 )
(Increase) decrease in guarantee deposits paid	(	824 )	369
Net cash flows used in investing activities	(	444,723 )	( 859,889 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Payment of cash dividends	6(10)	( 779,513 )	( 1,062,972 )
Net cash flows used in financing activities	(	779,513 )	( 1,062,972 )
Net decrease in cash and cash equivalents	(	3,001 )	( 234,170 )
Cash and cash equivalents at beginning of year		<u>638,882</u>	<u>873,052</u>
Cash and cash equivalents at end of year		<u>\$ 635,881</u>	<u>\$ 638,882</u>

The accompanying notes are an integral part of these parent company only financial statements.

TEST RESEARCH, INC.  
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

Test Research, Inc. (the Company) was incorporated in April 1989 under the provisions of the Company Law of the Republic of China (R.O.C.). The Company is primarily engaged in the design, assembly, manufacture, sales, repairs and maintenance of automated inspection and testing equipment. The shares of the Company have been listed on the Taiwan Stock Exchange since October 29, 2002.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These parent company only financial statements were authorised for issuance by the Board of Directors on February 26, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS<sup>®</sup>”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2024 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

#### 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

##### (1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

##### (2) Basis of preparation

A. Except for defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation, the parent company only financial statements have been prepared under the historical cost convention.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC<sup>®</sup> Interpretations, and SIC<sup>®</sup> Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

##### (3) Foreign currency translation

Items included in the financial statements of each of the Company’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”).

##### A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within ‘other gains and losses’.

##### B. Translation of foreign operations

The operating results and financial position of all the company entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:



- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c) All resulting exchange differences are recognised in other comprehensive income.

(4) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
  - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
  - (b) Assets held mainly for trading purposes;
  - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
  - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
  - (a) Liabilities that are expected to be settled within the normal operating cycle;
  - (b) Liabilities arising mainly from trading activities;
  - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
  - (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Accounts receivable, notes receivable and contract assets

- A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.
- C. Contract assets are based on the sales contract, and the consideration arising from transferred goods or rendered services is received only when the customer has completed the acceptance.

(7) Impairment of financial assets

For financial assets at amortised cost at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable (including contract assets) that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(8) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(9) Leasing arrangements (lessor) – lease receivables/ operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(10) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on actual operating capacity). The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(11) Investments accounted for using the equity method - subsidiaries

- A. Subsidiaries are all entities controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Inter-company transactions, balances and unrealised gains or losses on transactions between the Company and subsidiaries are eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise the losses in proportion to the ownership.

- D. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- E. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- F. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognises the Company's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.
- G. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- H. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- I. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(12) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	15 ~ 55 years
Machinery and equipment	2 ~ 10 years
Office equipment	1 ~ 10 years
Other equipment	1 ~ 10 years

(13) Leasing arrangements (lessee) — right-of-use assets/ lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable. The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

- (a) The amount of the initial measurement of lease liability;
- (b) Any lease payments made at or before the commencement date;
- (c) Any initial direct costs incurred by the lessee; and

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(14) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 1 to 5 years.

(15) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(16) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(17) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(18) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(19) Provisions

Provisions (including warranties) are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date.

(20) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plan

For defined contribution plan, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plan

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date).
- ii. Remeasurements arising on the defined benefit plan are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(21) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(22) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities.

(23) Revenue recognition

A. Sales of goods

- (a) The Company is engaged in the design, assembly, manufacture and sale of automatic inspection equipment and related products. Sales are recognised when control of the products has transferred, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

- (b) Revenue from these sales is recognised based on the price specified in the contract, net of the business tax, sales return and discounts. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. The sales usually are made with a credit term of 30 days. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.
- (c) The Company's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision.
- (d) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

#### B. Service revenue

The Company provides repair and maintenance services for automated inspection and testing equipment. Revenue from providing services is recognised in the accounting period in which the services are rendered.

#### C. Incremental costs of obtaining a contract

Given that the contractual period lasts less than one year, the Company recognises the incremental costs of obtaining a contract as an expense when incurred although the Company expects to recover those costs.

### 5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. In the process of applying the Company's accounting policies, there is no critical accounting judgment. The critical accounting estimates and assumptions are addressed below:

#### Valuation of inventories

The Company's inventories are stated at the lower of cost and net realisable value. The Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Management considers the rapidly changing technology and the short life cycle of electronic products in evaluating inventories. For inventories that are over a certain age and individually identified obsolete or slow-moving items, the net realisable value is determined based on inventory aging and the market demand of such items in the future for a specific period, which are based on sales, obsolescence and the inventory quality. The valuation of inventories is determined by the management principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the valuation.

As of December 31, 2024, the carrying amount of inventories was \$1,369,706.



## 6. DETAILS OF SIGNIFICANT ACCOUNTS

### (1) Cash and cash equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand and revolving funds	\$ 526	\$ 668
Demand deposits	235,355	188,214
Time deposits	200,000	200,000
Short-term notes and bills	200,000	250,000
	<u>\$ 635,881</u>	<u>\$ 638,882</u>

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Company has no cash and cash equivalents pledged to others.

### (2) Notes receivable, accounts receivable and contract assets

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes receivable	\$ 2,626	\$ 2,633
Accounts receivable	\$ 1,270,691	\$ 824,509
Less: Allowance for uncollectible accounts	( 8,286)	( 4,687)
	<u>\$ 1,262,405</u>	<u>\$ 819,822</u>
Contract assets	\$ 1,209,346	\$ 1,010,166
Less: Loss allowance	( 363)	( 215)
	<u>\$ 1,208,983</u>	<u>\$ 1,009,951</u>

A. The ageing analysis of accounts receivable, notes receivable and contract assets that were past due but not impaired is as follows:

	<u>December 31, 2024</u>			<u>December 31, 2023</u>		
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Contract assets</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Contract assets</u>
Not past due	\$ 897,213	\$ 2,626	\$ 1,209,346	\$ 642,504	\$ 2,633	\$ 1,010,166
Past due						
Up to 60 days	185,249	-	-	101,651	-	-
61 to 90 days	108,129	-	-	19,934	-	-
91 to 180 days	52,680	-	-	38,660	-	-
181 to 365 days	19,703	-	-	16,159	-	-
Over 365 days	7,717	-	-	5,601	-	-
	<u>\$ 1,270,691</u>	<u>\$ 2,626</u>	<u>\$ 1,209,346</u>	<u>\$ 824,509</u>	<u>\$ 2,633</u>	<u>\$ 1,010,166</u>

The above ageing analysis was based on past due date.

B. As at December 31, 2024 and 2023, accounts receivable, notes receivable and contract assets were all from contracts with customers. As of January 1, 2023, the balance of receivables from contracts with customers (including notes receivable and contract assets) amounted to \$2,283,013.

C. As at December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's notes receivable were \$2,626 and \$2,633, and accounts receivable were \$2,471,388 and \$1,829,773, respectively.

D. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(3) Inventories

December 31, 2024			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 807,232	(\$ 121,926)	\$ 685,306
Work in progress	117,024	( 473)	116,551
Semi-finished and finished goods	603,720	( 59,844)	543,876
Merchandise	24,120	( 147)	23,973
	<u>\$ 1,552,096</u>	<u>(\$ 182,390)</u>	<u>\$ 1,369,706</u>
December 31, 2023			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 833,252	(\$ 115,290)	\$ 717,962
Work in progress	101,430	( 319)	101,111
Semi-finished and finished goods	445,812	( 48,294)	397,518
Merchandise	19,583	( 432)	19,151
	<u>\$ 1,400,077</u>	<u>(\$ 164,335)</u>	<u>\$ 1,235,742</u>

The cost of inventories recognised as expense for the year:

	Years ended December 31	
	2024	2023
Cost of goods sold	\$ 2,494,249	\$ 1,734,803
Loss on market value decline and obsolete and slow-moving inventories	34,906	28,559
Others	13,821	-
Loss on physical inventory	16	-
	<u>\$ 2,542,992</u>	<u>\$ 1,763,362</u>

(4) Investments accounted for using the equity method

	2024	2023
At January 1	\$ 1,219,503	\$ 1,257,855
Increase in investments accounted for using the equity method	73,225	-
Share of profit or loss of investments accounted for using equity method	50,284 (	37,353)
Unrealised profit from sales	( 89,184) (	62,459)
Realised profit from sales	62,459	85,016
Changes in other equity items	42,231 (	23,556)
At December 31	<u>\$ 1,358,518</u>	<u>\$ 1,219,503</u>

A. Details of investments accounted for using equity method are as follows:

	December 31, 2024	December 31, 2023
Subsidiary:		
TRI INVESTMENTS LIMITED	\$ 1,161,562	\$ 1,114,231
TEST RESEARCH INNOVATION MALAYSIA SDN. BHD.	60,995	34,409
TEST RESEARCH USA, INC.	32,162	26,501
TRI KOREA CO., LTD.	28,788	18,500
TRI TEST RESEARCH EUROPE GMBH	17,661	15,597
TRI JAPAN CORPORATION	10,582	10,265
TEST RESEARCH INNOVATION MEXICO S. de R.L. de C.V.	4,811	-
Associate:		
OmniMeasure Technology Inc.	41,957	-
	<u>\$ 1,358,518</u>	<u>\$ 1,219,503</u>

B. Details of the Company's subsidiaries are provided in Note 4(3) of the Company's consolidated financial statements as of and for the year ended December 31, 2024.

C. The basic information of the associate that is material to the Company is as follows:

		December 31, 2024		
Company name	Principal place of business	Shareholding ratio	Nature of relationship	Method of measurement
OmniMeasure Technology Inc.	Taiwan	47.83%	Strategic investment	Equity method

OmniMeasure Technology Inc. was established on January 11, 2024. The Company is the single largest shareholder of the associate with a 51.16% equity interest after it participated in the cash capital increase of the associate on March 31, 2024. However, the Company's shareholding ratio

decreased to 47.83% after OmniMeasure Technology Inc. completed the capital increase in April 2024. In addition, as the Company held less than half of the seats in the Board of Directors, which indicates that the Company has no current ability to direct the relevant activities of the associate, the Company has no control, but only has significant influence, over the associate.

D. The summarised financial information of the associate that is material to the Company is as follows:

Balance sheet	OmniMeasure Technology Inc.	
	December 31, 2024	
Current assets	\$	55,470
Non-current assets		40,670
Current liabilities	(	9,952)
Total net assets	\$	86,188
Share in associate's net assets	\$	41,224
Others		733
Carrying amount of the associate	\$	41,957
<u>Statement of comprehensive income</u>		
	Year ended	
	December 31, 2024	
Revenue	\$	5,712
Loss for the year	(\$	28,812)
Total comprehensive loss for the year	(\$	28,812)
Share of loss recognised for the year	(\$	13,043)

(5) Property, plant and equipment

	2024						
	Land	Buildings and structures	Machinery and equipment	Office equipment	Miscellaneous equipment	Unfinished construction	Total
<u>At January 1</u>							
Cost	\$ 1,166,021	\$ 921,538	\$ 87,246	\$ 249,861	\$ 194,779	\$ 1,642,886	\$ 4,262,331
Accumulated depreciation	-	( 303,993)	( 69,670)	( 171,875)	( 146,814)	-	( 692,352)
	<u>\$ 1,166,021</u>	<u>\$ 617,545</u>	<u>\$ 17,576</u>	<u>\$ 77,986</u>	<u>\$ 47,965</u>	<u>\$ 1,642,886</u>	<u>\$ 3,569,979</u>
Opening net book amount as at January 1	\$ 1,166,021	\$ 617,545	\$ 17,576	\$ 77,986	\$ 47,965	\$ 1,642,886	\$ 3,569,979
Additions	-	17,407	4,630	35,783	11,263	216,693	285,776
Transfers from inventories	-	-	9,242	38,725	10,156	-	58,123
Disposals	-	-	( 4)	( 1,964)	( 28)	-	( 1,996)
Reclassifications	-	1,859,579	-	-	-	( 1,859,579)	-
Depreciation charge	-	( 51,438)	( 7,682)	( 31,162)	( 17,854)	-	( 108,136)
Closing net book amount as at December 31	<u>\$ 1,166,021</u>	<u>\$ 2,443,093</u>	<u>\$ 23,762</u>	<u>\$ 119,368</u>	<u>\$ 51,502</u>	<u>\$ -</u>	<u>\$ 3,803,746</u>
<u>At December 31</u>							
Cost	\$ 1,166,021	\$ 2,798,524	\$ 100,057	\$ 316,194	\$ 213,252	\$ -	\$ 4,594,048
Accumulated depreciation	-	( 355,431)	( 76,295)	( 196,826)	( 161,750)	-	( 790,302)
	<u>\$ 1,166,021</u>	<u>\$ 2,443,093</u>	<u>\$ 23,762</u>	<u>\$ 119,368</u>	<u>\$ 51,502</u>	<u>\$ -</u>	<u>\$ 3,803,746</u>

	2023						
	Land	Buildings and structures	Machinery and equipment	Office equipment	Miscellaneous equipment	Unfinished construction	Total
At January 1							
Cost	\$ 1,166,021	\$ 921,538	\$ 88,328	\$ 228,005	\$ 174,479	\$ 907,400	\$ 3,485,771
Accumulated depreciation	-	( 285,894)	( 66,567)	( 160,809)	( 131,649)	-	( 644,919)
	<u>\$ 1,166,021</u>	<u>\$ 635,644</u>	<u>\$ 21,761</u>	<u>\$ 67,196</u>	<u>\$ 42,830</u>	<u>\$ 907,400</u>	<u>\$ 2,840,852</u>
Opening net book amount as at January 1	\$ 1,166,021	\$ 635,644	\$ 21,761	\$ 67,196	\$ 42,830	\$ 907,400	\$ 2,840,852
Additions	-	-	712	11,879	17,420	735,486	765,497
Transfers from inventories	-	-	1,921	24,270	3,827	-	30,018
Disposals	-	-	( 2)	( 490)	( 315)	-	( 807)
Depreciation charge	-	( 18,099)	( 6,816)	( 24,869)	( 15,797)	-	( 65,581)
Closing net book amount as at December 31	<u>\$ 1,166,021</u>	<u>\$ 617,545</u>	<u>\$ 17,576</u>	<u>\$ 77,986</u>	<u>\$ 47,965</u>	<u>\$ 1,642,886</u>	<u>\$ 3,569,979</u>
At December 31							
Cost	\$ 1,166,021	\$ 921,538	\$ 87,246	\$ 249,861	\$ 194,779	\$ 1,642,886	\$ 4,262,331
Accumulated depreciation	-	( 303,993)	( 69,670)	( 171,875)	( 146,814)	-	( 692,352)
	<u>\$ 1,166,021</u>	<u>\$ 617,545</u>	<u>\$ 17,576</u>	<u>\$ 77,986</u>	<u>\$ 47,965</u>	<u>\$ 1,642,886</u>	<u>\$ 3,569,979</u>

Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(6) Other payables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Bonus payable	\$ 270,967	\$ 203,142
Employees' compensation and directors' remuneration payable	54,973	30,400
Construction payable	-	79,873
Commissions payable	24,939	21,123
Others	76,791	57,894
	<u>\$ 427,670</u>	<u>\$ 392,432</u>

(7) Pensions

A. Defined benefit plan

(a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 4% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Present value of defined benefit obligations	\$ 86,869	\$ 85,353
Fair value of plan assets	( 68,559)	( 52,894)
Net defined benefit liability		
(shown as "other non-current liabilities")	<u>\$ 18,310</u>	<u>\$ 32,459</u>

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2024			
At January 1	\$ 85,353	(\$ 52,894)	\$ 32,459
Interest expense (income)	<u>1,024</u>	<u>( 635)</u>	<u>389</u>
	<u>86,377</u>	<u>( 53,529)</u>	<u>32,848</u>
Remeasurements:			
Actuarial gain	-	( 5,018)	( 5,018)
Change in financial assumptions	( 2,299)	-	( 2,299)
Experience adjustments	<u>2,791</u>	<u>-</u>	<u>2,791</u>
	<u>492</u>	<u>( 5,018)</u>	<u>( 4,526)</u>
Pension fund contribution	-	( 10,012)	( 10,012)
Paid pension	<u>-</u>	<u>-</u>	<u>-</u>
At December 31	<u>\$ 86,869</u>	<u>(\$ 68,559)</u>	<u>\$ 18,310</u>
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2023			
At January 1	\$ 94,324	(\$ 54,744)	\$ 39,580
Interest expense (income)	<u>1,226</u>	<u>( 711)</u>	<u>515</u>
	<u>95,550</u>	<u>( 55,455)</u>	<u>40,095</u>
Remeasurements:			
Actuarial gain	-	( 453)	( 453)
Change in financial assumptions	627	-	627
Experience adjustments	<u>560</u>	<u>-</u>	<u>560</u>
	<u>1,187</u>	<u>( 453)</u>	<u>734</u>
Pension fund contribution	-	( 8,370)	( 8,370)
Paid pension	( 11,384)	<u>11,384</u>	<u>-</u>
At December 31	<u>\$ 85,353</u>	<u>(\$ 52,894)</u>	<u>\$ 32,459</u>

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates



offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2024 and 2023 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Years ended December 31	
	2024	2023
Discount rate	1.6%	1.2%
Future salary increases	3%	3%

For the years ended December 31, 2024 and 2023, future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2024				
Effect on present value of defined benefit obligation	(\$ 1,387)	\$ 1,425	\$ 1,198	(\$ 1,174)
December 31, 2023				
Effect on present value of defined benefit obligation	(\$ 1,555)	\$ 1,560	\$ 1,367	(\$ 1,337)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2025 amount to \$4,054.

(g) As of December 31, 2024, the weighted average duration of the retirement plan is 7 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$ 14,206
1-2 year(s)	13,473
2-5 years	16,099
Over 5 years	30,505
	<u>\$ 74,283</u>

#### B. Defined contribution plan

Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount not lower than 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. For the aforementioned pension plan, the Company recognised pension costs of \$31,062 and \$29,196 for the years ended December 31, 2024 and 2023, respectively.

#### (8) Share capital

The Company’s authorised capital was \$2,500,000. As of December 31, 2024, the Company’s issued and outstanding capital was \$2,362,160.

Movements in the number of the Company’s ordinary shares outstanding are as follows (in thousands):

	Years ended December 31	
	2024	2023
At January 1 and December 31	<u>236,216</u>	<u>236,216</u>

#### (9) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

#### (10) Retained earnings

A. Under the Company’s Articles of Incorporation, the dividend policy of the Company is based on the Company’s future capital expenditure budget and capital requirements. Dividends shall be appropriated from accumulated distributable earnings, and the distribution amount shall not be lower than 60% of accumulated distributable earnings, of which cash dividends shall not be lower than 50% of the total dividends distributed. The current year’s earnings, if any, shall first be used to pay all taxes and offset prior years’ losses and then 10% of the remaining amount shall be set aside as legal reserve until the amount of legal reserve is equal to the amount of total capital. After the provision or reversal of special reserve, the remaining earnings constitute the distributable earnings of the current year. The appropriation of the remaining earnings along with the unappropriated earnings of prior years shall be proposed by the Board of Directors and approved by the shareholders at the shareholders’ meeting.

- B. The appropriations of 2023 and 2022 earnings had been resolved at the shareholders' meeting on May 29, 2024 and May 31, 2023, respectively. Details are summarized below:

	Years ended December 31			
	2023		2022	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 100,052		\$ 193,044	
Special reserve	\$ 18,845		(\$ 19,658)	
Cash dividends	\$ 779,513	\$ 3.3	\$ 1,062,972	\$ 4.5

- C. The appropriations of 2024 earnings proposed by the Board of Directors on February 26, 2025 were as follows:

	Year ended December 31, 2024	
	Amount	Dividend per share (in dollars)
Legal reserve	\$ 184,115	
Special reserve	(\$ 33,785)	
Cash dividends	\$ 1,181,080	\$ 5.0

As of the report date, the abovementioned appropriations of 2024 earnings have not yet been resolved by the stockholders.

- D. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in-capital.
- E. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

(11) Sales revenue

	Years ended December 31	
	2024	2023
Revenue from contracts with customers	\$ 6,078,739	\$ 4,113,221

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services at a point in time in the following major geographical regions:

	Years ended December 31	
	2024	2023
Asia	\$ 5,417,607	\$ 3,370,773
America	402,840	482,506
Europe	256,728	259,628
Others	1,564	314
	<u>\$ 6,078,739</u>	<u>\$ 4,113,221</u>

B. Contract liabilities

The Company has recognised the following revenue-related contract liabilities:

	December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities	<u>\$ 50,804</u>	<u>\$ 47,956</u>	<u>\$ 37,137</u>

For the years ended December 31, 2024 and 2023, the Company's contract liabilities on January 1, 2024 and 2023 were realised to revenue amounting to \$42,842 and \$34,118, respectively.

(12) Other gains and losses

	Years ended December 31	
	2024	2023
Net currency exchange gains	\$ 131,891	\$ 12,960
Gains on disposal of property, plant and equipment	5,836	10,059
Other losses	(1,221)	(243)
	<u>\$ 136,506</u>	<u>\$ 22,776</u>

(13) Expenses by nature

	Years ended December 31	
	2024	2023
Employee benefit expense	\$ 1,011,510	\$ 795,553
Depreciation charges on property, plant and equipment	108,136	65,581
Amortisation charges on intangible assets	18,686	16,260
	<u>\$ 1,138,332</u>	<u>\$ 877,394</u>

(14) Employee benefit expense

	Years ended December 31	
	2024	2023
Wages and salaries	\$ 885,594	\$ 677,427
Labour and health insurance fees	59,710	57,162
Pension costs	31,451	29,711
Other personnel expenses	34,755	31,253
	<u>\$ 1,011,510</u>	<u>\$ 795,553</u>

- A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 1% for employees' compensation and shall not be higher than 2% for directors' remuneration.
- B. For the years ended December 31, 2024 and 2023, employees' compensation was accrued at \$36,282 and \$20,064, respectively; while directors' remuneration was accrued at \$18,691 and \$10,336, respectively. The aforementioned amounts were recognised in salary expenses. The employees' compensation and directors' remuneration were estimated and accrued based on the distributable profit of current year for the years ended December 31, 2024 and 2023 and the percentage as prescribed by the Company's Articles of Incorporation.

Employees' compensation and directors' remuneration for 2024 and 2023 amounting to \$36,282 and \$20,064, \$18,691 and \$10,336, respectively, as resolved by the Board of Directors on February 26, 2025 and February 21, 2024, were in agreement with those amounts recognised in the 2024 and 2023 financial statements, respectively.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(15) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31	
	2024	2023
Current tax:		
Current tax on profit for the year	\$ 399,382	\$ 270,373
Prior year income tax (over) under estimation	( 85,694)	7,477
Total current tax	<u>313,688</u>	<u>277,850</u>
Deferred tax:		
Origination and reversal of temporary differences	10,835	( 37,564)
Total deferred tax	<u>10,835</u>	<u>( 37,564)</u>
Income tax expense	<u>\$ 324,523</u>	<u>\$ 240,286</u>

(b) The income tax expense (benefit) relating to components of other comprehensive income is as follows:

	Years ended December 31	
	2024	2023
Currency translation differences	<u>\$ 8,446</u>	<u>(\$ 4,711)</u>

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31	
	2024	2023
Income tax calculated by applying statutory rate to the profit before tax	\$ 432,230	\$ 248,308
Effect from investment tax credits	( 22,013)	( 15,499)
Prior year income tax (over) under estimation	( 85,694)	7,477
Income tax expense	<u>\$ 324,523</u>	<u>\$ 240,286</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2024			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
Temporary differences:				
Provision for contingent service cost/warranty	\$ 745	\$ 732	\$ -	\$ 1,477
Unrealised foreign exchange loss	6,621	( 6,621)	-	-
Unrealised gross profit	14,214	5,345	-	19,559
Gross profit from sales transaction that had been declared but not yet realised	18,942	6,568	-	25,510
Allowance for inventory valuation losses	32,867	3,611	-	36,478
Unrealised reserve for lending product and rework	1,866	48	-	1,914
Accrued pension liabilities	6,492	( 2,830)	-	3,662
Unused compensated absences	5,111	600	-	5,711
Currency translation differences	6,037	-	( 6,037)	-
Others	1,551	57	-	1,608
	<u>\$ 94,446</u>	<u>\$ 7,510</u>	<u>(\$ 6,037)</u>	<u>\$ 95,919</u>
Deferred tax liabilities:				
Temporary differences:				
Unrealised exchange gain	\$ -	(\$ 8,288)	\$ -	(\$ 8,288)
Recognised investment income accounted for using equity method	( 198,398)	( 10,057)	-	( 208,455)
Currency translation differences	-	-	( 2,409)	( 2,409)
	<u>(\$ 198,398)</u>	<u>(\$ 18,345)</u>	<u>(\$ 2,409)</u>	<u>(\$ 219,152)</u>

2023				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
Temporary differences:				
Provision for contingent service cost/warranty	\$ 2,100	(\$ 1,355)	\$ -	\$ 745
Unrealised foreign exchange loss	-	6,621	-	6,621
Unrealised gross profit	18,725	( 4,511)	-	14,214
Gross profit from sales transaction that had been declared but not yet realised	-	18,942	-	18,942
Allowance for inventory valuation losses	28,706	4,161	-	32,867
Unrealised reserve for lending product and rework	691	1,175	-	1,866
Accrued pension liabilities	7,916	( 1,424)	-	6,492
Unused compensated absences	4,918	193	-	5,111
Currency translation differences	1,326	-	4,711	6,037
Others	997	554	-	1,551
	<u>\$ 65,379</u>	<u>\$ 24,356</u>	<u>\$ 4,711</u>	<u>\$ 94,446</u>
Deferred tax liabilities:				
Temporary differences:				
Unrealised exchange gain	(\$ 5,738)	\$ 5,738	\$ -	\$ -
Recognised investment profit accounted for using equity method	( 205,868)	7,470	-	( 198,398)
	<u>(\$ 211,606)</u>	<u>\$ 13,208</u>	<u>\$ -</u>	<u>(\$ 198,398)</u>

D. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.



(16) Earnings per share

Year ended December 31, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the Company	\$ 1,836,628	236,216	\$ <u>7.78</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	338	
Profit attributable to ordinary shareholders of the Company plus assumed conversion of all dilutive potential ordinary shares	\$ <u>1,836,628</u>	<u>236,554</u>	\$ <u>7.76</u>
Year ended December 31, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the Company	\$ 1,001,254	236,216	\$ <u>4.24</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	406	
Profit attributable to ordinary shareholders of the Company plus assumed conversion of all dilutive potential ordinary shares	\$ <u>1,001,254</u>	<u>236,622</u>	\$ <u>4.23</u>

As employees' compensation could be distributed in the form of stock, the diluted EPS computation shall include those estimated shares that would increase from employees' stock compensation issuance in the calculation of the weighted-average number of common shares outstanding during the reporting year, taking into account the dilutive effect of stock compensation on potential common shares.

(17) Supplemental cash flow information

Investing activities with partial cash payments:

	Years ended December 31	
	2024	2023
Purchase of property, plant and equipment	\$ 285,776	\$ 765,497
Add: Opening balance of payable on construction	79,873	165,049
Less: Ending balance of payable on construction	-	( 79,873)
Cash paid during the year	<u>\$ 365,649</u>	<u>\$ 850,673</u>
Acquisition of investments accounted for using the equity method	\$ 73,225	\$ -
Less: Opening balance of prepayments for investments	( 5,000)	-
Cash paid during the year	<u>\$ 68,225</u>	<u>\$ -</u>

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company shares are widely held. The Company does not have an ultimate parent and ultimate controlling party.

(2) Names of subsidiaries and relationship with the Company

Names of related parties	Relationship with the Company
TRI INVESTMENTS LIMITED (TIL)	Subsidiary of the Company
TEST RESEARCH USA, INC. (TRU)	Subsidiary of the Company
TRI TEST RESEARCH EUROPE GMBH (TRE)	Subsidiary of the Company
TRI JAPAN CORPORATION (TRJ)	Subsidiary of the Company
TEST RESEARCH INNOVATION MALAYSIA SDN. BHD. (TRM)	Subsidiary of the Company
TRI KOREA CO., Ltd. (TRK)	Subsidiary of the Company
TEST RESEARCH INNOVATION MEXICO S. de R.L. de C.V.(TRMX)	Subsidiary of the Company
TEST RESEARCH INNOVATION VIETNAM COMPANY LIMITED (TRV)	Indirect subsidiary of the Company
TEST RESEARCH INNOVATION THAILAND COMPANY LIMITED (TRT)	Indirect subsidiary of the Company
TRI Electronic (Shenzhen) Limited (TRI (SHENZHEN))	Indirect subsidiary of the Company
TRI Electronic (Suzhou) Limited (TRI (SUZHOU))	Indirect subsidiary of the Company
TRI Electronic (Shanghai) Limited (TRI (SHANGHAI))	Indirect subsidiary of the Company

Note: The subsidiaries shown in Note 7(3) refer to the total amounts of transactions with aforementioned related parties, except for those separately disclosed.

(3) Significant related party transactions

A. Operating revenue

	Years ended December 31	
	2024	2023
Sales of goods:		
— Indirect subsidiaries	\$ 985,538	\$ 505,120
— Subsidiaries	10,769	26,948
	<u>996,307</u>	<u>532,068</u>
Sales of services:		
— Indirect subsidiaries	87	188
— Subsidiaries	-	120
	<u>87</u>	<u>308</u>
	<u>\$ 996,394</u>	<u>\$ 532,376</u>

The credit terms are approximately 90 ~120 days after acceptance, which are similar to third parties.

B. Receivables from related parties

	December 31, 2024	December 31, 2023
Accounts receivable:		
— TRI (SUZHOU)	\$ 211,339	\$ 86,463
— Indirect subsidiaries	38,390	25,826
— Subsidiaries	317	16,634
Overdue accounts receivable due from related parties reclassified to other receivables		
— TRI (SUZHOU)	( 26,041)	-
— TRT	( 4,426)	-
	<u>\$ 219,579</u>	<u>\$ 128,923</u>
Other receivables:		
— TRI (SUZHOU)	\$ 26,041	\$ -
— TRT	4,426	-
— Indirect subsidiaries	1,250	-
	<u>\$ 31,717</u>	<u>\$ -</u>

- (a) The receivables from related parties arose mainly from sales of goods. The receivables are unsecured in nature and bear no interest. Information relating to credit risk management policies is provided in Note 12(2) C.

(b) As of December 31, 2024, the Company reclassified overdue accounts receivable due from related parties to other receivables due from related parties. There was no such transaction for the year ended December 31, 2023. As of December 31, 2024, the ageing analysis of overdue accounts receivable due from related parties is as follows:

December 31, 2024				
	Up to 90 days	91 to 180 days	Over 180 days	Total
TRI (SUZHOU)	\$ -	\$ -	\$ 26,041	\$ 26,041
TRT	-	-	4,426	4,426
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,467</u>	<u>\$ 30,467</u>

C. Payables to related parties

	December 31, 2024	December 31, 2023
Accounts payable		
— Indirect subsidiaries	<u>\$ 257</u>	<u>\$ 143</u>
Other payables:		
— Indirect subsidiaries	\$ 49,738	\$ 7,666
— Subsidiaries	<u>19,974</u>	<u>16,684</u>
	<u>\$ 69,712</u>	<u>\$ 24,350</u>

The payables to related parties mainly pertained to accounts payable, commissions payable, assembly expenses and payments made by related parties on behalf of the Company.

D. Selling expenses

	Years ended December 31	
	2024	2023
Commissions expense		
— TRI (SUZHOU)	\$ 38,392	\$ 24,503
— TRI (SHENZHEN)	55,834	29,720
— TRE	48,279	45,654
— TRU	49,436	21,322
— TRV	33,937	9,250
— TRT	8,545	21,818
— Indirect subsidiaries	1,750	1,692
— Subsidiaries	<u>67,990</u>	<u>22,807</u>
	304,163	176,766
Assembly expenses		
— TRI (SUZHOU)	7,854	9,120
— TRI (SHENZHEN)	12,474	6,966
— TRV	16,969	4,623
— Indirect subsidiaries	<u>5,272</u>	<u>1,306</u>
	<u>42,569</u>	<u>22,015</u>
	<u>\$ 346,732</u>	<u>\$ 198,781</u>

Commission expenses arose from the agency agreements that the Company signed with subsidiaries, and were based on rates specified in the agency agreements. Assembly expenses arose from the installment services provided by the subsidiaries to assemble the machinery and equipment sold by the Company.

(4) Key management compensation

	Years ended December 31	
	2024	2023
Salaries and other short-term employee benefits	\$ 70,864	\$ 46,615
Post-employment benefits	1,277	1,249
	<u>\$ 72,141</u>	<u>\$ 47,864</u>

A. Salaries and other short-term employee benefits include regular wages, special responsibility allowances, various bonuses, service execution fees, directors' and supervisors' remuneration and employees' compensation, etc.

B. Post-employment benefits represent pension costs.

8. PLEDGED ASSETS

The Company's assets pledged as collateral are as follows:

Pledged asset	Book value		Purpose
	December 31, 2024	December 31, 2023	
Property, plant and equipment			
- Land	\$ 577,252	\$ 577,252	Security for lines of credit
- Buildings	49,771	51,608	"
	<u>\$ 627,023</u>	<u>\$ 628,860</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

None.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On February 26, 2025, the Board of Directors resolved the appropriations of earnings as described in Note 6(10)C.

## 12. OTHERS

### (1) Capital management

The Group's main objectives when managing capital are to ensure solid and good capital ratio in order to support operations and to provide maximum returns for shareholders. The Group manages and adjusts capital structure based on economic situation and debt ratio, and achieves the purpose of maintaining and adjusting capital structure possibly by adjusting dividend payment or shares issuance.

### (2) Financial instruments

#### A. Financial instruments by category

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Financial assets at amortised cost		
Cash and cash equivalents	\$ 635,881	\$ 638,882
Contract assets	1,208,983	1,009,951
Notes receivable	2,626	2,633
Accounts receivable	1,262,405	819,822
Accounts receivable due from related parties	219,579	128,923
Other receivables	9,570	14,110
Other receivable due from related parties	31,717	-
Guarantee deposits paid	1,584	760
	<u>\$ 3,372,345</u>	<u>\$ 2,615,081</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Notes payable	\$ 17,006	\$ 18,056
Accounts payable	654,165	493,266
Accounts payable due from related parties	257	143
Other payables	427,670	392,432
Other payables due from related parties	69,713	24,350
	<u>\$ 1,168,811</u>	<u>\$ 928,247</u>

#### B. Financial risk management policies

The Company adopts an overall risk management and control system to identify and measure a variety of financial risks including market risk, credit risk, liquidity risk and cash flow interest rate risk. This allows the management of the Company to effectively control and measure market risk, credit risk, liquidity risk and cash flow interest risk.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Company operates internationally and is exposed to exchange rate risk arising from various currencies, primarily with respect to the USD, RMB and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- ii. The Company's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2024					
			Sensitivity Analysis			
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit of loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$ 61,257	32.79	\$ 2,008,297	1%	\$ 20,083	\$ -
RMB:NTD	55,879	4.48	250,226	1%	2,502	-
<u>Non-monetary items</u>						
USD:NTD	981	32.79	32,162	1%	-	322
EUR:NTD	517	34.14	17,661	1%	-	177
JPY:NTD	50,415	0.21	10,582	1%	-	106
MYR:NTD	8,633	7.07	60,995	1%	-	610
KRW:NTD	1,281,744	0.02	28,788	1%	-	288
RMB:NTD	278,510	4.48	1,161,562	1%	-	11,616
MXN:NTD	3,053	1.58	4,811	1%	-	48
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	\$ 4,146	32.79	135,939	1%	\$ 1,359	\$ -
RMB:NTD	10,984	4.48	49,186	1%	492	-
JPY:NTD	164,060	0.21	34,436	1%	344	-



December 31, 2023

(Foreign currency: functional currency)	Sensitivity Analysis					
	Foreign currency amount		Book value	Degree of	Effect on profit	Effect on other
	(in thousands)	Exchange rate	(NTD)	variation	of loss	comprehensive
						income
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$ 42,828	30.71	\$ 1,315,046	1%	\$ 13,150	\$ -
RMB:NTD	26,474	4.33	114,552	1%	1,146	-
EUR:NTD	622	33.98	21,125	1%	211	-
<u>Non-monetary items</u>						
USD:NTD	863	30.71	26,501	1%	-	265
EUR:NTD	459	33.98	15,597	1%	-	156
JPY:NTD	47,262	0.22	10,265	1%	-	103
MYR:NTD	5,367	6.41	34,409	1%	-	344
KRW:NTD	773,722	0.02	18,500	1%	-	185
RMB:NTD	271,229	4.33	1,114,231	1%	-	11,142
<u>Financial liabilities</u>				1%		
<u>Monetary items</u>						
USD:NTD	\$ 3,702	30.71	113,658	1%	\$ 1,137	\$ -
JPY:NTD	160,823	0.22	34,931	1%	349	-
EUR:NTD	465	33.98	15,793	1%	158	-

- iii. Total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2024 and 2023 amounted to \$131,891 and \$12,960, respectively.

#### Price risk

The Company has no equity instruments held for trading; thus, the Company has no price risk.

#### Cash flow and fair value interest rate risk

The Company has no borrowings; thus, the Company has no cash flow and fair value interest rate risk.

#### (b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.
- ii. The Company's credit risk management policy is that for banks and financial institutions, only institutions with good credit rating are accepted. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. In accordance with the internal management policy of the Company, if the contract payments were past due over 120 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. In accordance with the internal management policy of the Company, the default occurs when the contract payments are past due over 365 days.
- v. The Company resells goods to end customers through its related parties to expand the Mainland China market. In accordance with the internal management policy of the Company, the default from related parties occurs when the contract payments from end customers are past due and are difficult to collect based on the individual assessment.
- vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
  - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
  - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
  - (iii) Default or delinquency in interest or principal repayments.

- vii. The Company classifies customer's accounts receivable in accordance with credit risk on trade. The Company applies the modified approach using the provision matrix based on the loss rate methodology to estimate expected credit loss.
- viii. The Company writes off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights.
- ix. The Company's notes receivable had no significant loss allowance. The Company used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable and contract assets. On December 31, 2024 and 2023, the provision matrix and loss rate methodology is as follows:

Group A and Group B that exceeded credit facilities:

	Not past due	Up to 60 days past due	Up to 90 days past due	Up to 180 days past due	Up to 365 days past due	Over 365 days past due	Total
<u>December 31, 2024</u>							
Expected loss rate	0.03%	1.50%	15.00%	25.00%	40.00%	60%-100%	
Total book value	\$ 316,795	\$ 50,732	\$ -	\$ 13,475	\$ 3,162	\$ 4,387	\$ 388,551
Loss allowance	95	761	-	3,369	1,265	2,632	8,122
	Not past due	Up to 60 days past due	Up to 90 days past due	Up to 180 days past due	Up to 365 days past due	Over 365 days past due	Total
<u>December 31, 2023</u>							
Expected loss rate	0.03%	1.50%	15.00%	25.00%	40.00%	60%-100%	
Total book value	\$ 460,824	\$ 16,253	\$ -	\$ 1,983	\$ 8,077	\$ 711	\$ 487,848
Loss allowance	138	244	-	496	3,231	427	4,536

Group B:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Expected loss rate	0.03%	0.03%
Total book value	\$ 2,091,486	\$ 1,346,827
Loss allowance	527	366

Group A: Customers excluding Group B.

Group B: Domestic and foreign clients that have good operating conditions, high degree of financial transparency, proceeds of collections of transaction and are rated with optimised internal credit rating. The default possibility that the Company used the forecastability to adjust historical and timely information to assess was 0.03%, which was used to assess the default possibility of accounts receivable.

Further, as the situation described in v. above did not occur on the accounts receivable due from related parties as of December 31, 2024 and 2023, no allowance for uncollectible accounts held against receivables from related parties was recognised.

- x. Movements in relation to the Company applying the simplified approach to provide loss allowance for accounts receivable are as follows:

2024			
	Accounts receivable	Contract assets	Total
At January 1	\$ 4,687	\$ 215	\$ 4,902
Provision for impairment loss	3,599	148	3,747
At December 31	<u>\$ 8,286</u>	<u>\$ 363</u>	<u>\$ 8,649</u>

  

2023			
	Accounts receivable	Contract assets	Total
At January 1	\$ 4,234	\$ 373	\$ 4,607
Provision for (reversal of) impairment loss	453	(158)	295
At December 31	<u>\$ 4,687</u>	<u>\$ 215</u>	<u>\$ 4,902</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed and aggregated by the Company's treasury. Surplus cash held over and above balance required for working capital management are invested in interest bearing current accounts and time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.
- ii. The Company's non-derivative financial liabilities will expire within one year. As of December 31, 2024 and 2023, the significant cash flows of notes payable, accounts payable and other payables (including related parties) due within one year undiscounted amounts are in agreement with the balances reflected in the balance sheets.

(3) Fair value information

- A. The Company has no financial instruments measured at fair value by valuation method.
- B. The carrying amounts of cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable, other receivables, notes payable, accounts payable and other payables are approximate to their fair values.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loan to others: Refer to table 1.
- B. Provisions of endorsements and guarantees to others: None.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.

- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Refer to table 2.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 3.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 4.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to Table 3 to 5.

(4) Major shareholders information

Major shareholders information: Refer to Table 8.

14. SEGMENT INFORMATION

In accordance with the Article 22 of Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Company is not required to prepare segment information within the scope of IFRS 8 in its parent company only financial statements.

TEST RESEARCH, INC.  
CASH AND CASH EQUIVALENTS  
DECEMBER 31, 2024  
 (Expressed in thousands of New Taiwan dollars)

Item	Description	Amount
Cash on hand and revolving funds		\$ 526
Demand deposits		
- NTD deposits		170,206
- Foreign deposits	RMB 731,283 (Note) Exchange rate 4.48	3,275
	EUR 58,100 (Note) Exchange rate 34.14	1,984
	USD 1,826,770 (Note) Exchange rate 32.79	59,890
Time deposits		
- NTD deposits	Interest rate of 1.63%~1.65%; gradually matured between January 2025 and February 2025	200,000
Short-term notes and bills	Interest rate of 1.65%; gradually matured between February 2025 and March 2025	200,000
		<u>\$ 635,881</u>

Note: The foreign currency amounts are expressed in dollars.

TEST RESEARCH, INC.  
ACCOUNTS RECEIVABLE  
DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars)

Client Name	Amount	Note
Client A	\$ 223,889	
Client B	90,347	
Client C	84,302	
Others	872,153	None of the balances of each client is greater than 5% of this account balance.
	1,270,691	
Less: Allowance for bad debts	( 8,286)	
	\$ 1,262,405	

TEST RESEARCH, INC.  
INVENTORIES  
DECEMBER 31, 2024  
 (Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	
		Cost	Net Realisable Value
Raw materials		\$ 807,232	\$ 1,020,629
Work in progress		117,024	117,024
Finished goods (Including semi-finished goods)		603,720	1,333,782
Merchandise inventory		24,120	29,416
		1,552,096	\$ 2,500,851
Less: Allowance for valuation loss		( 182,390)	
		<u>\$ 1,369,706</u>	



TEST RESEARCH, INC.  
CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

Name	Beginning Balance		Addition		Decrease		Ending Balance			Market Value or Net Assets Value			
	Shares	Amount	Shares	Amount (Note 1)	Shares	Amount (Note 2)	Shares	Percentage of Ownership	Amount	Unit Price (Note 4)	Total Amount	Collateral	Note
TRI INVESTMENTS LIMITED	6,724,109	\$ 1,114,231	-	\$ 74,941	-	(\$ 27,610)	6,724,109	100%	\$ 1,161,562	185	\$ 1,247,167	None	
TEST RESEARCH USA, INC.	1,518,935	26,501	-	5,661	-	-	1,518,935	100%	32,162	21	32,162	None	
TRI TEST RESEARCH EUROPE GMBH	-	15,597	-	2,064	-	-	-	100%	17,661	(Note 3)	17,661	None	
TRI JAPAN CORPORATION	720	10,265	-	1,606	-	( 1,289)	720	100%	10,582	14,881	10,714	None	
TEST RESEARCH INNOVATION MALAYSIA SDN. BHD.	1,000,000	34,409	-	27,307	-	( 721)	1,000,000	100%	60,995	69	68,875	None	
TRI KOREA CO., LTD.	80,000	18,500	-	12,070	-	( 1,782)	80,000	100%	28,788	360	28,788	None	
OmniMeasure Technology Inc.	-	-	55,000,000	55,000	-	( 13,043)	55,000,000	47.83%	41,957	0.8	41,957		
TEST RESEARCH INNOVATION MEXICO S. de R.L. de C.V.	-	-	10,000,000	18,225	-	( 13,414)	10,000,000	100%	4,811	0.5	4,811		
		<u>\$ 1,219,503</u>		<u>\$ 196,874</u>		<u>(\$ 57,859)</u>			<u>\$ 1,358,518</u>		<u>\$ 1,452,135</u>		

Note 1: Includes share of profit of subsidiaries, associates and joint ventures accounted for using the equity method of \$76,261, financial statements translation differences of foreign operations accounted for using the equity method of \$45,782, net changes in current realised and unrealised profit from sales of \$1,606 and proceeds from the investment amount increased in the subsidiary, TEST RESEARCH INNOVATION MEXICO S. de R.L. de C.V., accounted for using the equity method amounting to \$18,225 and proceeds from the investment amount increased in the associate, OmniMeasure Technology Inc., accounted for using the equity method amounting to \$55,000.

Note 2: Includes share of loss of subsidiaries, associates and joint ventures accounted for using the equity method of \$25,977 and financial statements translation differences of foreign operations accounted for using the equity method of \$3,551 and net changes in realised and unrealised profit from sales of \$28,331.

Note 3: It is a limited company.

Note 4: Expressed in New Taiwan dollars.

TEST RESEARCH, INC.  
CHANGES IN PROPERTY, PLANT AND EQUIPMENT  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Information is disclosed in Note 6(5).

TEST RESEARCH, INC.  
ACCOUNTS PAYABLE  
DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars)

<u>Supplier Name</u>	<u>Amount</u>	<u>Note</u>
Supplier A	\$ 56,269	
Supplier B	45,113	
Supplier C	34,250	
Others	518,533	None of the balances of each supplier is greater than 5% of this account balance.
	<u>\$ 654,165</u>	

TEST RESEARCH, INC.  
OPERATING REVENUE  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

Item	Volume	Amount
Sales revenue		
Automated inspection and testing equipment	1,971	\$ 5,986,194
Service revenue		92,545
Operating revenue, net		\$ 6,078,739

TEST RESEARCH, INC.  
OPERATING COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

	<u>Description</u>	<u>Amount</u>
Direct raw materials		
Beginning raw materials	\$	833,252
Add: Raw materials purchased		2,281,067
Less: Ending raw materials	(	807,232)
Transfers to property, plant and equipment	(	58,123)
Disposal of raw materials	(	16,851)
Transfers to other expenses	(	22,649)
Loss on physical raw material	(	16)
Raw materials used		2,209,448
Direct labor		106,904
Manufacturing expense		254,610
Manufacturing cost		2,570,962
Add: Beginning work in progress		101,430
Acquired during the year		4,900
Less: Ending work in progress	(	117,024)
Cost of finished goods		2,560,268
Add: Beginning finished goods		445,812
Less: Ending finished goods	(	603,720)
Cost of finished goods		2,402,360
Add: Beginning merchandise inventory		19,583
Acquired during the year		96,426
Less: Ending merchandise inventory	(	24,120)
Cost of merchandise sales		91,889
Cost of goods sold		2,494,249
Loss on market value decline and obsolete and slow-moving inventories		34,906
Loss on physical inventory		16
Others		13,821
Cost of goods manufactured and sold		2,542,992
Maintenance costs		21,555
Operating costs	\$	2,564,547

TEST RESEARCH, INC.  
MANUFACTURING EXPENSE  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

<u>Item</u>	<u>Amount</u>	<u>Note</u>
Indirect labor	\$ 89,572	Including pension costs
Processing expense	68,961	
Depreciation	39,732	\$10,176 was not included in the expense, which was recorded under others in the statement of operating costs.
Insurance expense	15,720	
Other expenses	40,625	None of the balances of each item is greater than 5% of this account balance.
	<u>\$ 254,610</u>	

TEST RESEARCH, INC.  
OPERATING EXPENSES - SELLING EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

Item	Amount	Note
Commissions expense	\$ 323,435	
Wages and salaries	230,661	Including pension costs
Assembly expenses	44,489	
Export expense	40,180	
Other expenses	161,575	None of the balances of each item is greater than 5% of this account balance.
	<u>\$ 800,340</u>	

TEST RESEARCH, INC.  
OPERATING EXPENSES - GENERAL AND ADMINISTRATIVE EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

Item	Amount	Note
		Including pension costs and directors' remuneration
Wages and salaries	\$ 86,727	
Insurance expense	11,234	
Amortisations	10,971	
Service expense	8,915	
Depreciation	7,852	
Other expenses	21,916	None of the balances of each item is greater than 5% of this account balance.
	<u>\$ 147,615</u>	



TEST RESEARCH, INC.  
OPERATING EXPENSES - RESEARCH AND DEVELOPMENT EXPENSE  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

<u>Item</u>	<u>Amount</u>	<u>Note</u>
Wages and salaries	\$ 403,181	Including pension costs
Supplies expense	63,902	
Other expenses	105,912	None of the balances of each item is greater than 5% of this account balance.
	<u>\$ 572,995</u>	

TEST RESEARCH, INC.  
SUMMARY OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION AND AMORTISATION EXPENSES BY FUNCTION  
FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Year ended December 31, 2024			Year ended December 31, 2023		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefit expense						
Wages and salaries	\$ 189,396	677,507	\$ 866,903	\$ 138,877	528,214	\$ 667,091
Labour and health insurance fees	14,128	45,582	59,710	13,621	43,541	57,162
Pension costs	7,080	24,371	31,451	6,762	22,949	29,711
Directors' remuneration	-	18,691	18,691	-	10,336	10,336
Other personnel expenses	10,441	24,314	34,755	8,831	22,422	31,253
Total	\$ 221,045	\$ 790,465	\$ 1,011,510	\$ 168,091	\$ 627,462	\$ 795,553
Depreciation charge	\$ 49,908	\$ 58,228	\$ 108,136	\$ 20,734	\$ 44,847	\$ 65,581
Amortisation charge	\$ 14	\$ 18,672	\$ 18,686	\$ 48	\$ 16,212	\$ 16,260

Note:

- As at December 31, 2024 and 2023, the Company had 640 and 616 employees, respectively, both including 7 non-employee directors.
- A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information :
  - Average employee benefit expense in current year was \$1,568 ((Total employee benefit expense of current year - Total directors' remuneration of current year)/ (Number of employees of current year - Number of non-employee directors of current year))  
Average employee benefit expense in previous year was \$1,289 ((Total employee benefit expense of prior year - Total directors' remuneration of prior year)/ (Number of employees of prior year - Number of non-employee directors of prior year)).
  - Average employee salaries in current year was \$1,370 (Total wages and salaries of current year/ (Number of employees of current year - Number of non-employee directors of current year))  
Average employee salaries in previous year was \$1,095 (Total wages and salaries of prior year/ (Number of employees of prior year - Number of non-employee directors of prior year)).
  - Adjustment of average employee salaries was 25% ((Average wages and salaries of current year - Average wages and salaries of prior year)/Average wages and salaries of prior year).

TEST RESEARCH, INC.  
SUMMARY OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION AND AMORTISATION EXPENSES BY FUNCTION (Cont.)  
FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

3. The Company has established the Audit Committee in lieu of supervisors. Therefore, there was no compensation to the supervisor.
4. The Company set the policy for directors' and employees' compensation in the Company's Articles of Incorporation and established the Remuneration Committee to evaluate and monitor the Company's remuneration system for its directors and executive officers. The Company shall assess the performance of directors and executive officers according to the Rules for Performance Assessment of the Board of Directors and the Performance Appraisal for employees of the Company, in order to determine their compensation. An adequate compensation scheme will be calculated by referencing the Company's operating results, future risks, corporate strategies, industry trends and also individual contribution.
5. The Company developed a comprehensive employee welfare system to provide employees with competitive salary and welfare conditions. Employees' compensation includes monthly salary, the compensation based on the Company's earnings performance and regulated by the articles. The Company conducts a performance evaluation of all employees every year to understand their job performance and uses such information as a reference for promotions, training and distributing compensation.
6. According to the Company's Articles of Incorporation, the employees' and directors' compensation shall be distributed in the following order: the distributable profit of current year shall cover accumulated deficit first, if any, and then the remaining balance shall be distributed no less than 1% as employees' compensation, and no more than 2% as directors' remuneration for each profitable fiscal year. The employee compensation in the preceding paragraph may include employees of affiliated companies.

Test Research, Inc.  
Loans to others  
Year ended December 31, 2024

Table 1

Expressed in thousands of NTD  
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2024	Balance at December 31, 2024	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
								Item		Value							
1	TRI Electronic (Shanghai) Limited	TRI Electronic (Suzhou) Limited	Other receivables	Yes	\$ 27,270	\$ 26,868	\$ 26,868	4.75%	Short-term financing	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 828,101	\$ 1,656,201	Note

Note: The Board of Directors resolved to amend TRI Electronic (Shanghai) Limited's policy "Procedures for Provision of Loans" and the policy as follows:  
Ceiling on total loans to others: 50% of the creditor's net worth. For business transactions, if for short-term financing purpose, the ceiling on loans shall not exceed 40% of the creditor's net worth. Limit to a single party is RMB 4 million. However, limit on loans for financing granted by and to subsidiaries with the same ultimate parent which directly or indirectly holds 100% of its voting shares shall not exceed 20% of parent company's net worth. Ceiling to the aforementioned single party shall not exceed 10% of parent company's net worth.

Test Research, Inc.  
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more  
Year ended December 31, 2024

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

							If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:						
Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount	Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
Test Research, Inc.	Test Research Linkou plant	May 5, 2021	\$ 1,893,991	Based on the contract schedule (Note)	LEE MING CONSTRUCTION CO., LTD.	None	Not applicable	Not applicable	Not applicable	Not applicable	Price comparison and price negotiation	Expansion of future business and operational needs	None

Note: As of December 31, 2024, the Company has paid \$1,893,991 (including tax)(of which \$300,506 is the amount paid in 2024), and there is no outstanding bill that has been issued but not yet paid.

Test Research, Inc.  
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more  
Year ended December 31, 2024

Table 3

Expressed in thousands of NTD  
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Test Research, Inc.	TRI Electronic (Shenzhen) Limited	Second-tier subsidiary	Sales	\$ 436,006	7%	90-120 days after acceptance and same with the third parties	Based on mutual agreement	90-120 days after acceptance and same with the third parties	Accounts receivable \$33,965	2%	None
TRI Electronic (Shenzhen) Limited	Test Research, Inc.	Parent company	Purchases	436,006	87%	90-120 days after acceptance	Based on mutual agreement	90-120 days after acceptance	Accounts payable \$33,965	66%	None
Test Research, Inc.	TRI Electronic (Suzhou) Limited	Second-tier subsidiary	Sales	545,391	9%	90-120 days after acceptance and same with the third parties	Based on mutual agreement	90-120 days after acceptance and same with the third parties	Accounts receivable \$185,298	12%	None
									Other accounts receivable \$26,041	63%	
TRI Electronic (Suzhou) Limited	Test Research, Inc.	Parent company	Purchases	545,391	91%	90-120 days after acceptance	Based on mutual agreement	90-120 days after acceptance	Accounts payable \$211,338	98%	None

Test Research, Inc.  
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more  
December 31, 2024

Table 4

Expressed in thousands of NTD  
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2024	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date (Note)	Allowance for doubtful accounts
					Amount	Action taken		
Test Research, Inc.	TRI Electronic (Suzhou) Limited	Second-tier subsidiary	\$ 211,339	3.66	\$ 128,197		\$ 105,891	\$ -

Note: It pertained to the amount collected as of the auditors' review reporting date.

Test Research, Inc.  
Significant inter-company transactions during the reporting period  
Year ended December 31, 2024

Table 5

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transactions			Percentage of consolidated total operating revenues or total assets
				General ledger account	Amount (Note 4)	Transaction terms	
0	Test Research, Inc.	TRI Electronic (Suzhou) Limited	1	Sales revenue	\$ 545,391	Note 3	9
0	Test Research, Inc.	TRI Electronic (Shenzhen) Limited	1	Sales revenue	436,006	Note 3	7
0	Test Research, Inc.	TRI JAPAN CORPORATION	1	Sales revenue	10,320	Note 3	-
0	Test Research, Inc.	TRI Electronic (Suzhou) Limited	1	Accounts receivable	185,298	Note 3	2
0	Test Research, Inc.	TRI Electronic (Shenzhen) Limited	1	Accounts receivable	33,965	Note 3	-
0	Test Research, Inc.	TRI Electronic (Suzhou) Limited	1	Other accounts receivable	26,041	Note 8	-
1	TRI Electronic (Shanghai) Limited	TRI Electronic (Suzhou) Limited	3	Other receivables	26,868	Note 5	-
2	TRI Electronic (Shenzhen) Limited	Test Research, Inc.	2	Service revenue	68,308	Notes 6 and 7	1
3	TRI Electronic (Suzhou) Limited	Test Research, Inc.	2	Service revenue	46,247	Notes 6 and 7	1
4	TEST RESEARCH USA, INC.	Test Research, Inc.	2	Service revenue	49,436	Notes 6 and 7	1
5	TRI TEST RESEARCH EUROPE GMBH	Test Research, Inc.	2	Service revenue	48,279	Notes 6 and 7	1
6	TEST RESEARCH INNOVATION MALAYSIA SDN. BHD.	Test Research, Inc.	2	Service revenue	16,661	Notes 6 and 7	-
7	TRI KOREA CO., Ltd.	Test Research, Inc.	2	Service revenue	29,148	Notes 6 and 7	-
8	TEST RESEARCH INNOVATION VIETNAM COMPANY LIMITED	Test Research, Inc.	2	Service revenue	50,905	Notes 6 and 7	1
9	TEST RESEARCH INNOVATION MEXICO COMPANY LIMITED	Test Research, Inc.	2	Service revenue	12,860	Notes 6 and 7	-

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Selling prices to the parent company and the Mainland China investees are determined based on mutual agreement. The credit term is 90 to 120 days after acceptance and was the same with the third parties.

Note 4: Only related party transactions in excess of \$10,000 are disclosed. Corresponding transactions from the other side are not disclosed.

Note 5: Loans to others.

Note 6: The parent company signed agency agreements with subsidiaries and second-tier subsidiaries, and the subsidiaries and second-tier subsidiaries acted as product sales agent.

Note 7: Commission revenue was based on agency contract, others were based on agreed conditions.

Note 8: Other receivables pertain to the reclassification of accounts receivable with the normal credit period over three months.

Note 9: The above inter-company transactions between companies within the Group are eliminated when preparing consolidated financial statements.



Test Research, Inc.  
Information on investees  
Year ended December 31, 2024

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2024			Net profit (loss) of the investee for the year ended December 31, 2024	Investment income (loss) recognised by the Company for the year ended December 31, 2024	Footnote
				Balance as at December 31, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value			
Test Research, Inc.	TRI INVESTMENTS LIMITED	Samoa	Investment holding	\$ 219,811	\$ 219,811	6,724,109	100	\$ 1,161,562	\$ 32,432	\$ 33,811	None
Test Research, Inc.	TEST RESEARCH USA, INC.	United States	Trading	61,299	61,299	1,518,935	100	32,162	3,786	3,786	None
Test Research, Inc.	TRI TEST RESEARCH EUROPE GMBH	Germany	Trading	17,679	17,679	-	100	17,661	2,025	2,025	Note
Test Research, Inc.	TRI JAPAN CORPORATION	Japan	Trading	10,750	10,750	720	100	10,582 (	895) (	895)	None
Test Research, Inc.	TEST RESEARCH INNOVATION MALAYSIA SDN. BHD.	Malaysia	Trading	2,066	2,066	1,000,000	100	60,995	24,569	24,569	None
Test Research, Inc.	TRI KOREA CO., Ltd.	South Korea	Trading	10,591	10,591	80,000	100	28,788	12,071	12,071	None
TEST RESEARCH INNOVATION MALAYSIA SDN. BHD.	TEST RESEARCH INNOVATION VIETNAM COMPANY LIMITED	Vietnam	Trading	4,153	4,153	-	100	37,506	23,069	23,069	None
TEST RESEARCH INNOVATION MALAYSIA SDN. BHD.	TEST RESEARCH INNOVATION THAILAND COMPANY LIMITED	Thailand	Trading	3,589	3,589	-	100	12,166 (	3,912) (	3,912)	None
Test Research, Inc.	OmniMeasure Technology Inc.	Taiwan	Manufacture and sales of module equipment	55,000	-	55,000,000	47.83	41,957 (	28,812) (	13,043)	None
Test Research, Inc.	TEST RESEARCH INNOVATION MEXICO S. de R.L. de C.V.	Mexico	Trading	18,225	-	10,000,000	100	4,811 (	12,040) (	12,040)	None

Note: A limited liability company.

Test Research, Inc.  
Information on investments in Mainland China - Basic information  
Year ended December 31, 2024

Table 7

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital (Note 3)	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024 (Note 3)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024 (Note 3)	Net income of investee for the year ended December 31, 2024	Ownership held by the Company (direct or indirect)	Investment income recognised by the Company for the year ended December 31, 2024 (Note 2(2)C)	Book value of investments in Mainland China as of December 31, 2024 (Note 5)	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
TRI Electronic (Shenzhen) Limited	Manufacture and sales of test equipment	\$ 99,994	2	\$ 24,589	\$ -	\$ -	\$ 24,589	\$ 9,386	100	\$ 10,326	\$ 764,819	\$ -	
TRI Electronic (Suzhou) Limited	Manufacture and sales of test equipment	84,878	2	65,570	-	-	65,570	18,638	100	19,092	313,723	-	
TRI Electronic (Shanghai) Limited	Import and export of equipment, consulting and after-sale maintenance service of equipment	127,862	2	127,862	-	-	127,862	4,408	100	4,393	83,020	-	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024 (Note 3)		Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 3)		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 4)	
Test Research, Inc.	\$	218,021	\$	292,243	\$	4,968,604

Note 1: Investment methods are classified into the following three categories:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China. (Reinvested through TRI INVESTMENTS LIMITED)
- (3) Others.

Note 2: In the 'Investment income (loss) recognised by the Company for the year ended December 31, 2024' column:

- (1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.
- (2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:
  - A. The financial statements were reviewed by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
  - B. The financial statements were reviewed by R.O.C. parent company's CPA.
  - C. Based on the investees' financial statements which were not reviewed by auditors.

Note 3: The amount was originally denominated in USD and was translated to NTD at the exchange rate (31.79) prevailing at the balance sheet date.

Note 4: The highest of \$80,000, 60% of the stockholder's equity and 60% of consolidated net assets.

Note 5: Including net changes of realised and unrealised profit from sales.

Test Research, Inc.  
Major shareholders information  
December 31, 2024

Table 8

Name of major shareholders	Number of shares held	Ownership (%)
Chieh-Yuan, Chen	37,889,235	16.04%
Mei-Hsing, Yeh	17,338,054	7.33%
Der-Hsin Investment Co., Ltd.	15,885,174	6.72%

Note 1: The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital reflected in the financial statements may be different from the actual number of shares in dematerialised form due to the difference in the calculation basis.

Note 2: If the aforementioned data contains shares which were held in trust by the shareholders, the data is disclosed as a separate account of the client which was set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10%, in accordance with the Securities and Exchange Act, the shareholding ratio includes the self-owned shares and shares held in trust, and at the same time, the shareholder has the power to decide how to allocate the trust assets. For the information on reported share equity of insider, please refer to the Market Observation Post System.