

TEST RESEARCH, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
JUNE 30, 2025 AND 2024

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' REVIEW REPORT TRANSLATED FROM CHINESE

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Test Research, Inc. and subsidiaries (the “Group”) as at June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and six months then ended, as well as the consolidated statements of changes in equity and of cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified conclusion

As explained in Notes 4(3) and 6(5), the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using the equity method were not reviewed by independent auditors. Total assets of these subsidiaries amounted to NT\$1,677,109 thousand and NT\$1,769,107 thousand, constituting 14% and 17% of the consolidated total assets as at June 30, 2025 and 2024, respectively, total liabilities

amounted to NT\$150,279 thousand and NT\$133,306 thousand, both constituting 4% of the consolidated total liabilities as at June 30, 2025 and 2024, respectively, and the total comprehensive income amounted to NT\$36,274 thousand, NT\$20,956 thousand, NT\$79,023 thousand and NT\$46,414 thousand, constituting 9%, 4%, 8% and 5% of the consolidated total comprehensive income for the three months and six months then ended, respectively.

Qualified conclusion

Except for the adjustments and disclosures to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of consolidated subsidiaries and investments accounted for using the equity method been reviewed by independent auditors as described in the Basis for qualified conclusion section above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2025 and 2024, and of its consolidated financial performance for the three months and six months then ended and its consolidated cash flows for the six months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Huang, Pei-Chuan

Yen, Yu-Fang

For and on behalf of PricewaterhouseCoopers, Taiwan

August 6, 2025

The accompanying consolidated 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 consolidated 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. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	June 30, 2025		December 31, 2024		June 30, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 1,754,810	15	\$ 873,590	9	\$ 1,183,560	11
1136	Current financial assets at amortised cost	6(2)	415,334	4	444,138	4	496,620	5
1140	Current contract assets	6(3)	2,277,488	19	1,460,939	15	1,900,377	18
1150	Notes receivable, net	6(3)	29,971	-	35,884	-	33,096	-
1170	Accounts receivable, net	6(3)	1,510,240	13	1,649,079	16	1,198,807	12
1200	Other receivables		34,596	-	30,507	-	37,131	-
130X	Inventory	6(4)	1,648,875	14	1,407,218	14	1,407,916	14
1470	Other current assets		31,578	-	40,270	1	37,207	-
11XX	Total current assets		<u>7,702,892</u>	<u>65</u>	<u>5,941,625</u>	<u>59</u>	<u>6,294,714</u>	<u>60</u>
Non-current assets								
1550	Investments accounted for using the equity method	6(5)	34,381	-	41,957	1	51,406	1
1600	Property, plant and equipment	6(6) and 8	3,970,732	33	3,987,038	39	3,965,313	38
1755	Right-of-use assets	6(7)	31,175	-	30,064	-	33,328	-
1780	Intangible assets		21,996	-	27,255	-	24,672	-
1840	Deferred income tax assets		166,563	2	103,516	1	90,399	1
1920	Guarantee deposits paid		9,344	-	11,397	-	10,061	-
15XX	Total non-current assets		<u>4,234,191</u>	<u>35</u>	<u>4,201,227</u>	<u>41</u>	<u>4,175,179</u>	<u>40</u>
1XXX	Total assets		<u>\$ 11,937,083</u>	<u>100</u>	<u>\$ 10,142,852</u>	<u>100</u>	<u>\$ 10,469,893</u>	<u>100</u>

(Continued)

TEST RESEARCH, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	June 30, 2025		December 31, 2024		June 30, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2130	Contract liabilities - current	6(13)	\$ 69,482	1	\$ 76,014	1	\$ 47,412	1
2150	Notes payable		29,854	-	17,006	-	32,961	-
2170	Accounts payable		1,353,552	12	676,012	6	1,004,957	10
2200	Other payables	6(8)	1,707,258	14	487,245	5	1,394,570	13
2230	Current income tax liabilities		374,629	3	302,957	3	328,782	3
2280	Current lease liabilities		18,359	-	16,234	-	23,581	-
2300	Other current liabilities		13,399	-	12,675	-	12,931	-
21XX	Total current liabilities		<u>3,566,533</u>	<u>30</u>	<u>1,588,143</u>	<u>15</u>	<u>2,845,194</u>	<u>27</u>
Non-current liabilities								
2550	Provisions for liabilities - non-current		24,554	-	18,175	-	16,481	-
2570	Deferred income tax liabilities		218,569	2	223,747	3	220,316	2
2580	Non-current lease liabilities		12,641	-	13,471	-	9,495	-
2600	Other non-current liabilities		13,538	-	18,310	-	24,672	1
25XX	Total non-current liabilities		<u>269,302</u>	<u>2</u>	<u>273,703</u>	<u>3</u>	<u>270,964</u>	<u>3</u>
2XXX	Total liabilities		<u>3,835,835</u>	<u>32</u>	<u>1,861,846</u>	<u>18</u>	<u>3,116,158</u>	<u>30</u>
Equity attributable to owners of the parent								
	Share capital	6(10)						
3110	Common stock		2,362,160	20	2,362,160	23	2,362,160	23
	Capital surplus	6(11)						
3200	Capital surplus		53,290	-	53,290	1	53,290	-
	Retained earnings	6(12)						
3310	Legal reserve		2,010,998	17	1,826,883	18	1,826,883	17
3320	Special reserve		33,764	-	67,549	1	67,549	1
3350	Unappropriated retained earnings		3,772,748	32	4,004,888	39	3,085,171	29
	Other equity interest							
3400	Other equity interest		(131,712)	(1)	(33,764)	-	(41,318)	-
3XXX	Total equity		<u>8,101,248</u>	<u>68</u>	<u>8,281,006</u>	<u>82</u>	<u>7,353,735</u>	<u>70</u>
Significant contingent liabilities and unrecognized contract commitments								
	Significant events after the balance sheet date	11						
3X2X	Total liabilities and equity		<u>\$ 11,937,083</u>	<u>100</u>	<u>\$ 10,142,852</u>	<u>100</u>	<u>\$ 10,469,893</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.

TEST RESEARCH, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
SIX MONTHS ENDED JUNE 30, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items	Notes	Three months ended June 30				Six months ended June 30			
		2025		2024		2025		2024	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(13)	\$ 2,377,844	100	\$ 1,727,000	100	\$ 4,318,356	100	\$ 3,237,654	100
5000 Operating costs	6(4)(16)(17)	(989,573)	(41)	(724,041)	(42)	(1,812,172)	(42)	(1,333,748)	(41)
5900 Net operating margin		1,388,271	59	1,002,959	58	2,506,184	58	1,903,906	59
Operating expenses	6(16)(17)								
6100 Selling expenses		(255,116)	(11)	(267,133)	(16)	(506,931)	(12)	(494,750)	(15)
6200 General and administrative expenses		(47,075)	(2)	(42,525)	(2)	(101,048)	(2)	(89,025)	(3)
6300 Research and development expenses		(141,108)	(6)	(152,148)	(9)	(282,680)	(7)	(288,942)	(9)
6450 Expected credit impairment loss	12(2)	(1,930)	-	(3,436)	-	(1,472)	-	(2,072)	-
6000 Total operating expenses		(445,229)	(19)	(465,242)	(27)	(892,131)	(21)	(874,789)	(27)
6900 Operating profit		943,042	40	537,717	31	1,614,053	37	1,029,117	32
Non-operating income and expenses									
7100 Interest income		7,917	-	5,508	-	12,677	-	9,712	-
7010 Other income	6(14)	1,874	-	2,002	-	7,309	-	3,646	-
7020 Other gains and losses	6(15)	(304,430)	(13)	40,556	3	(265,945)	(6)	107,478	3
7050 Finance costs	6(7)	(712)	-	(807)	-	(1,413)	-	(1,496)	-
7060 Share of loss of associates and joint ventures accounted for using the equity method	6(5)	(4,505)	-	(3,594)	-	(7,576)	-	(3,594)	-
7000 Total non-operating income and expenses		(299,856)	(13)	43,665	3	(254,948)	(6)	115,746	3
7900 Profit before income tax		643,186	27	581,382	34	1,359,105	31	1,144,863	35
7950 Income tax expense	6(18)	(121,721)	(5)	(115,257)	(7)	(259,835)	(6)	(223,426)	(7)
8200 Profit for the period		<u>\$ 521,465</u>	<u>22</u>	<u>\$ 466,125</u>	<u>27</u>	<u>\$ 1,099,270</u>	<u>25</u>	<u>\$ 921,437</u>	<u>28</u>
Other comprehensive income									
Components of other comprehensive income that will be reclassified to profit or loss									
8361 Financial statements translation differences of foreign operations		(\$ 152,304)	(6)	\$ 9,382	-	(\$ 122,436)	(3)	\$ 32,788	1
8399 Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(18)								
8360 Other comprehensive income (loss) that will be reclassified to profit or loss		30,462	1	(1,876)	-	24,488	1	(6,557)	-
8300 Other comprehensive income (loss) for the period		(121,842)	(5)	7,506	-	(97,948)	(2)	26,231	1
8500 Total comprehensive income for the period		<u>(\$ 121,842)</u>	<u>(5)</u>	<u>\$ 7,506</u>	<u>-</u>	<u>(\$ 97,948)</u>	<u>(2)</u>	<u>\$ 26,231</u>	<u>1</u>
8610 Profit attributable to:									
8610 Owners of the parent		<u>\$ 521,465</u>	<u>22</u>	<u>\$ 466,125</u>	<u>27</u>	<u>\$ 1,099,270</u>	<u>25</u>	<u>\$ 921,437</u>	<u>28</u>
8710 Comprehensive income attributable to:									
8710 Owners of the parent		<u>\$ 399,623</u>	<u>17</u>	<u>\$ 473,631</u>	<u>27</u>	<u>\$ 1,001,322</u>	<u>23</u>	<u>\$ 947,668</u>	<u>29</u>
9750 Earnings per share (in dollars)	6(19)								
9750 Basic earnings per share		<u>\$ 2.21</u>		<u>\$ 1.97</u>		<u>\$ 4.65</u>		<u>\$ 3.90</u>	
9850 Diluted earnings per share		<u>\$ 2.21</u>		<u>\$ 1.97</u>		<u>\$ 4.65</u>		<u>\$ 3.90</u>	

The accompanying notes are an integral part of these consolidated financial statements.

TEST RESEARCH, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Notes	Equity attributable to owners of the parent							Financial statements translation differences of foreign operations	Total equity
	Share capital - common stock	Capital surplus, additional paid-in capital	Donated assets received	Capital Reserves	Retained Earnings	Special reserve	Unappropriated retained earnings		
Six months ended June 30, 2024									
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 period	-	-	-	-	-	921,437	-	921,437	
Other comprehensive income for the period	-	-	-	-	-	-	26,231	26,231	
Total comprehensive income for the period	-	-	-	-	-	921,437	26,231	947,668	
Appropriations and distribution of 2023 retained earnings 6(12)	-	-	-	-	-	100,052	(100,052)	-	-
Legal reserve	-	-	-	-	-	18,845	(18,845)	-	-
Special reserve	-	-	-	-	-	779,513	(779,513)	-	(779,513)
Cash dividends to shareholders	-	-	-	-	-	-	-	-	
Balance at June 30, 2024	\$ 2,362,160	\$ 51,874	\$ 1,416	\$ 1,826,883	\$ 67,549	\$ 3,085,171	(\$ 41,318)	\$ 7,353,735	
Six months ended June 30, 2025									
Balance at January 1, 2025	\$ 2,362,160	\$ 51,874	\$ 1,416	\$ 1,826,883	\$ 67,549	\$ 4,004,888	(\$ 33,764)	\$ 8,281,006	
Profit for the period	-	-	-	-	-	1,099,270	-	1,099,270	
Other comprehensive loss for the period	-	-	-	-	-	-	(97,948)	(97,948)	
Total comprehensive income (loss) for the period	-	-	-	-	-	1,099,270	(97,948)	1,001,322	
Appropriations and distribution of 2024 retained earnings 6(12)	-	-	-	-	-	184,115	(184,115)	-	-
Legal reserve	-	-	-	-	-	33,785	(33,785)	-	-
Reversal of special reserve	-	-	-	-	-	1,181,080	(1,181,080)	-	(1,181,080)
Cash dividends to shareholders	-	-	-	-	-	-	-	-	
Balance at June 30, 2025	\$ 2,362,160	\$ 51,874	\$ 1,416	\$ 2,010,998	\$ 33,764	\$ 3,772,748	(\$ 131,712)	\$ 8,101,248	

The accompanying notes are an integral part of these consolidated financial statements.

TEST RESEARCH, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Six months ended June 30	
		2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,359,105	\$ 1,144,863
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(16)	88,736	81,107
Amortisation	6(16)	9,657	9,298
Expected credit impairment loss	12(2)	1,472	2,072
Interest income		(12,677)	(9,712)
Interest expense		1,413	1,496
Share of loss of associates accounted for using the equity method	6(5)	7,576	3,594
Gain on disposal of property, plant and equipment	6(15)	(20,507)	(4,436)
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets		(816,794)	(683,975)
Notes receivable		5,913	10,404
Accounts receivable		137,914	(155,199)
Other receivables		(11,281)	322
Inventory		(268,139)	(198,199)
Other current assets		8,692	(8,725)
Changes in operating liabilities			
Contract liabilities		(6,532)	(13,446)
Notes payable		12,848	14,905
Accounts payable		677,540	495,992
Other payables		38,933	63,444
Other current liabilities		724	1,001
Provisions for liabilities		6,379	2,953
Other non-current liabilities		(4,772)	(7,787)
Cash inflow generated from operations		1,216,200	749,972
Interest received		19,869	7,234
Interest paid		(1,413)	(1,496)
Income taxes paid		(230,446)	(254,385)
Net cash flows from operating activities		<u>1,004,210</u>	<u>501,325</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost		- (	6,342)
Proceeds from disposal of financial assets at amortised cost		28,804	-
Acquisition of property, plant and equipment	6(20)	(60,567)	(136,865)
Proceeds from disposal of property, plant and equipment		27,550	8,241
Acquisition of intangible assets		(4,451)	(5,716)
Acquisition of investments accounted for using the equity method	6(20)	- (	50,000)
Decrease in guarantee deposits paid		2,053	1,118
Net cash flows used in investing activities		<u>(6,611)</u>	<u>(189,564)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Lease principal repayment	6(21)	(15,996)	(17,674)
Net cash flows used in financing activities		<u>(15,996)</u>	<u>(17,674)</u>
Effect due to changes in exchange rate		(100,383)	29,554
Net increase in cash and cash equivalents		881,220	323,641
Cash and cash equivalents at beginning of period		873,590	859,919
Cash and cash equivalents at end of period		<u>\$ 1,754,810</u>	<u>\$ 1,183,560</u>

The accompanying notes are an integral part of these consolidated financial statements.

TEST RESEARCH, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2025 AND 2024

(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 and its subsidiaries (collectively referred herein as the “Group”) are 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 CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on August 6, 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®”) 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 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 Group’s financial condition and financial performance based on the Group’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 Group

New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of 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
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
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’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 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 18, ‘Presentation and disclosure in financial statements’	January 1, 2027
IFRS 19, ‘Subsidiaries without public accountability: disclosures’	January 1, 2027

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’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 adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2024, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Accounting Standard 34, ‘Interim financial reporting’ that came into effect as endorsed by the FSC.
- B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2024.

(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 consolidated 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® Interpretations, and SIC® 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 Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:

The basis for preparation of consolidated financial statements is consistent with the basis used in the 2024 consolidated financial statements.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	% of Ownership		Description
			June 30, 2025	December 31, 2024	
Test Research, Inc.	TEST RESEARCH USA INC. (TRU)	Trading and support services of sales	100	100	-
Test Research, Inc.	TRI TEST RESEARCH EUROPE GMBH (TRE)	Trading and support services of sales	100	100	-
Test Research, Inc.	TRI Japan Co., Ltd.	Trading and support services of sales	100	100	-
Test Research, Inc.	TEST RESEARCH INNOVATION MALAYSIA SDN BHD (TRM)	Trading and support services of sales	100	100	-
Test Research, Inc.	TRI Korea Co., Ltd.	Trading and support services of sales	100	100	-
Test Research, Inc.	TRI INVESTMENTS LIMITED (TIL)	Investment holdings	100	100	-
TRI INVESTMENTS LIMITED (TIL)	TRI Electronic (Shenzhen) Limited (TRI (SHENZHEN))	Manufacture and sales of test equipment	100	100	-
TRI INVESTMENTS LIMITED (TIL)	TRI Electronic (Suzhou) Limited (TRI (SUZHOU))	Manufacture and sales of test equipment	100	100	-
TRI INVESTMENTS LIMITED (TIL)	TRI Electronic (Shanghai) Limited (TRI (SHANGHAI))	Import and export of equipment, consulting and after-sale maintenance service of equipment	100	100	-
TEST RESEARCH INNOVATION MALAYSIA SDN BHD (TRM)	TEST RESEARCH INNOVATION VIETNAM COMPANY LIMITED (TRV)	Trading and support services of sales	100	100	-
TEST RESEARCH INNOVATION MALAYSIA SDN BHD (TRM)	TEST RESEARCH INNOVATION THAILAND COMPANY LIMITED (TRT)	Trading and support services of sales	100	100	-
Test Research, Inc.	TEST RESEARCH INNOVATION MEXICO S. de R.L. de C.V.(TRMX)	Trading and support services of sales	100	100	-

Name of investor	Name of subsidiary	Main business activities	% of Ownership		Description
			June	30, 2024	
Test Research, Inc.	TEST RESEARCH USA INC. (TRU)	Trading and support services of sales	100		-
Test Research, Inc.	TRI TEST RESEARCH EUROPE GMBH (TRE)	Trading and support services of sales	100		-
Test Research, Inc.	TRI Japan Co., Ltd.	Trading and support services of sales	100		-
Test Research, Inc.	TEST RESEARCH INNOVATION MALAYSIA SDN BHD (TRM)	Trading and support services of sales	100		-
Test Research, Inc.	TRI Korea Co., Ltd.	Trading and support services of sales	100		-
Test Research, Inc.	TRI INVESTMENTS LIMITED (TIL)	Investment holdings	100		-
TRI INVESTMENTS LIMITED (TIL)	TRI Electronic (Shenzhen) Limited (TRI (SHENZHEN))	Manufacture and sales of test equipment	100		-
TRI INVESTMENTS LIMITED (TIL)	TRI Electronic (Suzhou) Limited (TRI (SUZHOU))	Manufacture and sales of test equipment	100		-
TRI INVESTMENTS LIMITED (TIL)	TRI Electronic (Shanghai) Limited (TRI (SHANGHAI))	Import and export of equipment, consulting and after-sale maintenance service of equipment	100		-
TEST RESEARCH INNOVATION MALAYSIA SDN BHD (TRM)	TEST RESEARCH INNOVATION VIETNAM COMPANY LIMITED (TRV)	Trading and support services of sales	100		-
TEST RESEARCH INNOVATION MALAYSIA SDN BHD (TRM)	TEST RESEARCH INNOVATION THAILAND COMPANY LIMITED (TRT)	Trading and support services of sales	100		-
Test Research, Inc.	TEST RESEARCH INNOVATION MEXICO S. de R.L. de C.V.(TRMX)	Trading and support services of sales	100		-

The financial statements of the abovementioned subsidiaries included in the Group's consolidated financial statements for the six months ended June 30, 2025 and 2024 were not reviewed by independent auditors as these subsidiaries did not meet the definition of a significant subsidiary.

- C. Subsidiaries not included in the consolidated financial statements: None.
- D. Adjustments for subsidiaries with different balance sheet dates: None.
- E. Significant restrictions: None.
- F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Employee benefits

Under the defined benefit plans, pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

(5) Income tax

The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

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

There have been no significant changes as of June 30, 2025. Refer to Note 5 of the consolidated financial statements for the year ended December 31, 2024.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Cash on hand and revolving funds	\$ 706	\$ 690	\$ 847
Demand deposits	1,154,104	472,900	552,756
Time deposits	200,000	200,000	-
Short-term notes and bills	400,000	200,000	629,957
	<u>\$ 1,754,810</u>	<u>\$ 873,590</u>	<u>\$ 1,183,560</u>

- A. The Group 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 Group has no cash and cash equivalents pledged to others.

(2) Financial assets at amortised cost

	June 30, 2025	December 31, 2024	June 30, 2024
Current items:			
Time deposits maturing over three months	<u>\$ 415,334</u>	<u>\$ 444,138</u>	<u>\$ 496,620</u>

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Three months ended June 30	
	2025	2024
Interest income	<u>\$ 1,798</u>	<u>\$ 2,249</u>
Six months ended June 30		
Interest income	<u>\$ 3,944</u>	<u>\$ 4,200</u>

B. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

(3) Notes receivable, accounts receivable and contract assets

	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivable	<u>\$ 29,971</u>	<u>\$ 35,884</u>	<u>\$ 33,096</u>
Accounts receivable	<u>\$ 1,522,483</u>	<u>\$ 1,660,426</u>	<u>\$ 1,205,593</u>
Less: Allowance for uncollectible accounts	<u>(12,243)</u>	<u>(11,347)</u>	<u>(6,786)</u>
	<u>\$ 1,510,240</u>	<u>\$ 1,649,079</u>	<u>\$ 1,198,807</u>
Contract assets	<u>\$ 2,278,171</u>	<u>\$ 1,461,377</u>	<u>\$ 1,900,947</u>
Less: Allowance for uncollectible accounts	<u>(683)</u>	<u>(438)</u>	<u>(570)</u>
	<u>\$ 2,277,488</u>	<u>\$ 1,460,939</u>	<u>\$ 1,900,377</u>

A. The aging analysis of accounts receivable, notes receivable and contract assets is as follows:

	June 30, 2025			December 31, 2024		
	Accounts receivable	Notes receivable	Contract assets	Accounts receivable	Notes receivable	Contract assets
Not past due	\$ 1,134,355	\$ 29,971	\$ 2,278,171	\$ 1,245,348	\$ 35,884	\$ 1,461,377
Past due						
Up to 60 days	283,328	-	-	211,135	-	-
61 to 90 days	34,845	-	-	114,109	-	-
91 to 180 days	47,575	-	-	57,163	-	-
181 to 365 days	10,326	-	-	20,360	-	-
Over 366 days	12,054	-	-	12,311	-	-
	<u>\$ 1,522,483</u>	<u>\$ 29,971</u>	<u>\$ 2,278,171</u>	<u>\$ 1,660,426</u>	<u>\$ 35,884</u>	<u>\$ 1,461,377</u>
	June 30, 2024			June 30, 2024		
Not past due				Accounts receivable	Notes receivable	Contract assets
Past due				\$ 978,756	\$ 33,096	\$ 1,900,947
Up to 60 days			141,066	-	-	-
61 to 90 days			16,338	-	-	-
91 to 180 days			26,284	-	-	-
181 to 365 days			35,603	-	-	-
Over 366 days			7,546	-	-	-
			<u>\$ 1,205,593</u>	<u>\$ 33,096</u>	<u>\$ 1,900,947</u>	

The above aging analysis was based on past due date.

- B. As at June 30, 2025, December 31, 2024 and June 30, 2024, accounts receivable, notes receivable and contract assets were all from contracts with customers. As of January 1, 2024, the balance of receivables from contracts (including notes receivable and contract assets) with customers amounted to \$2,310,866.
- C. As at June 30, 2025, December 31, 2024 and June 30, 2024, 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 Group's notes receivable were \$29,971, \$35,884 and \$33,096, and accounts receivable and contract assets were \$3,787,728, \$3,110,018 and \$3,099,184, respectively.
- D. Information relating to credit risk of accounts receivable, notes receivable and contract assets is provided in Note 12(2).

(4) Inventories

	June 30, 2025		
	Cost	Allowance for	Book value
		valuation loss	
Raw materials	\$ 945,322	(\$ 131,289)	\$ 814,033
Work in progress	333,565	(925)	332,640
Semi-finished and finished goods	524,244	(60,126)	464,118
Merchandise	39,436	(1,352)	38,084
	<u>\$ 1,842,567</u>	<u>(\$ 193,692)</u>	<u>\$ 1,648,875</u>

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 817,389	(\$ 128,567)	\$ 688,822
Work in progress	117,624	(473)	117,151
Semi-finished and finished goods	619,341	(59,844)	559,497
Merchandise	43,387	(1,639)	41,748
	<u>\$ 1,597,741</u>	<u>(\$ 190,523)</u>	<u>\$ 1,407,218</u>

	June 30, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 883,457	(\$ 117,850)	\$ 765,607
Work in progress	185,395	(572)	184,823
Semi-finished and finished goods	489,172	(49,449)	439,723
Merchandise	20,324	(2,561)	17,763
	<u>\$ 1,578,348</u>	<u>(\$ 170,432)</u>	<u>\$ 1,407,916</u>

The cost of inventories recognised as expense for the period:

	Three months ended June 30	
	2025	2024
Cost of goods sold	\$ 973,805	\$ 703,859
(Gain from price recovery of inventory) Loss on market value decline and obsolete and slow-moving inventories	(1,037)	10,077
Others	6,501	-
	<u>\$ 979,269</u>	<u>\$ 713,936</u>

	Six months ended June 30	
	2025	2024
Cost of goods sold	\$ 1,776,021	\$ 1,298,674
Loss on market value decline and obsolete and slow-moving inventories	3,988	16,435
Others	12,434	-
	<u>\$ 1,792,443</u>	<u>\$ 1,315,109</u>

For the three months ended June 30, 2025, the Group reversed a previous inventory write-down because the Group sold some inventories with net realizable value lower than its cost.

(5) Investments accounted for using the equity method

A. The basic information of the associate that is material to the Group is as follows:

Company name	Principal place of business	Shareholding ratio			Nature of relationship	Method of measurement
		June 30, 2025	December 31, 2024	June 30, 2024		
OmniMeasure Technology Inc.	Taiwan	47.83%	47.83%	47.83%	Strategic investment	Equity method

The Group is the single largest shareholder of OmniMeasure Technology Inc. However, as the Group held less than half of the seats in the Board of Directors, which indicates that the Group has no current ability to direct the relevant activities of the associate, the Group has no control, but only has significant influence, over the associate.

B. The summarised financial information of the associate that is material to the Group is as follows:

The Group's investment in OmniMeasure Technology Inc. accounted for using the equity method was calculated based on OmniMeasure Technology Inc.'s financial statements that were not reviewed by independent auditors for the same period.

Balance sheet

	OmniMeasure Technology Inc.		
	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	\$ 40,031	\$ 55,470	\$ 72,488
Non-current assets	36,854	40,670	40,653
Current liabilities	(6,537)	(9,952)	(7,197)
Total net assets	<u>\$ 70,348</u>	<u>\$ 86,188</u>	<u>\$ 105,944</u>
Share in associate's net assets	\$ 33,648	\$ 41,224	\$ 50,673
Others	733	733	733
Carrying amount of the associate	<u>\$ 34,381</u>	<u>\$ 41,957</u>	<u>\$ 51,406</u>

Statement of comprehensive income

	OmniMeasure Technology Inc.	
	Three months ended June 30	
	2025	2024
Revenue	\$ -	\$ 181
Loss for the period	(\$ 9,420)	(\$ 7,515)
Total comprehensive loss for the period	(\$ 9,420)	(\$ 7,515)
Share of loss recognised for the period	(\$ 4,505)	(\$ 3,594)
	Six months ended June 30	
	2025	2024
Revenue	\$ 4,235	\$ 5,081
Loss for the period	(\$ 15,841)	(\$ 9,056)
Total comprehensive loss for the period	(\$ 15,841)	(\$ 9,056)
Share of loss recognised for the period	(\$ 7,576)	(\$ 3,594)

(6) Property, plant and equipment

	2025							
	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Others	Unfinished construction	Total
<u>At January 1</u>								
Cost	\$ 1,166,021	\$ 2,798,524	\$ 583,414	\$ 6,939	\$ 344,204	\$ 231,613	\$ -	\$ 5,130,715
Accumulated depreciation	-	(355,431)	(396,976)	(5,672)	(211,681)	(173,917)	-	(1,143,677)
	<u>\$ 1,166,021</u>	<u>\$ 2,443,093</u>	<u>\$ 186,438</u>	<u>\$ 1,267</u>	<u>\$ 132,523</u>	<u>\$ 57,696</u>	<u>\$ -</u>	<u>\$ 3,987,038</u>
Opening net book amount as at January 1	\$ 1,166,021	\$ 2,443,093	\$ 186,438	\$ 1,267	\$ 132,523	\$ 57,696	\$ -	\$ 3,987,038
Additions	-	17,200	2,027	-	2,292	11,493	27,555	60,567
Transfers from inventories	-	-	3,918	-	16,613	5,951	-	26,482
Disposals	-	-	(3,985)	-	(3,058)	-	-	(7,043)
Depreciation charge	-	(27,538)	(16,177)	(192)	(20,128)	(9,923)	-	(73,958)
Net exchange differences	-	-	(18,599)	(111)	(1,699)	(92)	(1,853)	(22,354)
Closing net book amount as at June 30	<u>\$ 1,166,021</u>	<u>\$ 2,432,755</u>	<u>\$ 153,622</u>	<u>\$ 964</u>	<u>\$ 126,543</u>	<u>\$ 65,125</u>	<u>\$ 25,702</u>	<u>\$ 3,970,732</u>
<u>At June 30</u>								
Cost	\$ 1,166,021	\$ 2,815,724	\$ 540,340	\$ 5,231	\$ 347,786	\$ 247,777	\$ 25,702	\$ 5,148,581
Accumulated depreciation	-	(382,969)	(386,718)	(4,267)	(221,243)	(182,652)	-	(1,177,849)
	<u>\$ 1,166,021</u>	<u>\$ 2,432,755</u>	<u>\$ 153,622</u>	<u>\$ 964</u>	<u>\$ 126,543</u>	<u>\$ 65,125</u>	<u>\$ 25,702</u>	<u>\$ 3,970,732</u>

	2024							
	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Miscellaneous equipment	Unfinished construction	Total
<u>At January 1</u>								
Cost	\$ 1,166,021	\$ 921,538	\$ 509,134	\$ 6,716	\$ 273,301	\$ 212,791	\$ 1,642,886	\$ 4,732,387
Accumulated depreciation	-	(303,993)	(348,495)	(4,992)	(184,049)	(158,386)	-	(999,915)
	<u>\$ 1,166,021</u>	<u>\$ 617,545</u>	<u>\$ 160,639</u>	<u>\$ 1,724</u>	<u>\$ 89,252</u>	<u>\$ 54,405</u>	<u>\$ 1,642,886</u>	<u>\$ 3,732,472</u>
Opening net book amount as at January 1	\$ 1,166,021	\$ 617,545	\$ 160,639	\$ 1,724	\$ 89,252	\$ 54,405	\$ 1,642,886	\$ 3,732,472
Additions	-	-	3,783	-	16,042	8,030	216,669	244,524
Transfers from inventories	-	-	24,294	-	19,180	8,441	-	51,915
Disposals	-	-	(2,587)	-	(1,200)	(18)	-	(3,805)
Reclassifications	-	1,852,667	-	-	-	-	(1,852,667)	-
Depreciation charge	-	(24,185)	(15,975)	(256)	(15,857)	(8,815)	-	(65,088)
Net exchange differences	-	-	5,357	27	(152)	63	-	5,295
Closing net book amount as at June 30	<u>\$ 1,166,021</u>	<u>\$ 2,446,027</u>	<u>\$ 175,511</u>	<u>\$ 1,495</u>	<u>\$ 107,265</u>	<u>\$ 62,106</u>	<u>\$ 6,888</u>	<u>\$ 3,965,313</u>
<u>At June 30</u>								
Cost	\$ 1,166,021	\$ 2,774,205	\$ 566,336	\$ 6,862	\$ 305,207	\$ 229,178	\$ 6,888	\$ 5,054,697
Accumulated depreciation	-	(328,178)	(390,825)	(5,367)	(197,942)	(167,072)	-	(1,089,384)
	<u>\$ 1,166,021</u>	<u>\$ 2,446,027</u>	<u>\$ 175,511</u>	<u>\$ 1,495</u>	<u>\$ 107,265</u>	<u>\$ 62,106</u>	<u>\$ 6,888</u>	<u>\$ 3,965,313</u>

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

(7) Leasing arrangements – lessee

A. The Group leases offices and rental contracts are typically made for periods from 1 to 6 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets shall not be used as security for borrowing purposes.

B. Short-term leases pertain to leases of dormitories and company cars with a lease term of not more than 12 months. Low-value assets comprise photocopiers.

C. The carrying amounts of right-of-use assets and the depreciation charge are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
	Carrying amount	Carrying amount	Carrying amount
Buildings	<u>\$ 31,175</u>	<u>\$ 30,064</u>	<u>\$ 33,328</u>
Three months ended June 30			
	2025	2024	
Buildings	<u>Depreciation charge</u>	<u>Depreciation charge</u>	
	<u>\$ 7,161</u>	<u>\$ 7,947</u>	
Six months ended June 30			
	2025	2024	
Buildings	<u>Depreciation charge</u>	<u>Depreciation charge</u>	
	<u>\$ 14,778</u>	<u>\$ 16,019</u>	

D. For the three months and six months ended June 30, 2025 and 2024, the additions to right-of-use assets were \$13,420, \$733, \$17,717 and \$4,278, respectively.

E. The information on profit and loss accounts relating to lease contracts is as follows:

	Three months ended June 30	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	<u>\$ 712</u>	<u>\$ 807</u>
Expense on short-term lease contracts	<u>\$ 1,937</u>	<u>\$ 1,094</u>
Expense on leases of low-value assets	<u>\$ 95</u>	<u>\$ 95</u>
Six months ended June 30		
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	<u>\$ 1,413</u>	<u>\$ 1,496</u>
Expense on short-term lease contracts	<u>\$ 3,758</u>	<u>\$ 2,193</u>
Expense on leases of low-value assets	<u>\$ 190</u>	<u>\$ 184</u>

F. For the six months ended June 30, 2025 and 2024, the Group's total cash outflow for leases were \$21,357 and \$21,547, respectively.

G. For the six months ended June 30, 2024, the Group's right-of-use assets and lease liabilities both decreased by \$4,834 due to the early termination of the lease contract. There was no such transaction for the six months ended June 30, 2025.

(8) Other payables

	June 30, 2025	December 31, 2024	June 30, 2024
Dividends payable	\$ 1,181,080	\$ -	\$ 779,513
Salaries and bonus payable	326,816	326,546	272,735
Employees' compensation and directors' remuneration payable	87,940	54,973	58,039
Construction payable	-	-	187,532
Commission payable	28,077	25,252	21,006
Others	83,345	80,474	75,745
	<hr/> <u>\$ 1,707,258</u>	<hr/> <u>\$ 487,245</u>	<hr/> <u>\$ 1,394,570</u>

(9) 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) For the aforementioned pension plan, the Group recognised pension costs of \$73, \$98, \$146 and \$195 for the three months and six months ended June 30, 2025 and 2024, respectively.

(c) Expected contributions to the defined benefit pension plan of the Group for the year ending December 31, 2026 amount to \$4,094.

B. Defined contribution plans

- (a) Effective July 1, 2005, the Company and its domestic subsidiaries have 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.
- (b) Other overseas companies have a defined contribution plan in accordance with the local regulations, and contributions to endowment insurance and pension reserve are based on employees’ salaries and wages. Other than the monthly contributions, the Group has no further obligations.
- (c) For the aforementioned pension plan, the Group recognised pension costs of \$9,973, \$8,709, \$19,266 and \$16,777 for the three months and six months ended June 30, 2025 and 2024, respectively.

(10) Share capital

The Company’s authorised capital was \$2,500,000. As of June 30, 2025, the Company’s issued and outstanding capital was \$2,362,160. All proceeds from shares issued have been collected.

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

	2025	2024
At January 1 and June 30	<u>236,216</u>	<u>236,216</u>

(11) 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.

(12) 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 2024 and 2023 earnings had been resolved at the stockholders' meeting on and May 28, 2025 and May 29, 2024, respectively. Details are summarised below:

	Years ended December 31			
	2024		2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 184,115		\$ 100,052	
Special reserve	(\$ 33,785)		\$ 18,845	
Cash dividends	\$ 1,181,080	\$ 5.0	\$ 779,513	\$ 3.3

C. 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.

D. (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-1090150022, dated March 31, 2021, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

(13) Sales revenue

	Three months ended June 30	
	2025	2024
Revenue from contracts with customers	\$ 2,377,844	\$ 1,727,000
Six months ended June 30		
	2025	2024
	\$ 4,318,356	\$ 3,237,654

A. Disaggregation of revenue from contracts with customers

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

	Three months ended June 30	
	2025	2024
Asia	\$ 2,234,195	\$ 1,561,887
America	103,746	100,275
Europe	37,435	64,806
Others	2,468	32
	<u>\$ 2,377,844</u>	<u>\$ 1,727,000</u>

	Six months ended June 30	
	2025	2024
Asia	\$ 3,964,626	\$ 2,871,605
America	284,108	249,142
Europe	67,131	115,380
Others	2,491	1,527
	<u>\$ 4,318,356</u>	<u>\$ 3,237,654</u>

B. Contract liabilities

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

	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Contract liabilities	\$ 69,482	\$ 76,014	\$ 47,412	\$ 60,858

For the six months ended June 30, 2025 and 2024, the Group's contract liabilities on January 1, 2025 and 2024 were realised to revenue amounting to \$70,791 and \$52,290, respectively.

(14) Other income

	Three months ended June 30	
	2025	2024
Rental income	\$ 1,175	\$ 796
Other income	699	1,206
	<u>\$ 1,874</u>	<u>\$ 2,002</u>

	Six months ended June 30	
	2025	2024
Rental income	\$ 4,708	\$ 987
Other income	2,601	2,659
	<u>\$ 7,309</u>	<u>\$ 3,646</u>

(15) Other gains and losses

	Three months ended June 30	
	2025	2024
Foreign exchange (losses) gains	(\$ 316,375)	\$ 37,733
Gains on disposal of property, plant and equipment	11,967	2,859
Other losses	(22)	(36)
	<u>(\$ 304,430)</u>	<u>\$ 40,556</u>
	Six months ended June 30	
	2025	2024
Foreign exchange (losses) gains	(\$ 286,427)	\$ 103,079
Gains on disposal of property, plant and equipment	20,507	4,436
Other losses	(25)	(37)
	<u>(\$ 265,945)</u>	<u>\$ 107,478</u>

(16) Expenses by nature

	Three months ended June 30	
	2025	2024
Employee benefit expense	\$ 388,038	\$ 359,049
Depreciation charges on property, plant and equipment and right-of-use assets	43,570	42,706
Amortisation charges on intangible assets	4,799	4,692
	<u>\$ 436,407</u>	<u>\$ 406,447</u>
	Six months ended June 30	
	2025	2024
Employee benefit expense	\$ 774,781	\$ 688,361
Depreciation charges on property, plant and equipment and right-of-use assets	88,736	81,107
Amortisation charges on intangible assets	9,657	9,298
	<u>\$ 873,174</u>	<u>\$ 778,766</u>

(17) Employee benefit expense

	Three months ended June 30	
	2025	2024
Wages and salaries	\$ 336,665	\$ 311,812
Labor and health insurance fees	27,426	26,185
Pension costs	10,046	8,807
Other personnel expenses	13,901	12,245
	<u>\$ 388,038</u>	<u>\$ 359,049</u>

	Six months ended June 30	
	2025	2024
Wages and salaries	\$ 668,613	\$ 593,814
Labor and health insurance fees	57,261	52,534
Pension costs	19,412	16,972
Other personnel expenses	29,495	25,041
	<u>\$ 774,781</u>	<u>\$ 688,361</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. At least 35% of the aforementioned employees' compensation shall be allocated to rank-and-file employees.

B. For the three months and six months ended June 30, 2025 and 2024, employees' compensation was accrued at \$10,309, \$9,261, \$21,758 and \$18,242, respectively; while directors' remuneration was accrued at \$5,311, \$4,770, \$11,209 and \$9,397, 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 six months ended June 30, 2025 and 2024 and the percentage as prescribed in the Company's Articles of Incorporation.

The employees' compensation and directors' remuneration for 2024 amounting to \$36,282 and \$18,691, respectively, as resolved by the Board of Directors on February 26, 2025 were in agreement with those amounts recognized in the 2024 financial statements.

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.

(18) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended June 30	
	2025	2024
Current tax:		
Current tax on profit for the period	\$ 169,276	\$ 113,527
Prior year income tax overestimation	-	(454)
Total current tax	<u>169,276</u>	<u>113,073</u>
Deferred tax:		
Origination and reversal of temporary differences	(47,555)	2,184
Income tax expense	<u>\$ 121,721</u>	<u>\$ 115,257</u>

	Six months ended June 30	
	2025	2024
Current tax:		
Current tax on profit for the period	\$ 303,572	\$ 207,085
Prior year income tax overestimation	-	(454)
Total current tax	303,572	206,631
Deferred tax:		
Origination and reversal of temporary differences	(43,737)	16,795
Income tax expense	\$ 259,835	\$ 223,426

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

	Three months ended June 30	
	2025	2024
Currency translation differences	(\$ 30,462)	\$ 1,876
Six months ended June 30		
	2025	2024
Currency translation differences	(\$ 24,488)	\$ 6,557

B. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

(19) Earnings per share

	Three months ended June 30, 2025	
	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
	Amount after tax	
<u>Basic earnings per share</u>		
Profit attributable to ordinary shareholders of the parent	\$ 521,465	\$ 236,216
<u>Diluted earnings per share</u>		
Assumed conversion of all dilutive potential ordinary shares		
Employees' compensation	-	71
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 521,465	\$ 236,287

Three months ended June 30, 2024

	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Amount after tax</u>		
<u>Basic earnings per share</u>		
Profit attributable to ordinary shareholders of the parent	\$ 466,125	236,216 \$ 1.97
<u>Diluted earnings per share</u>		
Assumed conversion of all dilutive potential ordinary shares	-	54
Employees' compensation	-	54
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 466,125</u>	<u>236,270</u> \$ 1.97

Six months ended June 30, 2025

	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Amount after tax</u>		
<u>Basic earnings per share</u>		
Profit attributable to ordinary shareholders of the parent	\$ 1,099,270	236,216 \$ 4.65
<u>Diluted earnings per share</u>		
Assumed conversion of all dilutive potential ordinary shares	-	233
Employees' compensation	-	233
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,099,270</u>	<u>236,449</u> \$ 4.65

Six months ended June 30, 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 parent	\$ 921,437	236,216	\$ 3.90
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation		-	188
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 921,437	236,404	\$ 3.90

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.

(20) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Six months ended June 30	
	2025	2024
Purchase of property, plant and equipment	\$ 60,567	\$ 244,524
Add: Opening balance of payable on construction	-	79,873
Less: Ending balance of payable on construction	-	(187,532)
Cash paid during the period	\$ 60,567	\$ 136,865
	Six months ended June 30	
	2025	2024
Acquisition of investments accounted for using the equity method	\$ -	\$ 55,000
Less: Opening balance of prepayments for investments	-	(5,000)
Cash paid during the period	\$ -	\$ 50,000

B. Financing activities with no cash flow effects

	Six months ended June 30	
	2025	2024
Dividends declared but yet to be paid	\$ 1,181,080	\$ 779,513

(21) Changes in liabilities from financing activities

	2025	2024
	Lease liabilities	Lease liabilities
At January 1	\$ 29,705	\$ 48,630
Changes in cash flow from financing activities	(15,996)	(17,674)
Impact of changes in foreign exchange rate	(426)	2,676
Changes in other non-cash items	17,717	(556)
At June 30	\$ 31,000	\$ 33,076

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

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

(2) Key management compensation

	Three months ended June 30	
	2025	2024
Salaries and other short-term employee benefits	\$ 19,633	\$ 18,016
Post-employment benefits	323	320
	\$ 19,956	\$ 18,336

	Six months ended June 30	
	2025	2024
Salaries and other short-term employee benefits	\$ 40,805	\$ 35,525
Post-employment benefits	643	637
	\$ 41,448	\$ 36,162

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

B. Post-employment benefits represent pension costs.

8. PLEDGED ASSETS

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

Pledged asset	Book value			Pledge purpose
	June 30, 2025	December 31, 2024	June 30, 2024	
Property, plant and equipment				
- Land	\$ 577,252	\$ 577,252	\$ 577,252	Security for lines of credit
- Buildings and structures	\$ 48,852	\$ 49,771	\$ 50,689	"
	<u>\$ 626,104</u>	<u>\$ 627,023</u>	<u>\$ 627,941</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

On February 26, 2025, the Company's Board of Directors approved TRI (SHENZHEN) to use its self-owned capital to acquire new plants in Shenzhen, and TRI (SHENZHEN) entered into a purchase contract on June 11, 2025. The total price of the construction was \$257,016 (RMB 62,825 thousand). As of June 30, 2025, TRI (SHENZHEN) had paid \$25,702 and there is no outstanding bill that has been issued but not yet paid.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On August 6, 2025, the Company's Board of Directors resolved to plan to establish a subsidiary in Singapore as an operations center in Southeast Asia in response to operational allocation and strategic development needs. The Chairman was authorized to handle the matters related to the establishment within the limit of NT\$100 million in accordance with domestic and local regulations.

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

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets</u>			
Financial assets at amortised cost			
Cash and cash equivalents	\$ 1,754,810	\$ 873,590	\$ 1,183,560
Financial assets at amortised cost	415,334	444,138	496,620
Contract assets	2,277,488	1,460,939	1,900,377
Notes receivable	29,971	35,884	33,096
Accounts receivable	1,510,240	1,649,079	1,198,807
Other receivables	34,596	30,507	37,131
Guarantee deposits paid	9,344	11,397	10,061
	<u>\$ 6,031,783</u>	<u>\$ 4,505,534</u>	<u>\$ 4,859,652</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Notes payable	\$ 29,854	\$ 17,006	\$ 32,961
Accounts payable	1,353,552	676,012	1,004,957
Other payables	1,707,258	487,245	1,394,570
	<u>\$ 3,090,664</u>	<u>\$ 1,180,263</u>	<u>\$ 2,432,488</u>
Lease liabilities (including current portion)	<u>\$ 31,000</u>	<u>\$ 29,705</u>	<u>\$ 33,076</u>

B. Financial risk management policies

The Group adopts an overall risk management and control system to identify measure and control a variety of financial risks including market risk, credit risk, liquidity risk and cash flow interest rate risk. This allows the management of the Group 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 Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD, RMB, JPY and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- ii. The Group'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:

June 30, 2025

							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	\$ 81,266	29.30	\$ 2,381,098	1%	\$ 23,811	\$ -						
USD:KRW	489	1,339.12	14,328	1%	143							
USD:VND	1,191	26,396.40	34,896	1%	349							
RMB:NTD	90,694	4.09	371,031	1%	3,710							
<u>Financial liabilities</u>												
<u>Monetary items</u>												
USD:NTD	\$ 14,122	29.30	\$ 413,763	1%	\$ 4,138	\$ -						
RMB:NTD	10,613	4.09	43,418	1%	434							
JPY:NTD	184,111	0.20	37,448	1%	374							

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	\$ -			
USD:KRW	564	1,459.71	18,491	1%	185				
USD:VND	918	25,814.96	30,097	1%	301				
RMB:NTD	55,879	4.48	250,226	1%	2,502				
<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				

June 30, 2024

	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity Analysis			Effect on other comprehensive income				
				Degree of variation	Effect on profit of loss						
(Foreign currency: functional currency)											
<u>Financial assets</u>											
	<u>Monetary items</u>										
USD:NTD	\$ 58,133	32.45	\$ 1,886,428	1%	\$ 18,864	\$ -	-				
USD:KRW	336	1,366.89	10,903	1%	109		-				
RMB:NTD	80,799	4.45	359,153	1%	3,592		-				
EUR:NTD	510	34.71	17,686	1%	177		-				
<u>Financial liabilities</u>											
	<u>Monetary items</u>										
USD:NTD	\$ 4,792	32.45	\$ 155,485	1%	\$ 1,555	\$ -	-				
RMB:NTD	8,347	4.45	37,102	1%	371		-				
JPY:NTD	163,095	0.20	32,896	1%	329		-				

iii. The total exchange gain (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three months and six months ended June 30, 2025 and 2024, amounted to (\$316,375), \$37,733, (\$286,427) and \$103,079, respectively.

Price risk

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

Cash flow and fair value interest rate risk

The Group has no borrowings; thus, the Group 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 Group 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 financial assets stated at amortised cost.
- ii. The Group's credit risk management policy is that for banks and financial institutions, only institutions with good credit rating are accepted. According to the Group's credit policy, each local entity in the Group 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 Group, 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 Group, the default occurs when the contract payments are past due over 365 days.
- v. The Group classifies customer's accounts receivable and contract assets in accordance with credit risk on trade. The Group applies the modified approach using the provision matrix based on the loss rate methodology to estimate expected credit loss.
- vi. The Group writes off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.

vii. The Group's notes receivable had no significant loss allowance. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable and contract assets. On June 30, 2025, December 31, 2024 and June 30, 2024, the provision matrix and loss rate methodology is as follows:

Both Group A and Group B that exceeded credit facilities:

	Not past due	1~60 days past due	61~90 days past due	91~180 days past due	181~365 days past due	Over 366 days past due	Total
<u>June 30, 2025</u>							
Expected loss rate	0.03%	1.50%	15.00%	25.00%	40.00%	60%-100%	
Total book value	\$ 1,075,132	\$ 55,981	\$ 16,783	\$ 7,113	\$ 4,296	\$ 7,055	\$ 1,166,360
Loss allowance	323	840	2,517	1,778	1,718	5,146	12,322
<u>December 31, 2024</u>							
Expected loss rate	0.03%	1.50%	15.00%	25.00%	40.00%	60%-100%	
Total book value	\$ 667,054	\$ 56,157	\$ -	\$ 14,195	\$ 3,362	\$ 9,412	\$ 750,180
Loss allowance	200	814	-	3,482	1,265	5,340	11,101
<u>June 30, 2024</u>							
Expected loss rate	0.03%	1.50%	15.00%	25.00%	40.00%	60%-100%	
Total book value	\$ 884,499	\$ 20,993	\$ -	\$ 3,199	\$ 6,801	\$ 4,864	\$ 920,356
Loss allowance	264	315	-	800	2,720	2,919	7,018

Group B:

	June 30, 2025	December 31, 2024	June 30, 2024
Expected loss rate	0.03%	0.03%	0.03%
Total book value	\$ 2,634,294	\$ 2,371,623	\$ 2,186,184
Loss allowance	604	684	338

Group A: Customers excluding Group B.

Group B: Domestic and foreign clients that have good operating conditions, high degree of financial transparency, the payment status of past transactions is normal and rated with optimized internal credit rating. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable and contract assets. The expected default rate used was 0.03%.

viii. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable and contract assets are as follows:

	2025			
	Accounts receivable	Contract assets		Total
At January 1	\$ 11,347	\$ 438		\$ 11,785
Provision for impairment	1,227	245		1,472
Write-offs during the period	(29)	-	(29)	
Effect of exchange				
rate changes	(302)	-	(302)	
At June 30	<u>\$ 12,243</u>	<u>\$ 683</u>		<u>\$ 12,926</u>

	2024			
	Accounts receivable	Contract assets		Total
At January 1	\$ 4,984	\$ 276		\$ 5,260
Provision for impairment	1,778	294		2,072
Effect of exchange				
rate changes	24	-		24
At June 30	<u>\$ 6,786</u>	<u>\$ 570</u>		<u>\$ 7,356</u>

(c) Liquidity risk

- Cash flow forecasting is performed and aggregated by the Group's treasury. Surplus cash held by the operating entities 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.
- The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

<u>June 30, 2025</u>	<u>Less than 1 year</u>	<u>Over 1 year</u>
Notes payable	\$ 29,854	\$ -
Accounts payable	1,353,552	-
Other payables	1,707,258	-
Lease liabilities	20,690	13,462

<u>Non-derivative financial liabilities:</u>		<u>Less than 1 year</u>	<u>Over 1 year</u>
<u>December 31, 2024</u>			
Notes payable	\$ 17,006	\$ -	-
Accounts payable	676,012	-	-
Other payables	487,245	-	-
Lease liabilities	19,719	13,992	
<u>Non-derivative financial liabilities:</u>			
<u>June 30, 2024</u>			
Notes payable	\$ 32,961	\$ -	-
Accounts payable	1,004,957	-	-
Other payables	1,394,570	-	-
Lease liabilities	26,959	9,841	

(3) Fair value information

- A. The Group has no financial instruments measured at fair value by valuation method.
- B. The carrying amounts of financial instruments not measured at fair value including cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable (including contract assets), other receivables, guarantee deposits paid, notes payable, accounts payable, other payables and lease liabilities 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. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 2.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 3.
- F. Significant inter-company transactions during the reporting periods: Refer to table 4.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 5.

(3) Information on investments in Mainland China

- A. Basic information: Refer to table 6.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to Table 2 to 4.

14. SEGMENT INFORMATION

(1) General information

The Group is primarily engaged in the design, assembly, manufacture, sales, repairs and maintenance of automated inspection and testing equipment. The Group operates business only in a single industry. The Board of Directors who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2) Measurement of segment information

The accounting policies of the operating segments and the Group are the same. The Group uses the operating profit as the measurement for operating segment profit and the basis of performance assessment.

(3) Information about segment profit or loss, assets and liabilities

The segment information provided to the chief operating decision maker for the reportable segments is as follows. In addition, the Group did not provide the total assets and total liabilities amounts to chief operating decision-maker.

	Three months ended June 30	
	2025	2024
Revenue from external customers	\$ 2,377,844	\$ 1,727,000
Segment profit	\$ 943,042	\$ 537,717
Six months ended June 30		
	2025	2024
Revenue from external customers	\$ 4,318,356	\$ 3,237,654
Segment profit	\$ 1,614,053	\$ 1,029,117

(4) Reconciliation for segment income (loss)

Net profit (loss) of segments reported to the chief operating decision maker is measured in a manner consistent with revenues and expenses in the income statement. A reconciliation of segment profit (loss) to profit (loss) before tax and discontinued operations is provided as follows:

	Three months ended June 30	
	2025	2024
Reportable segments income	\$ 943,042	\$ 537,717
Unallocated profit or loss:		
Non-operating income and expenses	(299,856)	43,665
Income before tax from continuing operations	\$ 643,186	\$ 581,382

	Six months ended June 30	
	2025	2024
Reportable segments income	\$ 1,614,053	\$ 1,029,117
Unallocated profit or loss:		
Non-operating income and expenses	(254,948)	115,746
Income before tax from continuing operations	<u>\$ 1,359,105</u>	<u>\$ 1,144,863</u>

Test Research, Inc. and subsidiaries

Loans to others

Six months ended June 30, 2025

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 six months ended June 30,			Balance at June 30, 2025	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
					2025	2025	2025								Item	Value			
1	TRI Electronic (Shanghai) Limited	TRI Electronic (Suzhou) Limited	Other receivables	Yes	\$ 27,438	\$ 24,546	\$ 24,546	\$ 24,546	4.75%	Short-term financing	\$ -	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 810,125	\$ 1,620,250	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. and subsidiaries
 Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
 Six months ended June 30, 2025

Table 2

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)		
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Test Research, Inc.	TRI Electronic (Shenzhen) Limited	Second-tier subsidiary	Sales	\$ 168,892	4%	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 \$58,814	2%	None
TRI Electronic (Shenzhen) Limited	Test Research, Inc.	Parent company	Purchases	168,892	93%	90-120 days after acceptance	Based on mutual agreement	90-120 days after acceptance	Accounts payable \$58,814	73%	None
Test Research, Inc.	TRI Electronic (Suzhou) Limited	Second-tier subsidiary	Sales	359,757	8%	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 \$257,854	8%	None
TRI Electronic (Suzhou) Limited	Test Research, Inc.	Parent company	Purchases	359,737	98%	90-120 days after acceptance	Based on mutual agreement	90-120 days after acceptance	Accounts payable \$257,854	99%	None

Test Research, Inc. and subsidiaries
 Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
 June 30, 2025

Table 3

Expressed in thousands of NTD
 (Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2025	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	\$ 257,854	3.07	\$ 51,248	In the process of collection	\$ 12,430	\$ -	-

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

Test Research, Inc. and subsidiaries
Significant inter-company transactions during the reporting period
Six months ended June 30, 2025

Table 4

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	\$ 359,757	Note 3	8
0	Test Research, Inc.	TRI Electronic (Shenzhen) Limited	1	Sales revenue	168,892	Note 3	4
0	Test Research, Inc.	TRI Electronic (Suzhou) Limited	1	Accounts receivable	257,854	Note 3	2
0	Test Research, Inc.	TRI Electronic (Shenzhen) Limited	1	Accounts receivable	58,814	Note 3	-
1	TRI Electronic (Shanghai) Limited	TRI Electronic (Suzhou) Limited	3	Other receivables	24,546	Note 5	-
2	TRI Electronic (Shenzhen) Limited	Test Research, Inc.	2	Service revenue	26,122	Notes 6 and 7	1
3	TRI Electronic (Suzhou) Limited	Test Research, Inc.	2	Service revenue	30,338	Notes 6 and 7	1
4	TEST RESEARCH USA, INC.	Test Research, Inc.	2	Service revenue	25,614	Notes 6 and 7	1
5	TEST RESEARCH INNOVATION MALAYSIA SDN. BHD.	Test Research, Inc.	2	Service revenue	11,915	Notes 6 and 7	-
6	TEST RESEARCH INNOVATION VIETNAM COMPANY LIMITED	Test Research, Inc.	2	Service revenue	47,813	Notes 6 and 7	1
7	TEST RESEARCH INNOVATION THAILAND COMPANY LIMITED	Test Research, Inc.	2	Service revenue	33,448	Notes 6 and 7	1
8	TEST RESEARCH INNOVATION MEXICO S. de R.L. de C. V.	Test Research, Inc.	2	Service revenue	15,081	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: The above inter-company transactions between companies within the Group are eliminated when preparing consolidated financial statements.

Test Research, Inc. and subsidiaries

Information on investees

Six months ended June 30, 2025

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2025				Net profit (loss) of the investee for the six months ended June 30, 2025	Investment income (loss) recognised by the Company for the six months ended June 30, 2025	Footnote			
				Balance as at December 31, 2024		Number of shares	Ownership (%)	Book value							
				June 30, 2025	2024										
Test Research, Inc.	TRI INVESTMENTS LIMITED	Samoa	Investment holding	\$ 219,811	\$ 219,811	6,724,109	100	\$ 1,081,238	\$ 11,539	\$ 10,675	\$ 10,675	None			
Test Research, Inc.	TEST RESEARCH USA, INC.	United States	Trading and support services of sales	61,299	61,299	1,518,935	100	34,092	5,816	5,816	5,816	None			
Test Research, Inc.	TRI TEST RESEARCH EUROPE GMBH	Germany	Trading and support services of sales	17,679	17,679	-	100	5,938 (	11,980) (	11,980)	11,980)	Note	
Test Research, Inc.	TRI Japan Co., Ltd.	Japan	Trading and support services of sales	10,750	10,750	720	100	5,925 (	4,703) (	4,703)	4,703)	None	
Test Research, Inc.	TEST RESEARCH INNOVATION MALAYSIA SDN. BHD.	Malaysia	Trading and support services of sales	2,066	2,066	1,000,000	100	99,574	48,225	48,225	48,225	None			
Test Research, Inc.	TRI Korea Co., Ltd.	South Korea	Trading and support services of sales	10,591	10,591	80,000	100	23,155 (	4,894) (	4,894)	4,894)	None	
TEST RESEARCH INNOVATION MALAYSIA SDN. BHD.	TEST RESEARCH INNOVATION VIETNAM COMPANY LIMITED	Vietnam	Trading and support services of sales	4,153	4,153	-	100	55,655	25,140	25,140	25,140	Note			
TEST RESEARCH INNOVATION MALAYSIA SDN. BHD.	TEST RESEARCH INNOVATION THAILAND COMPANY LIMITED	Thailand	Trading and support services of sales	3,589	3,589	-	100	30,198	19,710	19,710	19,710	Note			
Test Research, Inc.	OmniMeasure Technology Inc.	Taiwan	Manufacture and sales of module equipment	55,000	55,000	55,000,000	47.83	34,381 (	15,841) (	7,576)	7,576)	None	
Test Research, Inc.	TEST RESEARCH INNOVATION MEXICO S. de R.L. de C.V.	Mexico	Trading and support services of sales	18,225	18,225	10,000,000	100	2,551 (	2,254) (	2,254)	2,254)	None	

Note: A limited liability company.

Test Research, Inc. and subsidiaries

Information on investments in Mainland China - Basic information

Six months ended June 30, 2025

Table 6

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)	China as of January 1, 2025 (Note 3)	Amount remitted from Taiwan to Mainland China/ Accumulated amount of remittance from Taiwan to Mainland		Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2025 (Note 3)	Net income of investee for the six months ended June 30, 2025	Ownership held by the Company (direct or indirect)	Investment income recognised by the Company for the six months ended June 30, 2025 (Note 2(2C))	Book value of investments in Mainland China as of June 30, 2025 (Note 5)	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2025	Footnote
					Amount remitted back to Taiwan for the six months ended June 30, 2025										
TRI Electronic (Shenzhen) Limited	Manufacture and sales of test equipment	\$ 89,365	2	\$ 21,975	\$ -	\$ -	\$ 21,975	\$ 10,131	100	\$ 9,658	\$ 713,213	\$ -			
TRI Electronic (Suzhou) Limited	Manufacture and sales of test equipment	75,855	2	58,600	-	-	58,600	5,009	100	4,618	295,579				
TRI Electronic (Shanghai) Limited	Import and export of equipment, consulting and after-sale maintenance service of equipment	114,270	2	114,270	-	-	114,270	(3,601)	100	(3,601)	72,446				
Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2025 (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.		\$ 194,845			\$ 261,178	\$ 4,860,749									

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 (29.3) 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.