

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended June 30, 2024

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from ____ to ____

Commission File Number 1-14523

TRIO-TECH INTERNATIONAL
(Exact name of Registrant as specified in its Charter)

California
(State or other jurisdiction of
incorporation or organization)

95-2086631
(I.R.S. Employer
Identification Number)

Block 1008 Toa Payoh North
Unit 03-09 Singapore
(Address of Principal Executive Office)

318996
(Zip Code)

Registrant's Telephone Number: **(65) 6265 3300**

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, no par value	TRT	NYSE American

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in rule 405 of the Securities Act. ☐ Yes ☒ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definition of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☐
Non-Accelerated Filer ☒

Accelerated Filer ☐
Smaller Reporting Company ☒
Emerging Growth Company ☐

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If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.
☐ Yes ☒ No

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

The aggregate market value of voting stock held by non-affiliates of Registrant, based upon the closing price of \$5.07 for shares of the registrant's common stock on December 31, 2023, the last business day of the registrant's most recently completed second fiscal quarter as reported by the NYSE American, was approximately \$12,906,000. In calculating such aggregate market value, shares of common stock held by each officer, director and holder of 5% or more of the outstanding common stock (including shares with respect to which a holder has the right to acquire beneficial ownership within 60 days) were excluded because such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

The number of shares of the Registrant's common stock, no par value, outstanding as of September 1, 2024 was 4,250,305.

Documents Incorporated by Reference

Part III of this Form 10-K incorporates by reference information from Registrant's Proxy Statement for its 2024 Annual Meeting of Shareholders to be filed with the Commission under Regulation 14A within 120 days of the end of the fiscal year covered by this Form 10-K.

TRIO-TECH INTERNATIONAL

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TRIO-TECH INTERNATIONAL

PART I

ITEM 1 – BUSINESS

Cautionary Statement Regarding Forward-Looking Statements

The business and activities of Trio-Tech International, a California corporation (the “*Company*”) discussed in this Annual Report on Form 10-K (the “*Annual Report*”) and in other past and future reports and announcements by the Company may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), and assumptions regarding future activities and results of operations of the Company. In light of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, the following factors, among others, could cause actual results to differ materially from those reflected in any forward-looking statements made by or on behalf of the Company:

- market acceptance of Company’s products and services;
- changing business conditions or technologies and volatility in the semiconductor industry, which could affect demand for the Company’s products and services;
- the impact of competition;
- problems with technology, product development schedules or delivery schedules;
- changes in military or commercial testing specifications which could affect the market for the Company’s products and services;
- difficulties in profitably integrating acquired businesses, if any, into the Company;
- risks associated with conducting business internationally and particularly in Asia, including currency fluctuations and devaluation, currency restrictions, local laws and restrictions and possible social, political and economic instability;
- credit risks in the Chinese real estate industry;
- changes in macroeconomic conditions and credit market conditions; and
- other economic, financial and regulatory factors beyond the Company’s control.

In some cases, you can identify forward-looking statements by the use of terminology such as “may,” “will,” “expects,” “plans,” “anticipates,” “estimates,” “potential,” “believes,” “can impact,” “continue,” or the negative thereof or other comparable terminology.

Unless otherwise required by law, the Company undertakes no obligation to update forward-looking statements to reflect subsequent events, changed circumstances, or the occurrence of unanticipated events. You are cautioned not to place undue reliance on such forward-looking statements.

General

Trio-Tech International was incorporated in 1958 under the laws of the State of California. As used herein, the term “Trio-Tech,” “TTI,” the “Company,” “we,” “us” or the “Registrant” includes Trio-Tech International and its subsidiaries unless the context otherwise indicates. The mailing address and executive offices are located at Block 1008 Toa Payoh North, Unit 03-09 Singapore 318996, Singapore, and the telephone number is (65) 6265-3300.

We make available through our website, free of charge, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy statements and any amendments to those reports or statements filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after they are electronically filed with or furnished to the Securities and Exchange Commission (the “SEC”). The SEC also maintains an internet site at www.sec.gov that contains such reports and statements that have been filed electronically with the SEC by the Company. Additional information about Trio-Tech is available on our website at www.triotech.com.

During the fiscal year ended June 30, 2024 (“*Fiscal 2024*”), the Company operated its business in four segments: manufacturing, testing services, distribution, and real estate. Geographically, the Company operates in the United States (“*U.S.*”), Singapore, Malaysia, Thailand and China. Management periodically evaluates the ongoing contributions of each of its business segments to its current and future revenue and prospects. As a result, it may divest one or more business segments in the future to enable management to concentrate on segments where it anticipates opportunities for future revenue growth, thereby maximizing shareholder value.

The Company is a provider of reliability test equipment and services to the semiconductor industry. Our customers rely on us to verify that their semiconductor components meet or exceed the rigorous reliability standards demanded for automotive electronics, industrial electronics, computing and data storage, consumer electronics, and communication markets. We act as a global one-stop solution for our customers by designing and building reliability test solutions and offering comprehensive testing services through our testing laboratories in the U.S. and Asia. For information relating to revenue, profit and loss and total assets for each of the segments, see Note 18 - Business Segments contained in the consolidated financial statements included in this Annual Report.

Company History – Certain Highlights for the Five Fiscal Years Ended June 30, 2024

2020	Trio-Tech International recertified for BizSafe re-certification (March 2020)
2021	Trio-Tech (Tianjin) Co. Ltd. recertified to ISO 9001:2015 standards. (Mar 2021) Trio-Tech (Tianjin) Co. Ltd. recertified to ISO 14001:2015 standards. (Mar 2021) Trio-Tech (Tianjin) Co. Ltd. certified to ISO 45001:2018 standards. (Mar 2021) Trio-Tech International Pte. Ltd. (Singapore) recertified to ISO 9001:2015 standards. (Jul 2021) Trio-Tech International Pte. Ltd. (Singapore) recertified to ISO 14001:2015 standards. (Jul 2021) Trio-Tech (Malaysia) Sdn. Bhd. recertified to ISO 9001:2015 standards. (Jul 2021) Trio-Tech (Malaysia) Sdn. Bhd. recertified to ISO 14001:2015 standards. (Jul 2021) Trio-Tech (Bangkok) Co. Ltd. recertified to ISO 9001:2015 standards. (Jul 2021)
2022	Trio-Tech (Jiangsu) Co. Ltd was established. (Jan 2022)
2023	Trio-Tech (Jiangsu) Co. Ltd certified to ISO 9001:2015 standards. (Jun 2023)
2024	Trio-Tech (Tianjin) Co. Ltd. recertified to ISO 9001:2015 standards. (Mar 2024) Trio-Tech (Tianjin) Co. Ltd. recertified to ISO 14001:2015 standards. (Mar 2024) Trio-Tech (Tianjin) Co. Ltd. recertified to ISO 45001:2018 standards. (Mar 2024)

Overall Business Strategies

Our core business is, and historically has been, in the semiconductor industry, including our manufacturing of equipment segment (“*Manufacturing*”), our testing services segment (“*Testing*”) and our distribution of test and other semiconductor equipment and electronic components segment (“*Distribution*”). Revenue from the Manufacturing, Testing and Distribution segments accounted for 99.9% of our total revenue for the years ended June 30, 2024 and 2023, respectively. The semiconductor industry has experienced periods of rapid growth, but has also experienced downturns, often in connection with, or in anticipation of, maturing product cycles of both semiconductor companies’ and their customers’ products and decline in general economic conditions. To reduce our risks associated with sole industry focus and customer concentration, we continue to put effort into expanding our line of businesses. Management periodically evaluates the ongoing contributions of each of its business segments to its current and future revenue and prospects. As a result, it may divest one or more business segments in the future to enable management to concentrate on segments where it anticipates opportunities for future revenue growth, thereby maximizing shareholder value.

To achieve our strategic plan for our semiconductor business, we believe that we must pursue and win new business in the following areas:

- *Primary markets* – Capturing additional market share within our primary markets by offering superior products and services to address the needs of our major customers.
- *Growing markets* – Expanding our geographic reach in areas of the world with significant growth potential.
- *New markets* – Developing new products and technologies that serve wholly new markets.
- *Complementary strategic relationships* – Through complementary acquisitions or similar arrangements, we believe we can expand our markets and strengthen our competitive position. As part of our growth strategy, the Company continues to selectively assess opportunities to develop strategic relationships, including acquisitions, investments and joint development projects with key partners and other businesses.

Business Segments

Manufacturing

TTI develops and manufactures an extensive range of test equipment used in the “front-end” and the “back-end” manufacturing processes of semiconductors. Our equipment includes leak detectors, autoclaves, centrifuges, burn-in systems and boards, HAST testers, temperature-controlled chucks, wet benches and more. We also act as an extended development team of Integrated Device Manufacturers (“IDMs”) and Fabless semiconductor companies in the testing process with our expert technical skills, especially in the New Product Introduction (“NPI”) process.

Testing

TTI provides comprehensive electrical, environmental, and burn-in testing services to semiconductor manufacturers in our testing laboratories in Asia. Our customers include both manufacturers and end users of semiconductors and electronic components who look to us when they decide to outsource their testing process. We also support the asset-light strategy of our customers by setting up test facilities and providing component level, package level and system level testing services with expert technology that improves the productivity of our customers. The independent tests are performed to industry and customer specific standards.

Distribution

In addition to marketing our proprietary products, we distribute complementary products made by manufacturers around the world. The products include environmental chambers, mechanical shock and vibration testers, and other semiconductor equipment. We also distribute a wide range of components such as connectors, sockets, cables, LCD displays and touch screen panels. We act as value-added resellers by enhancing the value of the distributed products by customizing each to the needs of our customers through our expert engineering, integration, and sub-assembly services. We also support our customers as their extended research & development arm in product design, leveraging the expert skills of our component engineers and design engineers.

Real Estate

Our real estate (“*Real Estate*”) segment generates rental income and investment income from real estate investments made in Chongqing, China.

Product Research and Development

We focus our research and development activities on improving and enhancing both product design and process technology. We conduct product and system research and development activities for our products in the U.S. and Singapore. Research and development expense was \$392 and \$397 for the years ended June 30, 2024 and 2023, respectively.

Marketing, Distribution and Services

We market our products and services worldwide, directly and through independent sales representatives and our own marketing sales team. We have approximately five independent sales representatives operating in the U.S. and another eighteen in foreign countries. All sales representatives represented the Testing and Manufacturing segments for products and services produced and provided from our facilities in different locations.

Customer Concentration

During the years ended June 30, 2024 and 2023, combined sales of equipment and services to our three largest customers accounted for approximately 49.5% and 59.4%, respectively, of our total net revenue. Of those sales, \$8,700 (20.6%) and \$14,595 (33.7%) of our total net revenue were from one major customer for the years ended June 30, 2024 and 2023, respectively. The majority of our sales and services in the years ended June 30, 2024 and 2023 were made or provided to customers outside of the U.S.

Backlog

The following table sets forth the Company's backlog as of June 30, 2024 and 2023:

	For the Year Ended June 30,	
	2024	2023
Manufacturing backlog	\$ 5,944	\$ 8,056
Testing services backlog	5,342	5,402
Distribution backlog	3,068	3,882
Real estate backlog*	68	97
	14,422	17,437

* Real estate backlog represents the rental income from a non-cancellable lease.

Based on our past experience, we do not anticipate any significant cancellations or renegotiation of sales. The purchase orders for the manufacturing, testing services and distribution businesses generally require delivery within 12 months from the date of the purchase order and certain costs are incurred before delivery. In the event of a cancellation of a confirmed purchase order, we require our customers to reimburse us for all costs incurred. We do not anticipate any difficulties in meeting delivery schedules. For testing services, purchase orders are provided only during the process of delivery. Hence, the backlog is based on estimates provided by our customers and not based on a customer's purchase order.

Materials and Supplies

Our products are designed by our engineers and are assembled and tested at our facilities in the U.S., China and Singapore. We purchase all parts and certain components from outside vendors for assembly purposes. We have no written contracts with any of our key suppliers. As these parts and components are available from a variety of sources, we believe that the loss of any one of our suppliers would not have a material adverse effect on our results of operations taken as a whole.

Competition

Our ability to compete is dependent on our ability to develop, introduce and sell new products, or enhanced versions of existing products, on a timely basis and at competitive prices, while reducing our costs.

Manufacturing

The principal competitive factors in the manufacturing industry include product performance, reliability, service and technical support, product improvements, price, established relationships with customers and product familiarity. Although we have competitors for our various products, we believe that our products compete favorably with respect to each of the above factors. We have been in business for more than 60 years which has helped us to establish and nurture long-term relationships with customers.

Testing

There are numerous testing laboratories located in the areas where we operate that perform testing similar to the testing that we offer. However, due to such competition in the industry, there has been a reduction in the total number of competitors in Asia. The existence of competing laboratories and the purchase of testing equipment by semiconductor manufacturers and users are potential threats to our future testing services revenue and earnings. Although these laboratories and competitors may challenge us at any time, we believe that other factors, including reputation, a long service history and strong customer relationships are instrumental in both maintaining and strengthening our position in the market.

Distribution

Our distribution segment sells a wide range of components and semiconductor equipment. While the semiconductor equipment industry is highly competitive, we offer the advantage of a one-stop service alternative for customers by complementing our products with design consultancy and other value-added services.

Patents

During the years ended June 30, 2024 and 2023, we did not register any patents within the U.S.

It is typical in the semiconductor industry to receive notices from time to time, alleging infringement of patents or other intellectual property rights of others. We do not believe that we infringe on the intellectual property rights of any others. However, should any claims be brought against us, the cost of litigating such claims and any damages could materially and adversely affect our business, financial condition, and results of operations.

Employees

As of June 30, 2024, we had approximately 673 full-time employees and three part-time employees. Geographically, approximately six full-time employees were located in the U.S. and approximately 667 full-time employees in Asia. None of our employees are represented by a labor union.

There were approximately 59 employees in the manufacturing segment, 582 employees in the testing services segment, three employees in the distribution segment, three employees in the real estate segment and 26 employees in general administration, logistics and others as of June 30, 2024.

As of June 30, 2023, we had approximately 573 full-time employees and no part-time employees. Geographically, approximately eight full-time employees were located in the U.S. and approximately 565 full-time employees in Asia. None of our employees are represented by a labor union.

There were approximately 56 employees in the manufacturing segment, 481 employees in the testing services segment, three employees in the distribution segment, three employees in the real estate segment and 30 employees in general administration, logistics and others as of June 30, 2023.

ITEM 1A – RISK FACTORS

As a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934, we are not required to provide the information required by this item.

ITEM 1B – UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 1C – CYBERSECURITY

Risk Management and Strategy

We recognize the critical importance of developing, implementing, and maintaining cybersecurity measures to safeguard our information systems and protect the confidentiality, integrity and availability of our data. We have a comprehensive cybersecurity policy hosted on our intranet for all employees, established to govern, guide and mitigate in the event of a cyber-attack. As a result, cybersecurity and data protection are key components of our long-term strategy.

Risks from Cybersecurity Threats

We have not encountered any cybersecurity challenges that have materially impaired our operations or financial standing in Fiscal 2024.

Governance

Our Board of Directors oversees our risk management, including our information technology and cybersecurity policies, procedures, and risk assessments. Management reports to our Board of Directors on information security matters as necessary, regarding any significant cybersecurity incidents, as well as any incidents with lesser impact potential.

ITEM 2 – PROPERTIES

As of the date of filing of this Form 10-K, we believe that our existing facilities are adequate and suitable to cover any sudden increase in our needs in the foreseeable future.

The following table presents the relevant information regarding the location and general character of our principal manufacturing and testing facilities:

Location	Segment	Approx. Sq. Ft. Occupied	Owned (O) or Leased (L) & Expiration Date
16139 Wyandotte Street, Van Nuys, CA 91406, United States of America	Corporate, Testing Services / Manufacturing	5,200	(L) Mar 2026
1004, Toa Payoh North, Singapore Unit No. HEX 07-01/07	Testing Services	6,864	(L) Sep 2025
Unit No. HEX 07-01/07, (ancillary site)	Testing Services	2,532	(L) Sep 2025
Unit No. HEX 03-01/02/03	Testing Services / Manufacturing	2,959	(L) Sep 2025
Unit No. HEX 01-08/15	Testing Services / Manufacturing / Logistics Store	6,864	(L) Jan 2026
Unit No. HEX 01-08/15, (ancillary site)	Testing Services / Manufacturing	449	(L) Jan 2026
Unit No. HEX 07-10/11	Testing Services / Manufacturing	1,953	(L) Dec 2024
1008, Toa Payoh North, Singapore Unit No. HEX 03-09/17	Manufacturing	6,099	(L) Jan 2026
Unit No. HEX 03-09/17, (ancillary site)	Manufacturing	70	(L) Jan 2026
Unit No. HEX 01-09/10/11	Manufacturing	2,202	(L) Nov 2026
Unit No. HEX 01-15/16	Manufacturing	1,400	(L) Sep 2026
Unit No. HEX 01-08	Manufacturing	603	(L) Sep 2026
Unit No. HEX 01-12/14	Manufacturing	1,664	(L) Jul 2025
Lot No. 11A, Jalan SS8/2, Sungai Way Free Industrial Zone, 47300 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Testing Services	78,706	(O)
12A-21 Suntech @ Penang Cybercity, Lintang Mayang Pasir 3, 11950 Bayan Lepas, Penang	Branch Office	408	(L) Dec 2024
327, Chalongkrung Road, Lamplathew, Lat Krabang, Bangkok 10520, Thailand	Testing Services	34,433	(O)
No. 5, Xing Han Street, Block A #04-15/16, Suzhou Industrial Park China 215021	Testing Services	6,200	(L) Jan 2025
Room 102, Zone B, Building 3, 99 West Suhong Road, Suzhou industrial Park, China 215021	Testing Services	26,479 (Phase 1)	(L) Oct 2026
Room 102, Zone B, Building 3, 99 West Suhong Road, Suzhou industrial Park, China 215021	Testing Services	55,219 (Phase 2)	(L) Dec 2024
27-05, Huang Jin Fu Pan, No. 26 Huang Jin Qiao Street Hechuan District Chongqing China 401520	Real Estate	463	(L) Aug 2025
B7-2, Xiqing Economic Development Area International Industrial Park Tianjin City, China 300385	Testing Services	45,940	(L) Apr 2026

ITEM 3 – LEGAL PROCEEDINGS

The Company is, from time to time, the subject of litigation claims and assessments arising out of matters occurring in its normal business operations. In the opinion of management, resolution of these matters will not have a material adverse effect on our consolidated financial statements.

There are no material proceedings to which any director, officer or affiliate of the Company, any beneficial owner of more than five percent of the Company's common stock, or any associate of such person, is a party that is adverse to the Company or its properties.

ITEM 4 – MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5 – MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Shares of the Company's common stock, no par value ("*Common Stock*"), are traded on the NYSE American exchange under the symbol "TRT."

As of September 1, 2024, there were 4,250,305 shares of our Common Stock issued and outstanding, and the Company had approximately 53 record holders of Common Stock. The number of record holders does not include the number of persons whose stock is in nominee or "street name" accounts through brokers.

Dividend Policy

We did not declare any cash dividends during the years ended June 30, 2024 or June 30, 2023.

The determination as to whether to pay any future cash dividends will depend upon our earnings and financial position at that time and other factors as the Board of Directors may deem appropriate. In general, California law prohibits the payment of dividends unless the corporation's retained earnings prior to the dividend equals or exceeds the dividend or, immediately after payment of the dividends, the corporation's assets would equal or exceed its total liabilities. There is no assurance that dividends will be paid to holders of Common Stock in the foreseeable future.

ITEM 6 – [Reserved]

ITEM 7 – MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (IN THOUSANDS, EXCEPT PERCENTAGES AND SHARE AMOUNTS)

The following discussion and analysis should be read in conjunction with our disclaimer on "Forward-Looking Statements," "Item 1. Business," and our Consolidated Financial Statements, the notes to those statements and other financial information contained elsewhere in this Annual Report. For purposes of this Management's Discussion and Analysis within this Annual Report, all monetary amounts are stated in thousands except for par values and per share amounts, unless otherwise stated.

During the years ended June 30, 2024 ("*Fiscal 2024*") and June 30, 2023 ("*Fiscal 2023*"), Trio-Tech International operated in four segments: Manufacturing, Testing, Distribution, and Real Estate. During Fiscal 2024, revenue from the Manufacturing, Testing, Distribution, and Real Estate segments represented 37.9%, 42.4%, 19.6% and 0.1% of our revenue, respectively, as compared to 32.0%, 53.4%, 14.5% and 0.1% respectively, during Fiscal 2023.

Overview

Our core business is and historically has been in the semiconductor industry, including manufacturing of test equipment, testing services, and distribution of test and other semiconductor equipment and electronic components. TTI develops and manufactures an extensive range of test equipment used in the "front-end" and the "back-end" manufacturing processes of semiconductors. Our equipment includes leak detectors, autoclaves, centrifuges, burn-in systems and boards, HAST testers, temperature-controlled chucks, and more. TTI provides comprehensive electrical, environmental, and burn-in testing services to semiconductor manufacturers in our testing laboratories.

In addition to marketing our proprietary products, we distribute complementary products made by manufacturers around the world. We act as value-added resellers by enhancing the value of the distributed products by customizing them to the needs of our customers through our expert design, engineering and integration. We also support our customers as their extended research and development arm in product design, leveraging the expert skills of our component engineers and design engineers.

Revenue from the semiconductor industry, or our Manufacturing, Testing and Distribution segments, accounted for more than 99.9% of our total revenue for the years ended June 30, 2024 and 2023, respectively. Our Real Estate segment generates rental income and investment income from real estate investments made in Chongqing, China. No other investment income was recorded as revenue by the Real Estate segment in either Fiscal 2024 or Fiscal 2023.

Fiscal 2024 Highlights

- Total revenue decreased by \$938, or 2.2%, to \$42,312 in Fiscal 2024, as compared to \$43,250 in Fiscal 2023.
- Manufacturing segment revenue increased by \$2,230, or 16.1%, to \$16,057 in Fiscal 2024, as compared to \$13,827 in Fiscal 2023.
- Testing segment revenue was \$17,933 in Fiscal 2024, a decrease of \$5,197, or 22.5%, as compared to \$23,130 in Fiscal 2023.

- Distribution segment revenue was \$8,297 in Fiscal 2024, an increase of \$2,027, or 32.3%, as compared to \$6,270 in Fiscal 2023.
- Real Estate segment revenue increased by \$2 to \$25 in Fiscal 2024, as compared to \$23 in Fiscal 2023.
- Overall gross profit margin decreased by 1.7% to 25.4% in Fiscal 2024, as compared to 27.1% in Fiscal 2023.
- General and administrative expense was \$8,387 in Fiscal 2024 as compared to \$8,403 in Fiscal 2023.
- Selling expense increased by \$174, or 26.0%, to \$844 in Fiscal 2024, as compared to \$670 in Fiscal 2023.
- Profit from operations was \$1,093 in Fiscal 2024, a decrease of \$1,135, as compared to profit from operations of \$2,228 in Fiscal 2023.
- Net other income increased by \$394 to \$500 in Fiscal 2024, as compared to \$106 in Fiscal 2023.
- Profit from continuing operations before income taxes was \$1,629 in Fiscal 2024, a decrease of \$753, as compared to profit from continuing operations of \$2,382 in Fiscal 2023.
- Net profit attributable to TTI for Fiscal 2024 was \$1,050, as compared to net profit of \$1,544 in Fiscal 2023.
- Net profit attributable to non-controlling interest for Fiscal 2024 was \$92, as compared to net loss of \$214 in Fiscal 2023.
- Working capital increased by \$3,259, or 16.7%, to \$22,760 as of June 30, 2024, as compared to \$19,501 as of June 30, 2023.

The highlights above are intended to identify certain of the Company's significant events and transactions during Fiscal 2024. These highlights are not intended to be a full discussion of our results for the year and should be read in conjunction with the discussion of these items in Item 7 and with our consolidated financial statements and footnotes accompanying this Annual Report.

General Financial Information

Total assets as of June 30, 2024 were \$42,540 an increase of \$354, or 0.8%, compared to \$42,186 as of June 30, 2023. The increase was primarily due to an increase in cash and cash equivalents, trade accounts receivable and inventories. The increase was partially offset by short-term deposits, other receivables, prepaid expenses and other current assets, assets held for sale, operating lease right-of-use assets and property, plant and equipment.

Cash and cash equivalents totaled \$10,035 as of June 30, 2024, representing an increase of \$2,452, or 32.3%, compared to \$7,583 as of June 30, 2023. Cash in banks increased due to a combination of reduced capital expenditures, lower loan repayment obligations and proceeds from exercise of stock options.

Short-term deposits and restricted term deposits as of June 30, 2024 were \$9,018, a decrease of \$64, or 0.7% compared to \$9,082 at June 30, 2023.

Trade account receivables as of June 30, 2024 was \$10,661, representing an increase of \$857 or 8.7%, compared to \$9,804 as of June 30, 2023. The increase corresponds to the increase in sales in Singapore operations. The number of days' sales outstanding in account receivables was 90 days and 82 days for the years ended June 30, 2024 and 2023 respectively.

As of June 30, 2024, other receivables were \$541, a decrease of \$398, or 42.4%, compared to \$939 as of June 30, 2023. The decrease is mainly due to negotiating better payment terms with creditors, which led to a decrease in advance payments.

Inventories as of June 30, 2024 were \$3,162, an increase of \$1,011, or 47%, compared to \$2,151 as of June 30, 2023. The increase was mainly due to higher inventory levels in our Singapore operations relating to backlogs that are expected to be delivered over the first two quarters of Fiscal 2025. The number of days' inventory held was 96 days at the end of Fiscal 2024, compared to 73 days at the end of Fiscal 2023.

Prepaid expenses as of June 30, 2024 were \$536 as of June 30, 2024 compared to \$694 as of June 30, 2023. This is mainly related to the prepayment for insurance and software license fees.

Investment properties in China as of June 30, 2024 were \$407, a decrease of \$67 from \$474 as of June 30, 2023. The decrease was attributable to the depreciation charged for the year.

Property, plant and equipment as of June 30, 2024 was \$5,937, a decrease of \$2,407 compared to \$8,344 as of June 30, 2023. The decrease was primarily attributed to the depreciation of leasehold improvements over a shorter lease period and fluctuations in foreign currency exchange rates between June 30, 2023 and June 30, 2024.

Other assets as of June 30, 2024 were \$232, an increase of \$116, or 100%, compared to \$116 as of June 30, 2023. This increase was primarily due to the increase of long-term deposits.

Total liabilities as of June 30, 2024 were \$10,962, a decrease of \$1,653, or 13.1%, compared to \$12,615 as of June 30, 2023. The decrease in liabilities was primarily due to a decrease in accrued expense, contract liabilities, income tax payable, operating leases, bank loans payable and finance lease, partially offset by an increase in accounts payable.

Accounts payable as of June 30, 2024 increased by \$1,515, or 91.3% to \$3,175 from \$1,660 as of June 30, 2023. This increase aligns with higher inventory levels and ongoing efforts to secure longer payment terms.

Accrued expense as of June 30, 2024 decreased by \$659, or 15.4% to \$3,634 from \$4,293 as of June 30, 2023. The decrease was mainly due to a decrease in accruals relating to purchases of property, plant and equipments.

Income tax payable as of June 30, 2024 decreased by \$153 to \$520 from \$673 as of June 30, 2023. The decrease was mainly due to lower taxable profit and also a payment made in connection with repatriation of taxes in Fiscal 2024.

Bank loans payable decreased by \$478 to \$874 as of June 30, 2024, as compared to \$1,352 as of June 30, 2023. The decrease was due to the repayments made in TTI's Malaysia operation.

Finance leases decreased by \$58 to \$91 as of June 30, 2024, as compared to \$149 as of June 30, 2023. The decrease was due to the repayments made in TTI's Singapore and Malaysia operations partially offset by the addition of finance leases in TTI's Singapore operation.

Other non-current liabilities decreased by \$567 to \$27 as of June 30, 2024, as compared to \$594 as of June 30, 2023. The decrease was mainly due to a decrease in accruals relating to acquisition of property, plant and equipment in TTI's China operations.

Operating lease right-of-use assets and the corresponding lease liabilities decreased by \$722 to \$1,887 as of June 30, 2024, as compared to \$2,609 as of June 30, 2023. This was due to the repayment made and the operating lease expense charged for the period. The decrease was partially offset by additional cost and liabilities created by new lease agreements in Malaysia and the renewal of leases in Singapore and China.

Uncertainties and Remedies

There are several influencing factors which create uncertainties when forecasting performance, such as the changing nature of technology, specific customer requirements, decline in demand for certain types of burn-in devices or equipment, decline in demand for testing services and fabrication services, and other factors. One factor that influences uncertainty is the highly competitive nature of the semiconductor industry. Additionally, certain customers are unable to provide a forecast of the products required in the upcoming weeks, rendering it, difficult to plan adequate resources needed to meet these customers' requirements because of short lead time and last-minute order confirmation. This will normally result in a lower margin for these products as it is often more expensive to purchase materials in a short time frame. However, the Company has taken certain actions and formulated certain plans to deal with and to help mitigate these unpredictable factors. For example, to meet manufacturing customers' demands upon short notice, the Company maintains higher inventories but continues to work closely with its customers to avoid stockpiling. We believe that we have improved customer service through our efforts to keep our staff up to date on the newest technology and stressing the importance of understanding and meeting the stringent requirements of our customers. Finally, the Company is exploring new markets and products, looking for new customers, and upgrading and improving burn-in technology while at the same time searching for improved testing methods for higher technology chips.

The Company's primary exposure to movements in foreign currency exchange rates relates to non-U.S. dollar-denominated sales and operating expense in its subsidiaries. Strengthening of the United States dollar ("*U.S. Dollar*") relative to foreign currencies adversely affects the U.S. Dollar value of the Company's foreign currency-denominated sales and earnings, and generally leads the Company to raise international pricing, potentially reducing demand for the Company's products. Margins on sales of the Company's products in foreign countries and on sales of products that include components obtained from foreign suppliers could be materially adversely affected by foreign currency exchange rate fluctuations. In some circumstances, for competitive or other reasons, the Company may decide not to raise local prices to fully offset the U.S. Dollar's strengthening, or at all, which would adversely affect the U.S. Dollar value of the Company's foreign currency-denominated sales and earnings. Conversely, a strengthening of foreign currencies relative to the U.S. Dollar, while generally beneficial to the Company's foreign currency denominated sales and earnings, could cause the Company to reduce international pricing, thereby limiting the benefit. Additionally, strengthening of foreign currencies may also increase the Company's cost of product components denominated in those currencies, thus adversely affecting gross margins.

As of June 30, 2024, although we have seen improvements in both our operations and those of our suppliers, we may continue to experience supply shortages as well as inflationary cost pressures in at least the near term. Risks and uncertainties related to supply chain challenges, and inflationary pressures may continue to negatively impact our revenue and gross margin. We continue to monitor and evaluate the business impact to react proactively.

On August 9, 2022, the CHIPS and Science Act of 2022 (“*CHIPS Act*”) was enacted in the United States. The CHIPS Act will provide financial incentives to the semiconductor industry which are primarily directed at manufacturing activities within the U.S. We continue to evaluate the business impact and potential opportunities related to the CHIPS Act. As of date, we do not see any direct effect of the CHIPS Act on the Company in the foreseeable future.

We sell our products and services worldwide, and our business is subject to risks inherent in conducting business activities in geographic regions outside of the United States. Periods of macroeconomic weakness or recession and heightened market volatility caused by adverse geopolitical developments could increase these risks, potentially resulting in adverse impacts on our business operations. We expect the sales of products for delivery outside of the United States will continue to represent a substantial portion of our future net sales. Our future performance will depend significantly upon our ability to continue to compete in foreign markets which in turn will depend, in part, upon a continuation of current trade relations between the United States and foreign countries in which semiconductor manufacturers or assemblers have operations.

Critical Accounting Estimates & Policies

The discussion and analysis of the Company’s financial condition presented in this section are based upon our consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the U.S. During the preparation of the consolidated financial statements, we are required to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expense, and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates and judgments, including those related to sales, returns, pricing concessions, bad debts, inventories, investments, fixed assets, intangible assets, income taxes and other impairments. Due to the events listed above, there has been uncertainty and disruption in the global economy and financial markets. These estimates and assumptions may change as new events occur and additional information is obtained. Actual results may differ from these estimates under different assumptions or conditions.

In response to the SEC’s Release No. 33-8040, *Cautionary Advice Regarding Disclosure about Critical Accounting Policy*, we have identified the most critical accounting policies upon which our financial statements depend. We determined that those critical accounting policies are related to the inventory valuation; allowance for doubtful accounts; revenue recognition; impairment of property, plant and equipment; investment properties and income tax. These accounting policies are discussed in the relevant sections in this management’s discussion and analysis, including the Recently Issued Accounting Pronouncements discussed below.

Account Receivables and Allowance for Credit Losses

During the normal course of business, we extend unsecured credit to our customers in all segments. Typically, credit terms require payment to be made between 30 to 90 days from the date of the sale. We generally do not require collateral from customers. We maintain our cash accounts at credit-worthy financial institutions.

The Company accounts for allowance for credit losses under the current expected credit loss (“*CECL*”) impairment model for its financial assets, including accounts receivable, and presents the net amount of the financial instrument expected to be collected. The CECL impairment model requires an estimate of expected credit losses, measured over the contractual life of an instrument, which considers forecasts of future economic conditions in addition to information about past events and current conditions. Based on this model, the Company estimates the amount of uncollectible accounts receivable at the end of each reporting period based on the aging of the receivable balance, current and historical customer trends, communications with its customers, and macro-economic conditions. Amounts are written off after considerable collection efforts have been made and the amounts are determined to be uncollectible.

Inventory Valuation

Inventories of our manufacturing and distribution segments, consisting principally of raw materials, works in progress, and finished goods, are stated at the lower of cost and net realizable value, using the first-in, first-out (“*FIFO*”) method. The semiconductor industry is characterized by rapid technological change, short-term customer commitments and swiftly changing demand. Provisions for estimated excess and obsolete inventory are based on regular reviews of inventory quantities on hand and the latest forecasts of product demand and production requirements from our customers. Inventories are written down for not-saleable, excess or obsolete raw materials, works-in-process and finished goods by charging such write-downs to cost of sales. In addition to write-downs based on newly introduced parts, statistics and judgments are used for assessing provisions of the remaining inventory based on sale ability and obsolescence.

Property, Plant and Equipment & Investment Properties

Property, plant and equipment and investment properties are stated at cost, less accumulated depreciation and amortization. Depreciation is provided for over the estimated useful lives of the assets using the straight-line method. Amortization of leasehold improvements is provided for over the lease terms or the estimated useful lives of the assets, whichever is shorter, using the straight-line method.

Maintenance, repairs and minor renewals are charged directly to expense as incurred. Additions and improvements to property and equipment are capitalized. When assets are disposed of, the related cost and accumulated depreciation thereon are removed from the accounts and any resulting gain or loss is included in the consolidated statements of operations and comprehensive income or loss.

Foreign Currency Translation and Transactions

The United States dollar (“U.S. dollar”) is the functional currency of the U.S. parent company. The Singapore dollar, the national currency of Singapore, is the primary currency of the economic environment in which the operations in Singapore are conducted. We also have business entities in Malaysia, Thailand, China and Indonesia, of which the Malaysian ringgit (“RM”), Thai baht, Chinese renminbi (“RMB”) and Indonesian rupiah are the national currencies. The Company uses the U.S. dollar for financial reporting purposes.

The Company translates assets and liabilities of its subsidiaries outside the U.S. into U.S. dollars using the rate of exchange prevailing at the balance sheet date, and the statement of operations is measured using average rates in effect for the reporting period. Adjustments resulting from the translation of the subsidiaries’ financial statements from foreign currencies into U.S. dollars are recorded in shareholders’ equity as part of accumulated comprehensive income or loss translation adjustment. Gains or losses resulting from transactions denominated in currencies other than functional currencies of the Company’s subsidiaries are reflected in income for the reporting period.

Revenue Recognition

The Company follows Accounting Standards Update (“ASU”) No. 2014-09, Accounting Standards Codification (“ASC”) Topic 606, *Revenue from Contracts with Customers* (“ASC Topic 606”). This standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers.

We apply a five-step approach as defined in ASC Topic 606 in determining the amount and timing of revenue to be recognized: (1) identifying the contract with customer; (2) identifying the performance obligations in the contracts; (3) determining the transaction price; (4) allocating the transaction price to the performance obligations in the contract; and (5) recognizing revenue when the corresponding performance obligation is satisfied.

Revenue derived from testing services is recognized when testing services are rendered. Revenue generated from sale of products in the manufacturing and distribution segments are recognized when persuasive evidence of an arrangement exists, delivery of the products has occurred, customer acceptance has been obtained (which means the control has been transferred to the customer), the price is fixed or determinable and collectability is reasonably assured. Certain customers can request for installation and training services to be performed for certain products sold in the manufacturing segment. These services are mainly for helping customers with the test runs of the machines sold and are considered a separate performance obligation. Such services can be provided by other entities as well, and these do not significantly modify the product. The Company recognizes the revenue at the point in time when the Company has satisfied its performance obligation.

In the real estate segment: (1) revenue from property development is earned and recognized on the earlier of the dates when the underlying property is sold or upon the maturity of the agreement; if this amount is uncollectible, the agreement empowers the repossession of the property, and (2) rental revenue is recognized on a straight-line basis over the terms of the respective leases. This means that, with respect to a particular lease, actual amounts billed in accordance with the lease during any given period may be higher or lower than the amount of rental revenue recognized for the period. Straight-line rental revenue is commenced when the tenant assumes possession of the leased premises. Accrued straight-line rents receivable represents the amount by which straight-line rental revenue exceeds rents currently billed in accordance with lease agreements.

Investment

The Company (a) evaluates the sufficiency of the total equity at risk, (b) reviews the voting rights and decision-making authority of the equity investment holders as a group, and whether there are any guaranteed returns, protection against losses, or capping of residual returns within the group and (c) establishes whether activities within the venture are on behalf of an investor with disproportionately few voting rights in making a Variable Interest Entity (“VIE”) determination. The Company would consolidate a venture that is determined to be a VIE if it was the primary beneficiary. Beginning January 1, 2010, a new accounting standard became effective and changed the method by which the primary beneficiary of a VIE is determined. Through a primarily qualitative approach, the variable interest holder, if any, who has the power to direct the VIE’s most significant activities is the primary beneficiary. To the extent that the investment does not qualify as VIE, the Company further assesses the existence of a controlling financial interest under a voting interest model to determine whether the venture should be consolidated.

Cost Method

Investee companies not accounted for under the consolidation or the equity method of accounting are accounted for under the cost method of accounting. Under this method, the Company’s share of the earnings or losses of such investee companies is not included in the consolidated balance sheet or consolidated statements of operations and comprehensive income or loss. However, impairment charges are recognized in the consolidated statements of operations and comprehensive income or loss. If circumstances suggest that the value of the investee company has subsequently recovered, such recovery is not recorded.

Long-Lived Assets & Impairment

Our business requires heavy investment in manufacturing facilities and equipment that are technologically advanced but can quickly become significantly underutilized or rendered obsolete by rapid changes in demand. We have recorded intangible assets with finite lives related to our acquisitions.

We evaluate our long-lived assets with finite lives for impairment whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. Factors considered important that could result in an impairment review include significant underperformance relative to expected historical or projected future operating results, significant changes in the manner of use of the assets or the strategy for our business, significant negative industry or economic trends, and a significant decline in our stock price for a sustained period of time. Impairment is recognized based on the difference between the fair value of the asset and its carrying value, and fair value is generally measured based on discounted cash flow analysis, if there is significant adverse change.

We have not identified any changes in circumstances requiring further impairment test in Fiscal 2024 except the phasing out of burn-in service contract with a customer in our Malaysia operation. In June 2023, our Malaysia operation received notification of termination of contract from a customer effective January 2024. In consideration of this impairment indicator, Management performed a further impairment test, and determined that majority of the primary assets used for servicing this customer in Malaysia had either fully depreciated before contract termination or repurposed for other customers. As the fair value of the primary assets were higher than the carrying value and hence, no impairment charges have been recorded in the year ended June 30, 2024. We will continue to monitor impairment indicators, such as disposition activity, stock price declines or changes in forecasted cash flows in future periods. If the fair value of our reporting unit declines below the carrying value in the future, we may incur additional impairment charges.

Fair Value Measurements

Under the standard ASC Topic 820, *Fair Value Measurements and Disclosures* (“ASC Topic 820”), fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between participants in the market in which the reporting entity transacts its business. ASC Topic 820 clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability. In support of this principle, ASC Topic 820 establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. Under the standard, fair value measurements would be separately disclosed by level within the fair value hierarchy.

Income Tax

We account for income taxes using the liability method in accordance with the provisions of ASC Topic 740, *Accounting for Income Taxes* (“ASC Topic 740”), which requires an entity to recognize deferred tax liabilities and assets. Deferred tax assets and liabilities are recognized for the future tax consequence attributable to the difference between the tax bases of assets and liabilities and their reported amounts in the financial statements, which will result in taxable or deductible amounts in future years. Further, the effects of enacted tax laws or rate changes are included as part of deferred tax expense or benefits in the period that covers the enactment date. Management believed it was more likely than not that the future benefits from these timing differences would not be realized. Accordingly, a valuation allowance was provided as of June 30, 2024 and 2023.

The calculation of tax liabilities involves dealing with uncertainties in the application of complex global tax regulations. We recognize potential liabilities for anticipated tax audit issues in the U.S. and other tax jurisdictions based on our estimate of whether, and the extent to which, additional taxes will be due. If the estimate of tax liabilities proves to be less than the ultimate assessment, a further charge to expense would result.

Stock-Based Compensation

We calculate compensation expense related to stock option awards made to employees and directors based on the fair value of stock-based awards on the date of grant. We determine the grant date fair value of our stock option awards using the Black-Scholes option pricing model and for awards without performance condition, the related stock-based compensation is recognized over the period in which a participant is required to provide service in exchange for the stock-based award, which is generally four years. We recognize stock-based compensation expense in the consolidated statements of shareholders' equity based on awards ultimately expected to vest. Forfeitures are estimated on the date of grant and revised if actual or expected forfeiture activity differs materially from original estimates.

Determining the fair value of stock-based awards at the grant date requires significant judgment. The determination of the grant date fair value of stock-based awards using the Black-Scholes option-pricing model is affected by our estimated common stock fair value as well as other subjective assumptions including the expected term of the awards, the expected volatility over the expected term of the awards, expected dividend yield and risk-free interest rates. The assumptions used in our option-pricing model represent management's best estimates and are as follows:

- *Fair Value of Common Stock.* We determined the fair value of each share of underlying common stock based on the closing price of our common stock on the date of grant.
- *Expected Term.* The expected term of employee stock options reflects the period for which we believe the option will remain outstanding based on historical experience and future expectations.
- *Expected Volatility.* We base expected volatility on our historical information over a similar expected term.

Non-controlling Interests in Consolidated Financial Statements

ASC Topic 810, *Consolidation* ("ASC Topic 810") establishes accounting and reporting standards for the non-controlling interest in a subsidiary. This guidance requires that non-controlling interests in subsidiaries be reported in the equity section of the controlling company's balance sheet. It also changes the way the net income of the subsidiary is reported and disclosed in the controlling company's income statement.

Loan Receivables

The loan receivables are classified as current assets carried at face value and are individually evaluated for impairment. The allowance for loan losses reflects management's best estimate of probable losses determined principally on the basis of historical experience and specific allowances for known loan accounts. All loans or portions thereof deemed to be uncollectible or require an excessive collection cost are written off to the allowance for losses.

Interest Income

Interest income on loans is recognized on an accrual basis. Discounts and premiums on loans are amortized to income using the interest method over the remaining period to contractual maturity. The amortization of discounts into income is discontinued on loans that are contractually 90 days past due or when collection of interest appears doubtful.

Recent Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting* (Topic 280), Improvements to Reportable Segment Disclosures. The new guidance requires enhanced disclosures about significant segment expense. This standard update is effective for the Company for annual periods beginning in the fiscal year ending June 30, 2025 and interim period reports beginning in the first quarter of the fiscal year ending June 30, 2026. Early adoption is permitted on a retrospective basis. The Company is currently evaluating the impact of this ASU on segment disclosure.

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In December 2023, the FASB issued ASU 2023-09, *Income Taxes* (Topic 740), Improvements to Income Tax Disclosures. The new guidance requires enhanced disclosures about income tax expense. This standard update is effective for the Company beginning in the fiscal year ending June 30, 2026. Early adoption is permitted on a prospective basis. The Company is currently evaluating the impact of this ASU on annual income tax disclosures.

Other new pronouncements issued but not yet effective until after June 30, 2024 are not expected to have a significant effect on the Company's consolidated financial position or results of operations.

Comparison of Operating Results

The following table presents certain data from the consolidated statements of operating income as a percentage of net sales for Fiscal 2024 and 2023:

	For the Year Ended June 30,	
	2024	2023
Revenue	100%	100.0%
Cost of sales	74.6%	72.9%
Gross Margin	25.4%	27.1%
Operating expense:		
General and administrative	19.9%	19.4%
Selling	2.0%	1.5%
Research and development	0.9%	0.9%
Loss on disposal of property, plant and equipment	0.1%	0.0%
Total operating expense	22.9%	21.8%
Income from Operations	2.5%	5.3%

Revenue

Revenue is comprised of revenue from the Manufacturing, Testing, Distribution and Real Estate segments. The components of revenue for Fiscal 2024 and 2023 were as follows:

	For the Year Ended June 30,	
	2024	2023
Manufacturing	37.9%	32.0%
Testing	42.4%	53.4%
Distribution	19.6%	14.5%
Real estate	0.1%	0.1%
Total	100%	100%

Revenue during Fiscal 2024 was \$42,312, a decrease of \$938, or 2.2%, compared to \$43,250 during Fiscal 2023. The decrease in revenue was primarily due to the decrease in sales from the Testing segment that reflects a drop in volume amidst a challenging semiconductor market environment.

Manufacturing Segment

Manufacturing segment accounted for 37.9% of revenue during Fiscal 2024, an increase of 5.9%, compared to 32.0% during Fiscal 2023. Revenue generated by the Manufacturing segment during Fiscal 2024 was \$16,057, reflecting an increase of \$2,230, or 16.1%, compared to \$13,827 during Fiscal 2023.

As of June 30, 2024, the backlog in the Manufacturing segment was \$5,944, reflecting a decrease of \$2,112 from \$8,056 as of June 30, 2023. This decline is primarily due to a slowdown in budgeted capital spending by customers. The customers' capital spending is likely to slow down over the next two quarters, with a potential improvement thereafter.

Testing Segment

Revenue generated by the Testing segment accounted for 42.4% of total revenue during Fiscal 2024, as compared to 53.4% during Fiscal 2023. Revenue generated by the Testing segment for Fiscal 2024 was \$17,933, reflecting a decrease of \$5,197, or 22.5%, compared to \$23,130 for Fiscal 2023. The decrease in revenue in the Testing segment reflects the drop in volume amidst a challenging semiconductor market environment.

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Backlog in the Testing segment as of June 30, 2024 was \$5,342, a decrease of \$60, compared to \$5,402 at June 30, 2023. Backlog is dependent on the estimated volume provided by customers, which is dependent on the customers' inventory levels and demand.

Distribution Segment

Revenue generated by the Distribution segment during Fiscal 2024 accounted for 19.6% of total revenue, an increase of 5.1% compared to 14.5% for Fiscal 2023. Revenue for Fiscal 2024 was \$8,297, an increase of \$2,027, or 32.3%, compared to \$6,270 for Fiscal 2023. In Fiscal 2023, customer demand was lower due to excess inventory levels. However, in Fiscal 2024, demand for electronic components has recovered.

Backlog in the Distribution segment as of June 30, 2024 was \$3,068, reflecting a decrease of \$814 compared to the backlog of \$3,882 at June 30, 2023. The decrease in backlog was mainly due to weaker demand from customers. Display and electronic component sales are very competitive, as the products are readily available in the market. We believe that our competitive advantage in the distribution segment is that we act as value-added provider by enhancing the value of the distributed products by customizing them to the needs of our customers through our expert design, engineering and integration. Even with a weak backlog, we see the potential to perform better in fiscal year 2025 than in fiscal year 2024.

Real Estate Segment

Revenue generated by the Real Estate segment was 0.1% of total revenue for both the years ended June 30, 2024 and 2023. Revenue generated by the Real Estate segment for Fiscal 2024 was \$25, as compared to \$23 for Fiscal 2023.

Backlog in the Real Estate segment as of June 30, 2024, was \$68, a decrease of \$29 as compared to \$97 at June 30, 2023. The decrease is mainly due to low occupancy rate in the Fu Li Real Estate Development Co. Ltd. Properties.

Gross Margin

Gross margin as a percentage of revenue was 25.4% in Fiscal 2024, a decrease of 1.6% compared to 27.1% in Fiscal 2023. Overall gross profit for Fiscal 2024 was \$10,762, a decrease of \$943, or 8.1%, compared to \$11,705 for Fiscal 2023. The decrease in gross margin as a percentage of revenue was mainly attributable to the underperformance in the Testing segment.

Gross margin as a percentage of revenue in the Manufacturing segment was 26.4% in Fiscal 2024, an increase of 3%, compared to 23.4% in Fiscal 2023. Gross profit for the Manufacturing segment in Fiscal 2024 was \$4,234, an increase of \$994 or 30.7%, compared to \$3,240 in Fiscal 2023. The increase in gross profit was primarily due to an increase in system and equipment sales that generates higher margins in Fiscal 2024 compared to Fiscal 2023.

Gross margin as a percentage of revenue in the Testing segment was 28.6% in Fiscal 2024, a decrease of 3.7%, compared to 32.3% in Fiscal 2023. Gross profit in the Testing segment in Fiscal 2024 was \$5,124, a decrease of \$2,348, or 31.4%, compared to \$7,472 in Fiscal 2023 due to lower margins in the Testing segment resulting from lower demand. The gross margin was negatively impacted by the decrease in revenue across all test operations where a significant portion of our cost of goods sold are fixed, and as the demand for services and factory utilization decrease, the fixed costs are spread over the decreased output, which reduces the gross profit margin.

Gross margin as a percentage of revenue in the Distribution segment was 17.5% in Fiscal 2024, an increase of 0.9%, compared to 16.6% in Fiscal 2023. Gross profit in the Distribution segment was \$1,450, an increase of \$408, or 39.2%, compared to \$1,042 in Fiscal 2023. The increase in gross profit was due to the increase in distribution sales compared to the Fiscal 2023.

Gross loss in the Real Estate segment was \$46 in Fiscal 2024, a decrease of \$3 as compared to \$49 in Fiscal 2023.

Operating Expense

Operating expense for the years ended June 30, 2024 and 2023 was as follows:

	For the Year Ended June 30,	
	2024	2023
General and administrative	\$ 8,387	\$ 8,403
Selling	844	670
Research and development	392	397
Loss on disposal of property, plant and equipment	46	7
Total	\$ 9,669	\$ 9,477

General and administrative expense was \$8,387 in Fiscal 2024, remaining nearly unchanged from \$8,403 in Fiscal 2023.

During Fiscal 2024, we incurred professional fees of approximately \$307 related to the identification and evaluation of potential divestment opportunities. These fees were primarily associated with advisory services aimed at optimizing our portfolio and aligning our strategic focus. While these costs impacted our operating expense for the year, they are considered non-recurring and directly linked to our ongoing efforts to streamline operations and enhance shareholder value. Excluding these expenses, total general and administrative expense was lower on a trailing twelve-month basis, reflecting our rigorous cost-saving efforts across our organization.

Selling expense increased by \$174, or 26%, to \$844 in Fiscal 2024, compared to \$670 in Fiscal 2023. The increase in selling expense was primarily attributable to an increase in commission because of an increase in commissionable revenue and increased business travel in Fiscal 2024 as compared to Fiscal 2023.

Profit from Operations

Profit from operations was \$1,093 in Fiscal 2024, a decrease of \$1,135, compared to profit from operations of \$2,228 in Fiscal 2023. The decrease was mainly due to the decrease in revenue, coupled with a decrease in gross profit margin in the Testing segment.

Interest Expense

Interest expense for the years ended June 30, 2024 and 2023 was as follows:

	For the Year Ended June 30,	
	2024	2023
Interest expense	\$ 77	\$ 105

Interest expense decreased by \$28 to \$77 in Fiscal 2024, compared to \$105 in Fiscal 2023 due to lower utilization of credit facilities. The bank loans payable decreased by \$478 to \$874 in Fiscal 2024, as compared to \$1,352 in Fiscal 2023 due to payments made.

Other Income

Other income for the years ended June 30, 2024 and 2023 was as follows:

	For the Year Ended June 30,	
	2024	2023
Interest income	\$ 370	\$ 174
Other rental income	127	115
Exchange loss	(74)	(269)
Other miscellaneous income	77	86
Total	\$ 500	\$ 106

Other income increased by \$394 to \$500 for Fiscal 2024, compared to \$106 for Fiscal 2023. The increase was mainly due to an increase in interest income and a favorable foreign currency impact.

Government Grant

During Fiscal 2024, the Company received government grants amounting to \$113, \$23 of which was financial assistance received from the Singapore government, \$57 from the U.S. government related to Employee Retention Credit (“ERC”) and the remaining related to capital expenditure subsidy received from the government in China.

During Fiscal 2023, the Company received government grants amounting to \$153, \$107 of which was financial assistance received from the Singapore government and the remaining related to capital expenditure subsidy received from the government in China.

Income Tax Expense

Income tax expense for Fiscal 2024 was \$486, representing a decrease of \$136, as compared to income tax expense of \$622 for Fiscal 2023. The decrease was primarily due to lower taxable income in Fiscal 2024 compared to Fiscal 2023.

At June 30, 2024, the Company had no federal net operating loss carry-forwards, and a state net operating loss carry-forward of \$2,219, which expires in 2034. These carryovers may be subject to limitations under I.R.C. Section 382. In assessing the ability to realize the deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on these criteria, management believes it is more likely than not the Company will not realize the benefits of the federal, state, and foreign deductible differences. Accordingly, a valuation allowance has been established against deferred tax assets recorded in the US and various foreign jurisdictions.

Loss from Discontinued Operations

Loss from discontinued operations was \$4 in Fiscal 2024, compared to loss from discontinued operations of \$1 in Fiscal 2023. The Company discontinued its fabrication segment in Fiscal 2013.

Non-controlling Interest

As of June 30, 2024, the Company held a 55% interest in each of Trio-Tech (Malaysia) Sdn. Bhd., Trio-Tech (Kuala Lumpur) Sdn. Bhd., and SHI International Pte Ltd, a 52% interest in PT SHI Indonesia, a 76% interest in Prestal Enterprise Sdn. Bhd. and a 51% interest in Trio-Tech Jiangsu Co., Ltd. The non-controlling interest for Fiscal 2024, in the net profit of subsidiaries, was \$92, a change of \$122 compared to a non-controlling interest in the net profit of \$214 for the previous fiscal year. The change in the non-controlling interest was primarily attributable to the decrease in net income generated by the Company's operations in China.

Net Income Attributable to Trio-Tech International Common Shareholders

Net income attributable to Trio-Tech International common shareholders for Fiscal 2024 was \$1,050 compared to the net income attributable to Trio-Tech International common shareholders of \$1,544 for Fiscal 2023. The decrease was mainly due to the decrease in revenue and gross margin, partially offset by an increase in other income.

Earnings per Share

Basic earnings per share from continuing operations was \$0.25 in Fiscal 2024, as compared to basic earnings per share of \$0.38 in Fiscal 2023. Basic earnings per share from discontinued operations was \$nil for Fiscal 2024 and Fiscal 2023.

Diluted earnings per share from continuing operations was \$0.24 in Fiscal 2024, as compared to diluted earnings per share \$0.37 in Fiscal 2023. Diluted earnings per share from discontinued operations was \$nil for Fiscal 2024 and Fiscal 2023.

Segment Information

The revenue, gross margin and income/(loss) from each segment for the years ended June 30, 2024 and 2023 are presented below. As the segment revenue and gross margin for each segment has been discussed in previous sections, only the comparison of income/(loss) from operations is discussed below.

Manufacturing Segment

The revenue, gross margin and income/(loss) from operations for the Manufacturing segment for the years ended June 30, 2024 and 2023 were as follows:

		For the Year Ended June 30, 2024	2023
Revenue	\$	16,057	\$ 13,827
Gross margin		26.4%	23.4%
Income / (Loss) from operations	\$	616	\$ (58)

Income from operations in the Manufacturing segment was \$616 in Fiscal 2024, an increase of \$674, as compared to a loss from operations of \$58 in Fiscal 2023. The increase in net income was attributable to an increase in gross margin of \$1,007 partially offset by the increase in operating expense of \$384. Operating expense was \$3,618 and \$3,298 for Fiscal 2024 and 2023, respectively. The increase in operating expense was mainly attributable to higher remuneration expense due to improved performance, business travel and entertainment expenses, and an increased allocation of corporate expense.

Testing Segment

The revenue, gross margin and income from operations for the Testing segment for the years ended June 30, 2024 and 2023 were as follows:

	For the Year Ended June 30,	
	2024	2023
Revenue	\$ 17,933	\$ 23,130
Gross margin	28.6%	32.3%
(Loss) / Income from operations	\$ (322)	\$ 1,648

Loss from operations in the Testing segment in Fiscal 2024 was \$322, as compared to income from operations of \$1,648 in Fiscal 2023. The decrease in operating profit was mainly due to lower gross profit resulting from lower revenue. Operating expense was \$5,446 and \$5,824 for Fiscal 2024 and 2023, respectively. The decrease of \$378 in operating expense was mainly due to effective cost control measures implemented across Test operations in response to drop in volume, coupled with lower corporate expenses allocated to the Testing segment due to drop in revenue.

Distribution Segment

The revenue, gross margin and income from operations for the Distribution segment for the years ended June 30, 2024 and 2023 were as follows:

	For the Year Ended June 30,	
	2024	2023
Revenue	\$ 8,297	\$ 6,270
Gross margin	17.5%	16.6%
Income from operations	\$ 1,129	\$ 816

Income from operations in the Distribution segment was \$1,129 in Fiscal 2024, as compared to \$816 in Fiscal 2023. The increase in operating income was primarily due to an increase in gross margin by \$408, which was partially offset with an increase in operating expense of \$97. Operating expense was \$321 and \$224 for the years ended June 30, 2024 and 2023, respectively. The increase in operating expense was mainly contributed by business travel and entertainment expenses, and an increased allocation of corporate expenses.

Real Estate Segment

The revenue, gross margin and loss from operations for the Real Estate segment for the years ended June 30, 2024 and 2023 were as follows:

	For the Year Ended June 30,	
	2024	2023
Revenue	\$ 25	\$ 23
Gross loss	(184.0)%	(213.0)%
Loss from operations	\$ (100)	\$ (98)

Loss from operations in the Real Estate segment was \$100 in Fiscal 2024, as compared to \$98 in Fiscal 2023. Operating expense was \$54 and \$49 in each of the years ended June 30, 2024 and 2023 respectively.

Corporate

The loss from operations for corporate for the years ended June 30, 2024 and 2023, respectively:

	For the Year Ended June 30,	
	2024	2023
Loss from operations	\$ (230)	\$ (80)

In Fiscal 2024, corporate operating loss was \$230, a change of \$150, compared to loss of operations of \$80 in Fiscal 2023. During Fiscal 2024, the operating loss increased due to \$307 in professional fees associated with advisory services aimed at optimizing our portfolio and aligning our strategic focus.

Liquidity

Net cash provided by operating activities was \$2,558 for the year ended June 30, 2024, a decrease of \$5,552 as compared to \$8,110 provided by operating activities for the prior year. The decrease in net cash provided by operating activities was primarily due to decrease in depreciation and amortization of \$854, trade receivables receipts of \$2,650, inventories of \$1,276, contract liabilities of \$810, and other non-current liabilities of \$1,133 partially offset by an increase in cash inflow from accounts payable and accrued expense of \$1,896.

Net cash used in investing activities was \$113 for the year ended June 30, 2024, a decrease of \$5,961 as compared to \$6,074 used in investing activities in the prior year. The decrease in net cash used in investing activities was primarily due to a decrease in outflow of \$2,167 used for investments in unrestricted deposits and \$3,956 used on additional property, plant and equipment.

Net cash used in financing activities for the year ended June 30, 2024, was \$90, compared to \$1,243 used during the prior year. The decrease in cash outflow for financing activities was mainly due to settlement of lines of credit of \$541 relating to the prior year. In Fiscal 2024, lines of credit of \$961 were availed and were settled within the same period. Proceeds from exercising stock options during that period amounted to \$506, which was a \$437 increase as compared to the same period in Fiscal 2023.

We believe that our projected cash flows from operations, borrowing availability under our revolving lines of credit, cash on hand, trade credit and the secured bank loans will provide the necessary financial resources to meet our projected cash requirements for at least the next 12 months. The Company filed a Shelf Registration Statement on Form S-3 on December 3, 2021, under which we may raise capital of \$10,000,000 from any combination of securities (common stock, warrants, debt securities or units) for business expansion and working capital purposes if necessary.

Capital Resources

Our working capital (defined as current assets minus current liabilities) has historically been generated primarily from the following sources: operating cash flow, availability under our revolving line of credit, and short-term loans. Working capital was \$22,760 as of June 30, 2024, representing an increase of \$3,259, or 16.7%, compared to working capital of \$19,501 as of June 30, 2023. The increase in working capital was mainly due to increases in current assets, including cash and cash equivalents, trade receivables and inventories, and decreases in current liabilities, including accrued expense, contract liabilities, income taxes payable, bank loans payable, finance leases, and operating leases. Such fluctuations were partially offset by decreases in current assets, including short-term deposits, other accounts receivable, prepaid expenses and assets held for sale and increases in current liabilities, including accounts payable.

The majority of our capital expenditures are based on demands from our customers, as we are operating in a capital-intensive industry. Our capital expenditures were \$542 and \$4,498 for the years ended June 30, 2024 and 2023, respectively. The capital expenditures in Fiscal 2024 were primarily for motor vehicles and equipment. We financed our capital expenditures and other operating expense through operating cash flows and long-term debts.

Our credit rating provides us with ready and adequate access to funds in the global market.

At June 30, 2024, the Company had certain lines of credit that are collateralized by restricted deposits.

Entity with Facility	Type of Facility	Interest Rate	Credit Limitation	Unused Credit
Trio-Tech International Pte. Ltd., Singapore	Lines of Credit	Cost of Funds Rate +1.25%	\$ 3,907	\$ 3,626
Universal (Far East) Pte. Ltd.	Lines of Credit	Cost of Funds Rate +1.25%	\$ 1,843	\$ 1,818
Trio-Tech Malaysia Sdn. Bhd.	Revolving credit	Cost of Funds Rate +2%	\$ 318	\$ 318

As of June 30, 2023, the Company had certain lines of credit that are collateralized by restricted deposits.

Entity with Facility	Type of Facility	Interest Rate	Credit Limitation	Unused Credit
Trio-Tech International Pte. Ltd., Singapore	Lines of Credit	Cost of Funds Rate +1.25% to +1.3%	\$ 3,907	\$ 3,701
Universal (Far East) Pte. Ltd.	Lines of Credit	Cost of Funds Rate +1.25% to +1.3%	\$ 1,843	\$ 1,559
Trio-Tech Malaysia Sdn. Bhd.	Revolving credit	Cost of Funds Rate +2%	\$ 319	\$ 319

Off-Balance Sheet Arrangements

We do not consider the Company to have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenue or expense, results of operations, liquidity, capital expenditures or capital resources.

ITEM 7A – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934, as amended, we are not required to provide the information required by this item.

ITEM 8 – FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information called for by this item is included in the Company's consolidated financial statements beginning on page F-2 of this Annual Report.

ITEM 9 – CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A – CONTROLS AND PROCEDURES

An evaluation was carried out by the Company's Chief Executive Officer and Chief Financial Officer (the principal executive and principal financial officers, respectively, of the Company) of the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) or 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended) as of June 30, 2024, the end of the period covered by this Form 10-K. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of June 30, 2024.

Additionally, management has the responsibility for establishing and maintaining adequate internal control over financial reporting for the Company and thus also assessed the effectiveness of our internal controls over financial reporting as of June 30, 2024. Management used the framework set forth in the report entitled "Internal Control – Integrated Framework" published by the Committee of Sponsoring Organizations of the Treadway Commission in 2013 to evaluate the effectiveness of the Company's internal control over financial reporting.

Internal control over financial reporting refers to the process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer, and effected by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with U.S. generally accepted accounting principles, and includes those policies and procedures that:

1. Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorization of management and directors of the Company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition and use or disposition of the Company's assets that could have a material effect on the financial statements.

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, the risk.

Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's internal controls over financial reporting were effective as of June 30, 2024.

Changes in Internal Control Over Financial Reporting

There has been no change in the Company's internal control over financial reporting during the fourth quarter of Fiscal 2024, which were identified in connection with management's evaluation required by paragraph (d) of rules 13a-15 and 15d-15 under the Exchange Act, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B – OTHER INFORMATION

None.

ITEM 9C – DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

The information required by Items 10 through 14 of Part III of this Form 10-K (information regarding our directors and executive officers, executive compensation, security ownership of certain beneficial owners, management, related stockholder matters, and certain relationships and related transactions and principal accountant fees and services) is hereby incorporated by reference from the Company's Proxy Statement to be filed with the Securities and Exchange Commission within 120 days of June 30, 2024.

PART IV

ITEM 15 – EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) (1 and 2) FINANCIAL STATEMENTS AND SCHEDULES:

The following financial statements, including notes thereto and the independent auditors' report with respect thereto, are filed as part of this Annual Report on Form 10-K, starting on page 34 hereof:

1. Report of Independent Registered Public Accounting Firm
2. Consolidated Balance Sheets
3. Consolidated Statements of Operations and Comprehensive Income (Loss)
4. Consolidated Statements of Shareholders' Equity
5. Consolidated Statements of Cash Flows
6. Notes to Consolidated Financial Statements

(b) The exhibits filed as part of this Annual Report on Form 10K are set forth on the Exhibit Index immediately preceding such exhibits and are incorporated herein by reference.

ITEM 16 – FORM 10-K SUMMARY

Not applicable.

EXHIBITS:

Number	Description
3.1	Articles of Incorporation of Trio-Tech International, as currently in effect. (Incorporated by reference to Exhibit 3.1 to the Registrant's Annual Report on Form 10-K for June 30, 1988)
3.2	Second Amended and Restated Bylaws of Trio-Tech International (Incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed December 13, 2023)
4.1	Description of Registrant's Securities
10.1	2017 Employee Stock Option Plan (Incorporated by reference to Appendix 1 to the Registrant's Proxy Statement for its Annual Meeting held December 4, 2017.)**
10.2	2017 Directors Equity Incentive Plan (Incorporated by reference to Appendix 2 to the Registrant's Proxy Statement for its Annual Meeting held December 4, 2017.)**
10.3	Amendment to 2017 Directors Equity Incentive Plan*
10.4	Joint Venture Agreement between Trio-Tech SIP Co., Ltd and Suzhou Anchuang Technology Management LLP dated December 1, 2021 (Incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q, filed February 13, 2022)
21.1	Subsidiaries *
23.1	Consent of Independent Registered Public Accounting Firm*
31.1	Rule 13a-14(a) Certification of Principal Executive Officer of Registrant*
31.2	Rule 13a-14(a) Certification of Principal Financial Officer of Registrant*
32	Section 1350 Certification. *
97.1	Trio-Tech International Clawback Policy
101.INS	The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.*
101.SCH	Inline XBRL Taxonomy Extension Schema*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)*

* Filed electronically herewith.

** Indicates management contracts or compensatory plans or arrangements required to be filed as an exhibit to this report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TRIO-TECH INTERNATIONAL

By: /s/ Srinivasan Anitha
Srinivasan Anitha
Chief Financial Officer
September 23, 2024

Pursuant to the requirement of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacity and on the dates indicated.

By: /s/ S.W.Yong
S. W. Yong, Director
Chairman and Chief
Executive Officer
(Principal Executive Officer)
September 23, 2024

By: /s/ Srinivasan Anitha
Srinivasan Anitha
Chief Financial Officer
(Principal Financial Officer)
September 23, 2024

By: /s/ Jason T. Adelman
Jason T. Adelman,
Director
September 23, 2024

By: /s/ Richard M. Horowitz
Richard M. Horowitz,
Director
September 23, 2024

By: /s/ Victor Ting Hock Ming
Victor Ting Hock Ming,
Director
September 23, 2024

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Trio Tech International

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Trio-Tech International and its Subsidiaries (the “Company”) as of June 30, 2024 and 2023, and the related consolidated statements of operations and comprehensive income (loss), shareholders’ equity and cash flows for each of the two years in the period ended June 30, 2024 and 2023, and the related notes (collectively referred to as the “consolidated financial statements”).

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of June 30, 2024 and 2023, and the consolidated results of its operations and its cash flows for each of the two years in the period ended June 30, 2024 and 2023, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

Critical audit matters are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

FORVIS MAZARS LLP
(FORMERLY KNOWN AS MAZARS LLP)
PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS
We have served as the company’s auditors since 2009

/s/ Forvis Mazars LLP

Singapore
September 23, 2024
PCAOB ID Number 2136

TRIO-TECH INTERNATIONAL AND SUBSIDIARIES
AUDITED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT NUMBER OF SHARES)

	June 30, 2024	June 30, 2023
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 10,035	\$ 7,583
Short-term deposits	6,497	6,627
Trade accounts receivable, less allowance for expected credit losses of \$209 and \$217, respectively	10,661	9,804
Other receivables	541	939
Inventories, less provision for obsolete inventories of \$679 and \$648, respectively	3,162	2,151
Prepaid expense and other current assets	536	694
Assets held for sale	-	274
Financed sales receivable	-	16
Restricted term deposits	750	739
Total current assets	32,182	28,827
NON-CURRENT ASSETS:		
Deferred tax assets	124	100
Investment properties, net	407	474
Property, plant and equipment, net	5,937	8,344
Operating lease right-of-use assets	1,887	2,609
Other assets	232	116
Restricted term deposits	1,771	1,716
Total non-current assets	10,358	13,359
TOTAL ASSETS	\$ 42,540	\$ 42,186
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	\$ 3,175	\$ 1,660
Accrued expense	3,634	4,293
Contract liabilities	754	1,275
Income taxes payable	379	418
Current portion of bank loans payable	261	475
Current portion of finance leases	57	107
Current portion of operating leases	1,162	1,098
Total current liabilities	9,422	9,326
NON-CURRENT LIABILITIES:		
Bank loans payable, net of current portion	613	877
Finance leases, net of current portion	34	42
Operating leases, net of current portion	725	1,511
Income taxes payable, net of current portion	141	255
Deferred tax liabilities	-	10
Other non-current liabilities	27	594
Total non-current liabilities	1,540	3,289
TOTAL LIABILITIES	\$ 10,962	\$ 12,615
EQUITY		
TRIO-TECH INTERNATIONAL'S SHAREHOLDERS' EQUITY:		
Common stock, no par value, 15,000,000 shares authorized; 4,250,305 and 4,096,680 shares issued outstanding as of June 30, 2024 and 2023, respectively	\$ 13,325	12,819
Paid-in capital	5,531	5,066
Accumulated retained earnings	11,813	10,763
Accumulated other comprehensive income-translation adjustments	660	758
Total Trio-Tech International shareholders' equity	31,329	29,406
Non-controlling interest	249	165
TOTAL EQUITY	\$ 31,578	\$ 29,571
TOTAL LIABILITIES AND EQUITY	\$ 42,540	\$ 42,186

See notes to consolidated financial statements.

TRIO-TECH INTERNATIONAL AND SUBSIDIARIES
AUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(IN THOUSANDS, EXCEPT EARNINGS PER SHARE)

	For the Year Ended June 30,	
	2024	2023
Revenue		
Manufacturing	\$ 16,057	\$ 13,827
Testing services	17,933	23,130
Distribution	8,297	6,270
Real estate	25	23
	<u>42,312</u>	<u>43,250</u>
Cost of Sales		
Cost of manufactured products sold	11,823	10,587
Cost of testing services rendered	12,809	15,658
Cost of distribution	6,847	5,228
Cost of real estate	71	72
	<u>31,550</u>	<u>31,545</u>
Gross Margin	10,762	11,705
Operating Expense:		
General and administrative	8,387	8,403
Selling	844	670
Research and development	392	397
Loss on disposal of property, plant and equipment	46	7
Total operating expense	<u>9,669</u>	<u>9,477</u>
Income from Operations	1,093	2,228
Other Income		
Interest expense	(77)	(105)
Other income	500	106
Government grant	113	153
Total other income	<u>536</u>	<u>154</u>
Income from Continuing Operations before Income Taxes	1,629	2,382
Income Tax Expense	<u>(486)</u>	<u>(622)</u>
Income from Continuing Operations before Non-controlling Interest, Net of Tax	1,143	1,760
Discontinued Operations		
Loss from discontinued operations, net of tax	(1)	(2)
NET INCOME	1,142	1,758
Less: Net income attributable to non-controlling interest	92	214
Net Income Attributable to Trio-Tech International Common Shareholders	\$ 1,050	\$ 1,544
Amounts Attributable to Trio-Tech International Common Shareholders:		
Income from continuing operations, net of tax	1,054	1,545
Loss from discontinued operations, net of tax	(4)	(1)
Net Income Attributable to Trio-Tech International Common Shareholders	<u>\$ 1,050</u>	<u>\$ 1,544</u>
Basic Earnings per Share:		
Basic earnings per share from continuing operations attributable to Trio-Tech International	\$ 0.25	\$ 0.38
Basic earnings per share from discontinued operations attributable to Trio-Tech International	\$ -	\$ -
Basic Earnings per Share from Net Income Attributable to Trio-Tech International	\$ 0.25	\$ 0.38
Diluted Earnings per Share:		
Diluted earnings per share from continuing operations attributable to Trio-Tech International	\$ 0.24	\$ 0.37
Diluted earnings per share from discontinued operations attributable to Trio-Tech International	\$ -	\$ -
Diluted Earnings per Share from Net Income Attributable to Trio-Tech International	\$ 0.24	\$ 0.37
Weighted average number of common shares outstanding		
Basic	4,160	4,082
Dilutive effect of stock options	139	83
Number of shares used to compute earnings per share diluted	<u>4,299</u>	<u>4,165</u>

See notes to consolidated financial statements.

TRIO-TECH INTERNATIONAL AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(IN THOUSANDS)

	For the Year Ended June 30,	
	2024	2023
Comprehensive Income Attributable to Trio-Tech International Common Shareholders:		
Net income	\$ 1,142	\$ 1,758
Foreign currency translation, net of tax	(106)	(616)
Comprehensive Income	1,036	1,142
Less: Comprehensive income attributable to non-controlling interest	84	37
Comprehensive Income Attributable to Trio-Tech International Common Shareholders	\$ 952	\$ 1,105

See notes to consolidated financial statements.

TRIO-TECH INTERNATIONAL AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(IN THOUSANDS)

	Common Stock		Paid-in Capital	Accumulated Retained Earnings	Accumulated Other Comprehensive Income	Non-controlling Interest	Total
	Shares	Amount					
		\$	\$	\$	\$	\$	\$
Balance at June 30, 2022	4,072	12,750	4,708	9,219	1,197	128	28,002
Stock option expense	-	-	358	-	-	-	358
Net income	-	-	-	1,544	-	214	1,758
Exercise of stock option	25	69	-	-	-	-	69
Translation adjustment	-	-	-	-	(439)	(177)	(616)
Balance at June 30, 2023	4,097	12,819	5,066	10,763	758	165	29,571
Stock option expense	-	-	465	-	-	-	465
Net income	-	-	-	1,050	-	92	1,142
Exercise of stock option	153	506	-	-	-	-	506
Translation adjustment	-	-	-	-	(98)	(8)	(106)
Balance at June 30, 2024	4,250	13,325	5,531	11,813	660	249	31,578

See accompanying notes to consolidated financial statements.

TRIO-TECH INTERNATIONAL AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (IN THOUSANDS)

	For the Year Ended June 30,	
	2024	2023
Cash Flow from Operating Activities		
Net income	\$ 1,142	\$ 1,758
Adjustments to reconcile net income to net cash flow provided by operating activities		
Depreciation and amortization	4,234	5,088
Loss on sale and write-off of property, plant and equipment	46	7
Stock compensation	465	358
Addition of provision for obsolete inventories	65	61
Reversal of obsolete inventories	(21)	(40)
Payment of interest portion of finance lease	(6)	(10)
Bad debt recovery, net of allowance charged	(5)	(11)
Accrued interest income, net accrued interest expense	(72)	(12)
(Addition) / Reversal of income tax provision	(7)	93
Assurance warranty recovery, net	-	5
Deferred tax (benefit) / expenses	(22)	106
Repayment of operating lease	(1,415)	(1,300)
Changes in operating assets and liabilities, net of acquisition effects		
Trade accounts receivable	(838)	1,812
Other receivables	398	59
Other assets	(51)	(10)
Inventories	(1,046)	230
Prepaid expenses and other current assets	159	511
Accounts payable and accrued expenses	798	(1,098)
Contract liabilities	(523)	287
Income taxes payable	(176)	(350)
Other non-current liabilities	(567)	566
Net Cash Provided by Operating Activities	\$ 2,558	\$ 8,110
Cash Flow from Investing Activities		
Withdrawal from unrestricted term deposits	4,796	5,140
Investment in unrestricted term deposits	(4,627)	(6,794)
Proceeds from disposal of assets for sale	200	-
Proceeds from disposal of property, plant and equipment	60	78
Additions to property, plant and equipment	(542)	(4,498)
Net Cash Used in Investing Activities	(113)	(6,074)
Cash Flow from Financing Activities		
Payment on lines of credit	(961)	(1,502)
Payment of bank loans	(475)	(480)
Payment of principal portion of finance leases	(112)	(120)
Proceeds from exercising stock options	506	69
Proceeds from lines of credit	952	580
Proceeds from bank loans	-	210
Net Cash Used in Financing Activities	(90)	(1,243)
Effect of Changes in Exchange Rate	163	(131)
Net Increase in Cash, Cash Equivalents, and Restricted Cash	2,518	662
Cash, Cash Equivalents, and Restricted Cash at Beginning of Period	10,038	9,376
Cash, Cash Equivalents, and Restricted Cash at End of Period	\$ 12,556	\$ 10,038
Supplementary Information of Cash Flows		
Cash paid during the period for:		
Interest	\$ 75	\$ 104
Income taxes	\$ 425	\$ 558
Reconciliation of Cash, Cash Equivalents, and Restricted Cash		
Cash	10,035	7,583
Restricted Term-Deposits in Current Assets	750	739
Restricted Term-Deposits in Non-Current Assets	1,771	1,716
Total Cash, Cash Equivalents, and Restricted Cash Shown in Statements of Cash Flows	\$ 12,556	\$ 10,038

Restricted deposits represent the amount of cash pledged to secure loans payable or trade financing granted by financial institutions, serve as collateral for public utility agreements such as electricity and water, and performance bonds related to customs duty payable. Restricted deposits are classified as current and non-current depending on whether they relate to long-term or short-term obligations. Restricted deposits of \$750 as of June 30, 2024 are classified as current assets as they relate to short-term trade financing. Restricted deposits of \$1,771 as of June 30, 2024 are classified as non-current assets as they relate to long-term obligations and will become unrestricted only upon discharge of the obligations.

TRIO-TECH INTERNATIONAL AND SUBSIDIARIES
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023
(IN THOUSANDS, EXCEPT EARNINGS PER SHARE)**
1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation - Trio-Tech International (the “Company” or “TTI”) was incorporated in fiscal year ended June 30, 1958 under the laws of the State of California. TTI provides third-party semiconductor testing and burn-in services primarily through its laboratories in Southeast Asia. The Company also designs, develops, manufactures and markets a broad range of equipment and systems used in the manufacturing and testing of semiconductor devices and electronic components. During the year ended June 30, 2024, TTI conducted business in four business segments: Manufacturing, Testing, Distribution and Real Estate. TTI has subsidiaries in the U.S., Singapore, Malaysia, Thailand, Indonesia, and China as follows:

	<u>Ownership</u>	<u>Location</u>
Express Test Corporation (Dormant)	100%	Van Nuys, California
Trio-Tech Reliability Services (Dormant)	100%	Van Nuys, California
KTS Incorporated, dba Universal Systems (Dormant)	100%	Van Nuys, California
European Electronic Test Centre (Dormant)	100%	Cayman Islands
Trio-Tech International Pte. Ltd.	100%	Singapore
Universal (Far East) Pte. Ltd.*	100%	Singapore
Trio-Tech International (Thailand) Co. Ltd. *	100%	Bangkok, Thailand
Trio-Tech (Bangkok) Co. Ltd. *	100%	Bangkok, Thailand
Trio-Tech (Malaysia) Sdn. Bhd. (55% owned by Trio-Tech International Pte. Ltd.)	55%	Penang and Selangor, Malaysia
Trio-Tech (Kuala Lumpur) Sdn. Bhd. (100% owned by Trio-Tech Malaysia Sdn. Bhd.)	55%	Selangor, Malaysia
Prestal Enterprise Sdn. Bhd. (76% owned by Trio-Tech International Pte. Ltd.)	76%	Selangor, Malaysia
Trio-Tech (SIP) Co., Ltd. *	100%	Suzhou, China
Trio-Tech (Chongqing) Co. Ltd. *	100%	Chongqing, China
SHI International Pte. Ltd. (Dormant) (55% owned by Trio-Tech International Pte. Ltd.)	55%	Singapore
PT SHI Indonesia (Dormant) (95% owned by SHI International Pte. Ltd.)	52%	Batam, Indonesia
Trio-Tech (Tianjin) Co., Ltd. *	100%	Tianjin, China
Trio-Tech (Jiangsu) Co., Ltd. (51% owned by Trio-Tech (SIP) Co., Ltd.)	51%	Suzhou, China

* 100% owned by Trio-Tech International Pte. Ltd.

The consolidated financial statements are prepared in accordance with United States Generally Accepted Accounting Principles (“U.S. GAAP”). The basis of accounting differs from that used in the statutory financial statements of the Company’s subsidiaries and equity investee companies, which are prepared in accordance with the accounting principles generally accepted in their respective countries of incorporation. In the opinion of management, the consolidated financial statements have reflected all costs incurred by the Company and its subsidiaries in operating the business.

All dollar amounts in the consolidated financial statements and in the notes herein are presented in thousands of United States dollars (US’000) unless otherwise designated.

Liquidity – The Company earned net income attributable to common shareholders of \$1,050 during the year ended June 30, 2024 (“Fiscal 2024”) and net income attributable to common shareholders of \$1,544 during the year ended June 30, 2023 (“Fiscal 2023”), respectively.

The Company’s core businesses, testing services, manufacturing and distribution, operate in a volatile industry, where average selling prices and product costs are influenced by competitive factors. These factors create pressures on sales, costs, earnings and cash flows, which can impact liquidity.

Foreign Currency Translation and Transactions – The U.S. dollar is the functional currency of the U.S. parent company. The Singapore dollar (“SGD”), the national currency of Singapore, is the primary currency of the economic environment in which the operations in Singapore are conducted. The Company also has business entities in Malaysia, Thailand, China and Indonesia of which the Malaysian ringgit (“RM”), Thai baht, Chinese renminbi (“RMB”) and Indonesian rupiah, are the national currencies. The Company uses the U.S. dollar for financial reporting purposes.

The Company translates assets and liabilities of its subsidiaries outside the U.S. into U.S. dollars using the rate of exchange prevailing at the fiscal year end, and the consolidated statements of operations and comprehensive income or loss is translated at average rates during the reporting period. Adjustments resulting from the translation of the subsidiaries’ financial statements from foreign currencies into U.S. dollars are recorded in shareholders’ equity as part of accumulated other comprehensive gain - translation adjustments. Gains or losses resulting from transactions denominated in currencies other than functional currencies of the Company’s subsidiaries are reflected in income for the reporting period.

Use of Estimates – The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expense during the reporting period. Among the more significant estimates included in these consolidated financial statements are the estimated allowance for credit losses on account receivables, reserve for obsolete inventory, impairments, provision of income tax, stock options and the deferred income tax asset allowance. Actual results could materially differ from those estimates.

Revenue Recognition – The Company follows ASU No. 2014-09, ASC Topic 606, *Revenue from Contracts with Customers* (“ASC Topic 606”). This standard update outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers.

We apply a five-step approach as defined in ASC Topic 606 in determining the amount and timing of revenue to be recognized: (1) identifying the contract with customer; (2) identifying the performance obligations in the contracts; (3) determining the transaction price; (4) allocating the transaction price to the performance obligations in the contract; and (5) recognizing revenue when the corresponding performance obligation is satisfied.

Revenue derived from Testing is recognized when testing services are rendered. Revenue generated from sale of products in the Manufacturing and Distribution segments are recognized when persuasive evidence of an arrangement exists, delivery of the products has occurred, customer acceptance has been obtained (which means the control has been transferred to the customer), the price is fixed or determinable and collectability is reasonably assured.

The Company enters into repair and maintenance service contracts for a fee over a specified duration. These contracts typically involve the provision of ongoing services, such as routine maintenance, repairs, and support. Revenue from these contracts is recognized over time, as the customer simultaneously receives and consumes the benefits of the services as they are provided. The continuous nature of these services means that the customer benefits from the Company’s performance throughout the contract period. Accordingly, the Company uses a time-based measure of progress to recognize revenue evenly over the duration of the contract, reflecting the ongoing transfer of control of the services to the customer. This method accurately reflects the pattern of service delivery and the customer’s receipt of benefits from the Company’s performance.

Certain customers can request for installation and training services to be performed for certain products sold in the Manufacturing segment. These services are mainly for helping customers with the test runs of the machines sold and are considered a separate performance obligation. Such services can be provided by other entities as well and these do not significantly modify the product. The Company recognizes the revenue at a point in time when the Company has satisfied its performance obligation.

In the Real Estate segment: (1) revenue from property development is earned and recognized on the earlier of the dates when the underlying property is sold or upon the maturity of the agreement; if this amount is uncollectible, the agreement empowers the repossession of the property, and (2) rental revenue is recognized on a straight-line basis over the terms of the respective leases. This means that, with respect to a particular lease, actual amounts billed in accordance with the lease during any given period may be higher or lower than the amount of rental revenue recognized for the period. Straight-line rental revenue is commenced when the tenant assumes possession of the leased premises. Accrued straight-line rents receivable represents the amount by which straight-line rental revenue exceeds rents currently billed in accordance with lease agreements.

GST / Indirect Taxes – The Company’s policy is to present taxes collected from customers and remitted to governmental authorities on a net basis. The Company records the amounts collected as a current liability and relieves such liability upon remittance to the taxing authority without impacting revenue or expense.

Trade Account Receivables and Allowance for Credit Losses – During the normal course of business, the Company extends unsecured credit to its customers in all segments. Typically, credit terms require payment to be made between 30 to 90 days from the date of the sale. The Company generally does not require collateral from our customers.

The Company accounts for allowance for credit losses under the current expected credit loss (“CECL”) impairment model for its financial assets, including accounts receivable, and presents the net amount of the financial instrument expected to be collected. The CECL impairment model requires an estimate of expected credit losses, measured over the contractual life of an instrument, which considers forecasts of future economic conditions in addition to information about past events and current conditions. Based on this model, the Company estimates the amount of uncollectible accounts receivable at the end of each reporting period based on the aging of the receivable balance, current and historical customer trends, communications with its customers, and macro-economic conditions. Amounts are written off after considerable collection efforts have been made and the amounts are determined to be uncollectible.

Assurance Warranty Costs – The Company provides for the estimated costs that may be incurred under its warranty program at the time the sale is recorded in its Manufacturing segment. The Company estimates warranty costs based on the historical rates of warranty returns. The Company periodically assesses the adequacy of its recorded warranty liability and adjusts the amounts as necessary.

Cash and Cash Equivalents – The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Term Deposits – Term deposits consist of bank balances and interest-bearing deposits with maturities more than three months.

Restricted Term Deposits – The Company held certain term deposits in Singapore and Malaysia operations which were considered restricted, as they were held as security against certain facilities granted by the financial institutions.

Inventories – Inventories in the Company’s Manufacturing and Distribution segments, consisting principally of raw materials, works in progress, and finished goods, are stated at the lower of cost and net realizable value, using the first-in, first-out (“FIFO”) method. The semiconductor industry is characterized by rapid technological change, short-term customer commitments and rapid fluctuations in demand. Provisions for estimated excess and obsolete inventory are based on our regular reviews of inventory quantities on hand and the latest forecasts of product demand and production requirements from our customers. Inventories are written down for not-saleable, excess or obsolete raw materials, works-in-process and finished goods by charging such write-downs to cost of sales. In addition to write-downs based on newly introduced parts, statistics and judgments are used for assessing provisions of the remaining inventory based on salability and obsolescence.

Property, Plant and Equipment and Investment Properties – Property, plant and equipment and investment properties are stated at cost, less accumulated depreciation and amortization. Depreciation is provided for over the estimated useful lives of the assets using the straight-line method. Amortization of leasehold improvements is provided for over the lease terms or the estimated useful lives of the assets, whichever is shorter, using the straight-line method.

Maintenance, repairs and minor renewals are charged directly to expense as incurred. Additions and improvements to the assets are capitalized. When assets are disposed of, the related cost and accumulated depreciation thereon are removed from the accounts and any resulting gain or loss is included in the consolidated statements of operations and comprehensive income or loss.

Long-Lived Assets and Impairment – The Company’s business requires heavy investment in manufacturing facilities and equipment that are technologically advanced but can quickly become significantly underutilized or rendered obsolete by rapid changes in demand.

The Company evaluates the long-lived assets, including property, plant and equipment and investment property, for impairment whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. Factors considered important that could result in an impairment review include significant underperformance relative to expected historical or projected future operating results, significant changes in the manner of use of the assets or the strategy for our business, significant negative industry or economic trends, and a significant decline in the stock price for a sustained period of time. Impairment is recognized based on the difference between the fair value of the asset and its carrying value, and fair value is generally measured based on discounted cash flow analysis, if there is significant adverse change.

The Company applies the provisions of ASC Topic 360, *Accounting for the Impairment or Disposal of Long-Lived Assets* (“ASC Topic 360”), to property, plant and equipment. ASC Topic 360 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable through the estimated undiscounted cash flows expected to result from the use and eventual disposition of the assets. Whenever any such impairment exists, an impairment loss will be recognized for the amount by which the carrying value exceeds the fair value.

Leases – The Company applies the guidance in ASC Topic 842, *Lease Accounting* (“ASC Topic 842”) to its individual leases of assets. When the Company receives substantially all the economic benefits from and directs the use of specified property, plant and equipment, the transactions give rise to leases. The Company’s classes of assets include real estate leases. The Company determines if an arrangement is a lease, or contains a lease, at the inception of the arrangement and evaluate whether the lease is an operating lease or a finance lease at the commencement date.

When discount rates implicit in leases cannot be readily determined, the Company uses the applicable incremental borrowing rate at lease commencement to perform lease classification tests on lease components and to measure lease liabilities and ROU assets. The incremental borrowing rate used by the Company was based on baseline rates and adjusted by the credit spreads commensurate with the Company’s secured borrowing rate over a similar term. At each reporting period when there is a new lease initiated, the rates established for that quarter will be used.

All of the leases under which the Company is the lessor will continue to be classified as operating leases and sales-type lease under the new standard. The new standard did not have a material effect on our consolidated financial statements and will not have a significant change in our leasing activities.

Comprehensive Income or Loss – ASC Topic 220, *Reporting Comprehensive Income*, (“ASC Topic 220”), establishes standards for reporting and presentation of comprehensive income or loss and its components in a full set of general-purpose consolidated financial statements. The Company has chosen to report comprehensive income or loss in the statements of operations. Comprehensive income or loss is comprised of net income or loss and all changes to shareholders’ equity except those due to investments by owners and distributions to owners.

Income Taxes – The Company accounts for income taxes using the liability method in accordance with ASC Topic 740, *Accounting for Income Taxes* (“ASC Topic 740”). ASC Topic 740 requires an entity to recognize deferred tax liabilities and assets. Deferred tax assets and liabilities are recognized for the future tax consequence attributable to the difference between the tax bases of assets and liabilities and their reported amounts in the consolidated financial statements, which will result in taxable or deductible amounts in future years. Further, the effects of enacted tax laws or rate changes are included as part of deferred tax expense or benefits in the period that covers the enactment date.

The calculation of tax liabilities involves dealing with uncertainties in the application of complex global tax regulations. The Company recognizes potential liabilities for anticipated tax audit issues in the U.S. and other tax jurisdictions based on its estimate of whether, and the extent to which, additional taxes will be due. If payment of these amounts ultimately proves to be unnecessary, the reversal of the liabilities would result in tax benefits being recognized in the period when the Company determines the liabilities are no longer necessary. If the estimate of tax liabilities proves to be less than the ultimate assessment, a further charge to expense would result.

Retained Earnings – It is the intention of the Company to re-invest earnings of its foreign subsidiaries in the operations of those subsidiaries. These taxes are undeterminable as of the date of this Annual Report. The amount of earnings retained in subsidiaries was \$22,528 and \$21,001 as of June 30, 2024 and 2023, respectively.

Research and Development Costs – The Company incurred research and development costs of \$392 and \$397 during Fiscal 2024 and 2023, respectively, which were charged to operating expense as incurred.

Stock-based Compensation – The Company calculates compensation expense related to stock option awards made to employees and directors based on the fair value of stock-based awards on the date of grant. The Company determines the grant date fair value of our stock option awards using the Black-Scholes option pricing model and for awards without performance condition the related stock-based compensation is recognized over the period in which a participant is required to provide service in exchange for the stock-based award, which is generally four years. The Company recognizes stock-based compensation expense in the consolidated statements of shareholders' equity based on awards ultimately expected to vest. Forfeitures are estimated on the date of grant and revised if actual or expected forfeiture activity differs materially from original estimates.

Determining the fair value of stock-based awards at the grant date requires significant judgment. The determination of the grant date fair value of stock-based awards using the Black-Scholes option-pricing model is affected by our estimated common stock fair value as well as other subjective assumptions including the expected term of the awards, the expected volatility over the expected term of the awards, expected dividend yield and risk-free interest rates. The assumptions used in our option-pricing model represent management's best estimates and are as follows:

- *Fair Value of Common Stock.* We determined the fair value of each share of underlying common stock based on the mean of the high and the low prices of Shares sold on an established securities market on the date the option is granted.
- *Expected Term.* The expected term of employee stock options reflects the period for which we believe the option will remain outstanding based on historical experience and future expectations.
- *Expected Volatility.* We base expected volatility on our historical information over a similar expected term.

Earnings per Share – Computation of basic earnings per share is conducted by dividing net income available to common shares (numerator) by the weighted average number of common shares outstanding (denominator) during a reporting period. Computation of diluted earnings per share gives effect to all dilutive potential common shares outstanding during a reporting period. In computing diluted earnings per share, the average market price of common shares for a reporting period is used in determining the number of shares assumed to be purchased from the exercise of stock options.

Fair Values of Financial Instruments – Carrying values of trade account receivables, accounts payable, accrued expense, and term deposits approximate their fair value due to their short-term maturities. Carrying values of the Company's lines of credit and long-term debt are considered to approximate their fair value because the interest rates associated with the lines of credit and long-term debt are adjustable in accordance with market situations when the Company tries to borrow funds with similar terms and remaining maturities. See Note 16 for detailed discussion of the fair value measurement of financial instruments.

ASC Topic 820, *Fair Value Measurements and Disclosures* ("ASC Topic 820") defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The financial assets and financial liabilities that require recognition under the guidance include available-for-sale investments, employee deferred compensation plan and foreign currency derivatives. The guidance establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of us. Unobservable inputs are inputs that reflect our assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available under the circumstances. As such, fair value is a market-based measure considered from the perspective of a market participant who holds the asset or owes the liability rather than an entity-specific measure. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that we can access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment. Financial assets utilizing Level 1 inputs include U.S. treasuries, most money market funds, marketable equity securities and our employee deferred compensation plan;
- Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly. Financial assets and liabilities utilizing Level 2 inputs include foreign currency forward exchange contracts, most commercial paper and corporate notes and bonds; and
- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Concentration of Credit Risk – Financial instruments that subject the Company to credit risk compose trade account receivables. The Company performs ongoing credit evaluations of its customers for potential credit losses. The Company generally does not require collateral. The Company believes that its credit policies do not result in significant adverse risk and historically it has not experienced significant credit related losses.

Investments – The Company (a) evaluates the sufficiency of the total equity at risk, (b) reviews the voting rights and decision-making authority of the equity investment holders as a group, and whether there are any guaranteed returns, protection against losses, or capping of residual returns within the group, and (c) establishes whether activities within the venture are on behalf of an investor with disproportionately few voting rights in making this VIE determination. The Company would consolidate an investment that is determined to be a VIE if it was the primary beneficiary. The primary beneficiary of a VIE is determined by a primarily qualitative approach, whereby the variable interest holder, if any, has the power to direct the VIE's most significant activities and is the primary beneficiary. A standard became effective and changed the method by which the primary beneficiary of a VIE is determined. Through a primarily qualitative approach, the variable interest holder who has the power to direct the VIE's most significant activities is determined to be the primary beneficiary. To the extent that the investment does not qualify as VIE, the Company further assesses the existence of a controlling financial interest under a voting interest model to determine whether the investment should be consolidated.

Loan Receivables from Property Development Projects – The loan receivables from property development projects are classified as current assets, carried at face value, and are individually evaluated for impairment. The allowance for loan losses reflects management's best estimate of probable losses determined principally on the basis of historical experience and specific allowances for known loan accounts. All loans or portions thereof deemed to be uncollectible or to require an excessive collection cost are written off to the allowance for losses.

Interest income on the loan receivables from property development projects are recognized on an accrual basis. Discounts and premiums on loans are amortized to income using the interest method over the remaining period to contractual maturity. The amortization of discounts into income is discontinued on loans that are contractually 90 days past due or when collection of interest appears doubtful.

Contingent Liabilities – Certain conditions may exist as of the date the consolidated financial statements are issued, which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. The Company's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims, as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's consolidated financial statements. If the assessment indicates that a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the nature of the guarantee would be disclosed.

2. NEW ACCOUNTING PRONOUNCEMENTS

In June 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-13 ASC Topic 326: *Financial Instruments – Credit Losses* ("ASC Topic 326") for the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. Many of the loss estimation techniques applied today will still be permitted, although the inputs to those techniques will change to reflect the full amount of expected credit losses. ASC Topic 326 is effective for the Company for annual periods beginning after December 15, 2022. The Company adopted this guidance in the first quarter in fiscal 2024 under the modified retrospective basis. The adoption of this guidance did not have a significant impact on the Company's consolidated condensed financial statements.

In March 2022, FASB issued ASU 2022-02 ASC Topic 326: *Financial Instruments – Credit Losses (“ASC Topic 326”): Troubled Debt Restructurings (“TDR”) and Vintage Disclosures*, which require that an entity disclose current-period gross write offs by year of origination for financing receivables and net investment in leases within the scope of Subtopic 326-20. ASU No. 2022-02 is effective for entities that have adopted ASU No. 2016-13 for fiscal year ending June 30, 2024. The Company has completed its assessment and concluded that this update has no significant impact to the Company’s consolidated financial statements.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280), Improvements to Reportable Segment Disclosures*. The new guidance requires enhanced disclosures about significant segment expense. This standard update is effective for the Company for annual periods beginning in the fiscal year ending June 30, 2025 and interim period reports beginning in the first quarter of the fiscal year ending June 30, 2026. Early adoption is permitted on a retrospective basis. The Company is currently evaluating the impact of this ASU on segment disclosure.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740), Improvements to Income Tax Disclosures*. The new guidance requires enhanced disclosures about income tax expense. This standard update is effective for the Company beginning in the fiscal year ending June 30, 2026. Early adoption is permitted on a prospective basis. The Company is currently evaluating the impact of this ASU on annual income tax disclosures.

Other new pronouncements issued but not yet effective until after June 30, 2024 are not expected to have a significant effect on the Company’s consolidated financial position or results of operations.

3. TERM DEPOSITS

	For the Year Ended June 30,	
	2024	2023
Short-term deposits	\$ 6,540	\$ 6,901
Currency translation effect on short-term deposits	(43)	(274)
Total short-term deposits	6,497	6,627
Restricted term deposits - Current	750	755
Currency translation effect on restricted term deposits	-	(16)
Total restricted term deposits - Current	750	739
Restricted term deposits - Non-current	1,773	1,763
Currency translation effect on restricted term deposits	(2)	(47)
Total restricted term deposits - Non-current	1,771	1,716
Total term deposits	\$ 9,018	\$ 9,082

Restricted deposits represent the amount of cash pledged to secure loans payable or trade financing granted by financial institutions, serve as collateral for public utility agreements such as electricity and water, and performance bonds related to customs duty payable. Restricted deposits are classified as current and non-current depending on whether they relate to long-term or short-term obligations. Restricted deposits of \$750 as of June 30, 2024 are classified as current assets as they relate to short-term trade financing. Restricted deposits of \$1,771 as of June 30, 2024 are classified as non-current assets as they relate to long-term obligations and will become unrestricted only upon discharge of the obligations. Short-term deposits represent bank deposits, which do not qualify as cash equivalents.

4. TRADE ACCOUNT RECEIVABLES AND ALLOWANCE FOR CREDIT LOSSES

Accounts receivable are customer obligations due under normal trade terms. The Company performs continuing credit evaluations of its customers’ financial conditions, and although management generally does not require collateral, letters of credit may be required from the customers in certain circumstances.

The allowance for credit losses represent management’s expected credit losses in our trade receivables as of the date of the financial statements. The allowance provides for probable losses that have been identified with specific customer relationships and for probable losses believed to be inherent in the trade receivables, but that have not been specifically identified. Based on the information available to us, management believed the allowance for credit losses as of June 30, 2024 and June 30, 2023 was adequate.

The following table represents the changes in the allowance for credit losses:

	For the Year Ended June 30,	
	2024	2023
Beginning	\$ 217	\$ 243
Additions charged to expenses	12	9
Recovered	(17)	(20)
Currency translation effect	(3)	(15)
Ending	\$ 209	\$ 217

5. LOANS RECEIVABLE FROM PROPERTY DEVELOPMENT PROJECTS

The following table presents Trio-Tech (Chongqing) Co. Ltd (“TTCQ”)’s loan receivables from property development projects in China as of June 30, 2024.

	Loan Expiry Date	Loan Amount (RMB)	Loan Amount (U.S. Dollars)
Short-term loan receivables			
JiangHuai (Project – Yu Jin Jiang An)	May 31, 2013	2,000	275
Less: allowance for expected credit losses		(2,000)	(275)
Net loan receivables from property development projects		-	-
Long-term loan receivables			
Jun Zhou Zhi Ye	Oct 31, 2016	5,000	689
Less: transfer – down-payment for purchase of investment property		(5,000)	(689)
Net loan receivables from property development projects		-	-

The short-term loan receivables amounting to RMB 2,000, or approximately \$275 arose due to TTCQ entering into a Memorandum Agreement with JiangHuai Property Development Co. Ltd. (“JiangHuai”) to invest in their property development projects (Project - Yu Jin Jiang An) located in Chongqing City, China in the fiscal year ended June 30, 2011 (“Fiscal 2011”). Based on TTI’s financial policy, an allowance for expected credit losses of \$275 on the investment in JiangHuai was recorded during the fiscal year ended June 30, 2014 (“Fiscal 2014”). TTCQ did not generate other income from JiangHuai for Fiscal 2024. TTCQ is in the legal process of recovering the outstanding amount of approximately \$275.

The loan amounting to RMB 5,000, or approximately \$689, arose due to TTCQ entering into a Memorandum Agreement with JiaSheng Property Development Co. Ltd. to invest in their property development projects (Project B-48 Phase 2) located in Chongqing City, China in Fiscal 2011. The amount was unsecured and repayable at the end of the term. During the fiscal year ended June 30, 2015, the loan receivable was transferred to down payment for purchase of investment property that is being developed in the Singapore Themed Resort Project (See Note 10).

6. INVENTORIES

Inventories consisted of the following:

	For the Year Ended June 30,	
	2024	2023
Raw materials	\$ 1,668	\$ 1,389
Work in progress	1,048	1,132
Finished goods	1,129	178
Less: provision for obsolete inventories	(679)	(648)
Currency translation effect	(4)	100
	\$ 3,162	\$ 2,151

The following table represents the changes in provision for obsolete inventories:

	For the Year Ended June 30,	
	2024	2023
Beginning	\$ 648	\$ 674
Additions charged to expenses	65	61
Usage – disposition	(21)	(40)
Currency translation effect	(13)	(47)
Ending	\$ 679	\$ 648

7. ASSETS HELD FOR SALE

During the fourth quarter of Fiscal 2023, the China operations had equipment held for sale which had a net book value of RMB 1,985, or approximately \$274. As of first quarter of Fiscal 2024, these assets have been sold.

8. INVESTMENT PROPERTIES

The following table presents the Company's investment in properties in China as of June 30, 2024. The exchange rate is based on the market rate as of June 30, 2024.

	Investment Date / Reclassification Date	Investment Amount (RMB)	Investment Amount (USD)
Purchase of rental property – Property I – MaoYe Property	Jan 04, 2008	5,554	894
Currency translation		-	(87)
Reclassification as “Assets held for sale”	Jul 01, 2018	(5,554)	(807)
Reclassification from “Assets held for sale”	Mar 31, 2019	2,024	301
		2,024	301
Purchase of rental property – Property II - JiangHuai	Jan 06, 2010	3,600	580
Purchase of rental property – Property III - FuLi	Apr 08, 2010	4,025	648
Currency translation		-	(201)
Gross investment in rental property		9,649	1,328
Accumulated depreciation on rental property	Jun 30, 2024	(8,487)	(1,188)
Reclassified as “Assets held for sale”- MaoYe Property	Jul 01, 2018	2,822	410
Reclassification from “Assets held for sale”- MaoYe Property	Mar 31, 2019	(1,029)	(143)
		(6,694)	(921)
Net investment in property – China		2,955	407

The following table presents the Company's investment in properties in China as of June 30, 2023. The exchange rate is based on the market rate as of June 30, 2023.

	Investment Date / Reclassification Date	Investment Amount (RMB)	Investment Amount (U.S. Dollars)
Purchase of rental property – Property I – MaoYe Property	Jan 04, 2008	5,554	894
Currency translation		-	(87)
Reclassification as “Assets held for sale”	Jul 01, 2018	(5,554)	(807)
Reclassification from “Assets held for sale”	Mar 31, 2019	2,024	301
		2,024	301
Purchase of rental property – Property II - JiangHuai	Jan 06, 2010	3,600	580
Purchase of rental property – Property III - FuLi	Apr 08, 2010	4,025	648
Currency translation		-	(199)
Gross investment in rental property		9,649	1,330
Accumulated depreciation on rental property	Jun 30, 2023	(7,884)	(1,123)
Reclassified as “Assets held for sale”- MaoYe Property	Jul 01, 2018	2,822	410
Reclassification from “Assets held for sale”- MaoYe Property	Mar 31, 2019	(1,029)	(143)
		(6,091)	(856)
Net investment in property – China		3,558	474

Rental Property I - MaoYe Property

During the fiscal year ended June 30, 2008, TTCQ purchased an office in Chongqing, China from MaoYe Property Ltd. (“MaoYe”) for a total cash purchase price of RMB 5,554, or approximately \$894. During the year ended June 30, 2019, the Company sold thirteen of the fifteen units constituting the MaoYe Property. Management has decided not to sell the remaining two units of MaoYe properties in the near future, due to current conditions of the property market in China. A new lease agreement was entered into on February 1, 2023 for a period of 4 years at a monthly rate of RMB14, or approximately \$2, after termination of the previous agreement. Pursuant to the agreement, monthly rental will increase by 5% each year.

Property purchased from MaoYe generated a rental income of \$25 and \$14 for Fiscal 2024 and 2023, respectively.

Depreciation expense for MaoYe was \$14 and \$15 for Fiscal 2024 and 2023, respectively.

Rental Property II - JiangHuai

During the year ended June 30, 2010 (“Fiscal 2010”), TTCQ purchased eight units of commercial property in Chongqing, China, from JiangHuai for RMB 3,600, or approximately \$580. The title deeds for these properties had not been received by TTCQ since the entire project had not been completed by JiangHuai. JiangHuai is currently in liquidation and the local court had appointed a Management Company to manage the liquidation process and address claims from stakeholders. To expedite the resolution, TTCQ agreed to settle the claims through an asset exchange. The court directed the Management Company to engage a third-party valuer to assess the assets involved. Based on the valuation, the court determined that TTCQ would receive title deeds for 5 shop units having a total area of 547.67 m² in exchange of the claim made for the 8 units without title deeds. Subsequent to June 30, 2024, the court concluded that the value of these 5 shop units was equivalent to the original purchase price of 8 shop units of RMB 3,600 and issued a court order to process title deeds for the 5 units in the name of TTCQ. The carrying value of the JiangHuai asset group as at June 30, 2024 is RMB 990. Applying the guidance in ASC Topic 845, Nonmonetary transactions, this transaction lacks commercial substance and hence, the JiangHuai asset group will continue to be accounted based on the carrying value of the exchanged investment properties.

Property purchased from JiangHuai did not generate any rental income for Fiscal 2024 and 2023.

Depreciation expense for JiangHuai was \$25 and \$26 for Fiscal 2024 and 2023, respectively.

Rental Property III – FuLi

In Fiscal 2010, TTCQ entered into a Memorandum Agreement with Chongqing FuLi Real Estate Development Co. Ltd. (“FuLi”) to purchase two commercial properties totaling 311.99 square meters located in Jiang Bei District Chongqing. The total purchase price committed and paid was RMB 4,025, or approximately \$648. The development was completed, the property was transferred to TTCQ in April 2013 and the title deed was received during the third quarter of Fiscal 2014. TTCQ is actively searching for tenants to occupy the commercial properties, which are vacant as of the date of this Report.

Properties purchased from FuLi generated a rental income of \$1 and \$10 for Fiscal 2024 and 2023, respectively.

Depreciation expense for FuLi was \$28 and \$30 for Fiscal 2024 and 2023, respectively.

Summary

Total rental income for all investment properties in China was \$26 and \$24 for Fiscal 2024 and 2023, respectively.

Depreciation expense for all investment properties in China was \$67 and \$71 for Fiscal 2024 and 2023, respectively.

9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following:

	Estimated Useful Life in Years	For the Year Ended June 30,	
		2024	2023
Building and improvements	3 - 20	\$ 5,185	\$ 5,243
Leasehold improvements	1 - 27	9,629	9,623
Machinery and equipment	3 - 7	25,090	28,001
Furniture and fixtures	3 - 5	1,252	1,308
Equipment under finance leases	3 - 5	1,545	1,525
Property, plant and equipment, gross		\$ 42,701	\$ 45,700
Less: accumulated depreciation		(32,561)	(33,110)
Less: accumulated amortization on equipment under finance leases		(1,341)	(1,402)
Total accumulated depreciation		\$ (33,902)	\$ (34,512)
Property, plant and equipment before currency translation effect, net		\$ 8,799	\$ 11,188
Currency translation effect		(2,862)	(2,844)
Property, plant and equipment, net		\$ 5,937	\$ 8,344

Depreciation and amortization expense for property, plant and equipment during Fiscal 2024 and 2023 was \$2,898 and \$3,727, respectively. Addition is inclusive of additions made from finance lease amount.

10. OTHER ASSETS

Other assets consisted of the following:

	For the Year Ended June 30,	
	2024	2023
Deposits for rental and utilities and others	234	117
Currency translation effect	(2)	(1)
Total	\$ 232	\$ 116

*Down payment for purchase of investment properties included:

	June 30, 2024	
	RMB	U.S. Dollars
Original Investment (10% of Junzhou equity)	\$ 10,000	\$ 1,606
Less: Management Fee	(5,000)	(803)
Net Investment	5,000	803
Less: Share of Loss on Joint Venture	(137)	(22)
Net Investment as Down Payment (Note *a)	4,863	781
Loans Receivable	5,000	689
Interest Receivable	1,250	172
Less: Impairment of Interest	(906)	(125)
Transferred to Down Payment (Note *b)	5,344	736
* Down Payment for Purchase of Investment Properties	10,207	1,517
Add: Effect of foreign currency exchange	-	63
Less: Provision of Impairment loss on other assets	(10,207)	(1,580)
* Down Payment for Purchase of Investment Properties	\$ -	\$ -

- a) In Fiscal 2011, the Company signed a Joint Venture agreement (the “*Agreement*”) with Jia Sheng Property Development Co. Ltd. (the “*Developer*”) to form a new company, Junzhou Co. Limited (“*Joint Venture*” or “*Junzhou*”), to jointly develop the “Singapore Themed Park” project (the “*Project*”). The Company paid RMB10,000 for the 10% investment in the Joint Venture. The Developer paid the Company a management fee of RMB 5,000 in cash upon signing of the Agreement, with a remaining fee of RMB 5,000 payable upon fulfillment of certain conditions in accordance with the Agreement. The Company further reduced its investment by RMB 137, or approximately \$22, through the losses from operations incurred by the Joint Venture.

In Fiscal 2014, the Company disposed of its entire 10% interest in the Joint Venture but, to date, has not received payment in full therefor. The Company recognized a disposal based on the recorded net book value of RMB 5,000, or equivalent to \$803, from net considerations paid, in accordance with GAAP under ASC Topic 845 *Non-monetary Consideration*. It is presented under “Other Assets” as non-current assets to defer the recognition of the gain on the disposal of the 10% interest in the Joint Venture investment until such time that the consideration is paid, so the gain can be ascertained.

- b) Amounts of RMB 5,000, or approximately \$689, as disclosed in Note 5, plus the interest receivable on long-term loan receivable of RMB 1,250, or approximately \$172, and impairment on interest of RMB 906, or approximately \$125.

The shop lots are to be delivered to TTCQ upon completion of the construction of the shop lots in Singapore Themed Resort Project. The initial targeted date of completion was in Fiscal 2017. However, the progress has been delayed as the developer is currently undergoing asset reorganization process, to re-negotiate with their creditors to complete the project.

During the fourth quarter of Fiscal 2021, the Company accrued an impairment charge of \$1,580 related to the doubtful recovery of the down payment on property in the Singapore Theme Resort Project in Chongqing, China. The Company elected to take this non-cash impairment charge due to increased uncertainties regarding the project’s viability, given the developers weakening financial condition as well as uncertainties arising from the negative real-estate environment in China, implementation of control measures on real-estate lending in China and its relevant government policies, together with effects of the ongoing pandemic.

11. LINES OF CREDIT

The carrying value of the Company’s lines of credit approximates its fair value because the interest rates associated with the lines of credit are adjustable in accordance with market situations when the Company borrowed funds with similar terms and remaining maturities.

The Company’s credit rating provides it with readily and adequate access to funds in global markets.

As of June 30, 2024, the Company had certain lines of credit that are collateralized by restricted deposits.

Entity with Facility	Type of Facility	Interest Rate	Credit Limitation	Unused Credit
Trio-Tech International Pte. Ltd., Singapore	Lines of Credit	Cost of Funds Rate +1.25%	\$ 3,907	\$ 3,626
Universal (Far East) Pte. Ltd.	Lines of Credit	Cost of Funds Rate +1.25%	\$ 1,843	\$ 1,818
Trio-Tech Malaysia Sdn. Bhd.	Revolving credit	Cost of Funds Rate +2%	\$ 318	\$ 318

As of June 30, 2023, the Company had certain lines of credit that are collateralized by restricted deposits.

Entity with Facility	Type of Facility	Interest Rate	Credit Limitation	Unused Credit
Trio-Tech International Pte. Ltd., Singapore	Lines of Credit	Cost of Funds Rate +1.25% to +1.3%	\$ 3,907	\$ 3,701
Universal (Far East) Pte. Ltd.	Lines of Credit	Cost of Funds Rate +1.25% to +1.3%	\$ 1,843	\$ 1,559
Trio-Tech Malaysia Sdn. Bhd.	Revolving credit	Cost of Funds Rate +2%	\$ 319	\$ 319

12. ACCRUED EXPENSE

Accrued expense consisted of the following:

	June 30, 2024	June 30, 2023
Payroll and related costs	\$ 1,809	\$ 1,880
Commissions	164	158
Legal and audit	328	280
Sales tax	34	140
Utilities	231	236
Warranty	27	24
Accrued purchase of materials and property, plant and equipment	553	1,214
Provision for reinstatement	380	380
Other accrued expense	86	50
Currency translation effect	22	(69)
Total	\$ 3,634	\$ 4,293

13. ASSURANCE WARRANTY ACCRUAL

The Company provides for the estimated costs that may be incurred under its warranty program at the time the sale is recorded. The warranty period of the products manufactured by the Company is generally one year or the warranty period agreed upon with the customer. The Company estimates the warranty costs based on the historical rates of warranty returns. The Company periodically assesses the adequacy of its recorded warranty liability and adjusts the amounts as necessary.

	For the Year Ended June 30, 2024	For the Year Ended June 30, 2023
Beginning	\$ 24	\$ 16
Additions charged to cost and expense	21	32
Utilization	(20)	(25)
Currency translation effect	2	1
Ending	\$ 27	\$ 24

14. BANK LOANS PAYABLE

	June 30, 2024	June 30, 2023
Note payable denominated in the Malaysian Ringgit for expansion plans in Malaysia, maturing in July 2028, bearing interest at the bank's prime rate less 2.00% (4.85% and 4.60% at June 30, 2024 and 2023) per annum, with monthly payments of principal plus interest through July 2028, collateralized by the acquired building with a carrying value of \$2,149 and \$2,208, as of June 30, 2024 and 2023, respectively.	\$ 596	\$ 957
Financing arrangement at fixed interest rate 3.2% per annum, with monthly payments of principal plus interest through July 2025.	44	84
Financing arrangement at fixed interest rate 3.0% per annum, with monthly payments of principal plus interest through December 2026.	124	169
Financing arrangement at fixed interest rate 3.0% per annum, with monthly payments of principal plus interest through August 2027.	110	142
Total bank loans payable	\$ 874	\$ 1,352
Current portion of bank loans payable	235	503
Currency translation effect on current portion of bank loans	26	(28)
Current portion of bank loans payable	261	475
Long-term portion of bank loans payable	591	933
Currency translation effect on long-term portion of bank loans	22	(56)
Long-term portion of bank loans payable	\$ 613	\$ 877

Future minimum payments (excluding interest) as of June 30, 2024, were as follows:

2025	260
2026	230
2027	212
2028	172
Total obligations and commitments	\$ 874

Future minimum payments (excluding interest) as of June 30, 2023, were as follows:

2024	\$ 475
2025	262
2026	231
2027	212
Thereafter	172
Total obligations and commitments	\$ 1,352

15. COMMITMENTS AND CONTINGENCIES

The Company has capital commitments for capital expenditure amounting to \$65 as at June, 2024, as compared to capital commitment of \$Nil as at June 30, 2023.

Deposits with banks are not fully insured by the local government or agency and are consequently exposed to risk of loss. The Company believes that the probability of bank failure, causing loss to the Company, is remote.

The Company is, from time to time, the subject of litigation claims and assessments arising out of matters occurring in its normal business operations. In the opinion of management, resolution of these matters will not have a material adverse effect on the Company's consolidated financial statements.

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

In accordance with ASC Topic 825 and 820, the following presents assets and liabilities measured and carried at fair value and classified by level of fair value measurement hierarchy:

There were no transfers between Levels 1 and 2 during the year ended June 30, 2024, or for the same period in the prior year.

Term deposits (Level 2) – The carrying amount approximates fair value because of the short maturity of these instruments.

Restricted term deposits (Level 2) – The carrying amount approximates fair value because of the short maturity of these instruments.

Lines of credit (Level 3) – The carrying value of the lines of credit approximates fair value due to the short-term nature of the obligations.

Bank loans payable (Level 3) – The carrying value of the Company's bank loans payable approximates its fair value as the interest rates associated with long-term debt is adjustable in accordance with market situations when the Company borrowed funds with similar terms and remaining maturities.

17. CONCENTRATION OF CUSTOMERS

During the years ended June 30, 2024 and 2023, the Company had three major customers that accounted for the following revenue and trade account receivables:

	For the Year Ended June 30,	
	2024	2023
Revenue		
- Customer A	20.6%	33.7%
- Customer B	16.0%	11.3%
- Customer C	12.9%	13.9%
Trade Account Receivables		
- Customer A	20.8%	30.8%
- Customer B	18.7%	15.7%
- Customer C	17.5%	23.6%

18. BUSINESS SEGMENTS

The Company operates in four segments: the testing service industry (which performs structural and electronic tests of semiconductor devices); the designing and manufacturing of equipment (assembly of equipment that tests the structural integrity of integrated circuits and other products); distribution of various products from other manufacturers in Singapore and Asia; and the real estate segment in China.

The cost of equipment, current year investment in new equipment and depreciation expense are allocated into respective segments based on the primary purpose for which the equipment was acquired.

All intersegment sales were sales from the Manufacturing segment to the Testing and Distribution segment. Total intersegment sales were \$366 in the year ended June 30, 2024 and \$517 in the year ended June 30, 2023. Corporate assets consisted primarily of cash and prepaid expense. Corporate expense consisted primarily of stock option expense, salaries, insurance, professional expenses and directors' fees.

Corporate expenses are allocated to the four segments on a combination of factors involving revenue, manpower costs and fixed assets investments. The following segment information table includes segment operating income or loss after including corporate expenses allocated to the segments, which gets eliminated in the consolidation.

	Year Ended Jun. 30,	Revenue	Operating Income / (Loss)	Total Assets	Depr. And Amort.	Capital Expenditures
Manufacturing	2024	\$ 16,057	\$ 616	\$ 17,978	\$ 393	\$ 58
	2023	\$ 13,827	\$ (58)	\$ 13,864	\$ 481	\$ 143
Testing Services	2024	17,933	\$ (322)	\$ 20,193	\$ 3,849	\$ 235
	2023	23,130	1,648	24,559	4,532	4,329
Distribution	2024	8,297	\$ 1,129	\$ 1,609	\$ -	\$ 38
	2023	6,270	816	1,275	-	-
Real Estate	2024	25	\$ (100)	\$ 2,377	\$ 72	\$ -
	2023	23	(98)	1,988	75	-
Corporate & Unallocated	2024	-	\$ (230)	\$ 383	\$ 27	\$ 211
	2023	-	(80)	500	-	26
Total Company	2024	\$ 42,312	\$ 1,093	\$ 42,540	\$ 4,341	\$ 542
	2023	\$ 43,250	\$ 2,228	\$ 42,186	\$ 5,088	\$ 4,498

Management periodically evaluates the ongoing contributions of each of its business segments to its current and future revenue and prospects. As a result, it may divest one or more business segments in the future to enable management to concentrate on segments where it anticipates opportunities for future revenue growth, thereby maximizing shareholder value.

Subsequent to June 30, 2024, management is in the process of changing the structure of its internal organization. The information regularly reviewed by the Chief Operating Decision Maker (CODM) is being changed to align with the strategic objectives of the Company. This could result in changes to reporting segments in subsequent periods.

19. OTHER INCOME

Other income consisted of the following:

	For the Year Ended June 30,	
	2024	2023
Interest income	\$ 370	\$ 174
Other rental income	127	115
Exchange loss	(74)	(269)
Other miscellaneous income	77	86
Total	\$ 500	\$ 106

20. GOVERNMENT GRANTS

	For the Year Ended June 30,	
	2024	2023
Government grants	\$ 113	\$ 153

During Fiscal 2024, the Company received government grants amounting to \$113, \$23 of which was an incentive from the Singapore government for local resident recruitment, \$33 related to capital expenditure subsidy received from the China government and \$57 from the U.S. government related to Employee Retention Credit.

During Fiscal 2023, the Company received government grants amounting to \$153, with \$107 from the Singapore government.

21. INCOME TAXES

(Loss) / Income before provision for income taxes consists of the following:

	For the Year Ended June 30,	
	2024	2023
United States	(539)	(550)
International	2,168	2,932
Total	\$ 1,629	\$ 2,382

The components of the provision for income taxes are as follows:

	For the Year Ended June 30,	
	2024	2023
Current:		
Federal	\$ 76	\$ 104
State	2	2
Foreign	442	410
	\$ 520	\$ 516
Deferred:		
Foreign	(34)	106
Total	\$ 486	\$ 622

A reconciliation of income tax benefit compared to the amount of income tax expense that would result by applying the U.S. federal statutory income tax rate to pre-tax income is as follows:

	For the Year Ended June 30,	
	2024	2023
Statutory federal tax rate	21.00%	21.00%
State taxes, net of federal benefit	0.75	(1.19)
Permanent items and credits	11.04	16.08
Foreign rate differential	(4.23)	(0.44)
Other	0.34	0.09
Changes in valuation allowance	0.93	(9.43)
Effective rate	29.83%	26.11%

The provision for income taxes has been determined based upon the tax laws and rates in the countries in which we operate. The Company is subject to income taxes in the U.S. and numerous foreign jurisdictions. Significant judgment is required in determining the provision for income taxes and income tax assets and liabilities, including evaluating uncertainties in the application of accounting principles and complex tax laws.

Due to the enactment of Tax Cuts and Jobs Act, the Company is subject to a tax on global intangible low-taxed income (“*GILTI*”). *GILTI* is a tax on foreign income in excess of a deemed return on tangible assets of foreign corporations. Companies subject to *GILTI* have the option to account for the *GILTI* tax as a period cost if and when incurred, or to recognize deferred taxes for temporary differences including outside basis differences expected to reverse as *GILTI*. The Company has elected to account for *GILTI* as a period cost, and therefore has included *GILTI* expense in its effective tax rate calculation for the year ended June 30, 2024.

The Company accrues penalties and interest related to unrecognized tax benefits when necessary as a component of penalties and interest expenses, respectively. The Company had no unrecognized tax benefits or related accrued penalties or interest expenses at June 30, 2024.

In assessing the ability to realize the deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on these criteria, management believes it is more likely than not the Company will not realize the benefits of the federal, state, and foreign deductible differences. Accordingly, a valuation allowance has been established against deferred tax assets recorded in the US and various foreign jurisdictions.

Temporary differences that give rise to a significant portion of deferred tax assets and deferred tax liabilities are as follows:

	For the Year Ended June 30,	
	2024	2023
Deferred tax assets:		
Net operating losses and credits	\$ 599	\$ 704
Inventory valuation	75	68
Right-of-use assets	56	61
Accrued vacation	12	11
Accrued expense	142	172
Fixed asset basis	11	9
Investment	77	71
General business credit	14	22
Other	13	-
Total deferred tax assets	\$ 999	\$ 1,118
Deferred tax liabilities:		
Depreciation	\$ (238)	\$ (342)
Right-of-use assets	(56)	(61)
Other	(1)	(8)
Total deferred tax liabilities	\$ (295)	\$ (411)
Subtotal	704	707
Valuation allowance	(580)	(617)
Net deferred tax assets	\$ 124	\$ 90
Presented as follows in the balance sheets:		
Deferred tax assets	\$ 124	\$ 100
Deferred tax liabilities	-	(10)
Net deferred tax assets	\$ 124	\$ 90

The valuation allowance decreased by \$37 in Fiscal 2024 and decreased by \$225 in Fiscal 2023.

At June 30, 2024, the Company had no federal net operating loss carry-forward and state net operating loss carry-forward of \$2,219, which expire through 2034. These carryovers may be subject to limitations under I.R.C. Section 382. In assessing the ability to realize the deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on these criteria, management believes it is more likely than not the Company will not realize the benefits of the federal, state, and foreign deductible differences. Accordingly, a valuation allowance has been established against deferred tax assets recorded in the US and various foreign jurisdictions.

Generally, U.S. federal, state, and foreign authorities may examine the Company's tax returns for three years, four years, and five years, respectively, from the date an income tax return is filed. However, the taxing authorities may continue to adjust the Company's net operating loss carry-forwards until the statute of limitations closes on the tax years in which the net operating losses are utilized.

22. REVENUE

The Company generates revenue primarily from three different segments: manufacturing, testing and distribution. The Company accounts for a contract with a customer when there is approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. The Company's revenues are measured based on consideration stipulated in the arrangement with each customer, net of any sales incentives and amounts collected on behalf of third parties, such as sales taxes. The revenues are recognized as separate performance obligations that are satisfied by transferring control of the product or service to the customer.

Significant Judgments

The Company's arrangements with its customers include various combinations of products and services, which are generally capable of being distinct and accounted for as separate performance obligations. A product or service is considered distinct if it is separately identifiable from other deliverables in the arrangement and if a customer can benefit from it on its own or with other resources that are readily available to the customer.

The Company allocates the transaction price to each performance obligation on a relative standalone selling price basis ("SSP"). Determining the SSP for each distinct performance obligation and allocation of consideration from an arrangement to the individual performance obligations and the appropriate timing of revenue recognition are significant judgments with respect to these arrangements. The Company typically establishes the SSP based on observable prices of products or services sold separately in comparable circumstances to similar clients. The Company may estimate SSP by considering internal costs, profit objectives and pricing practices in certain circumstances.

Warranties, discounts and allowances are estimated using historical and recent data trends. The Company includes estimates in the transaction price only to the extent that a significant reversal of revenue is not probable in subsequent periods. The Company's products and services are generally not sold with a right of return, nor has the Company experienced significant returns from or refunds to its customers.

Manufacturing

The Company primarily derives revenue from the sale of both front-end and back-end semiconductor test equipment and related peripherals, maintenance, and support of all these products, installation and training services and the sale of spare parts. The Company's revenues are measured based on consideration stipulated in the arrangement with each customer, net of any sales incentives and amounts collected on behalf of third parties, such as sales taxes.

The Company recognizes revenue at a point in time when the Company has satisfied its performance obligation by transferring control of the product to the customer. The Company uses judgment to evaluate whether the control has transferred by considering several indicators, including whether:

- the Company has a present right to payment;
- the customer has legal title;

- the customer has physical possession;
- the customer has significant risk and rewards of ownership; and
- the customer has accepted the product, or whether customer acceptance is considered a formality based on history of acceptance of similar products (for example, when the customer has previously accepted the same equipment, with the same specifications, and when we can objectively demonstrate that the tool meets all the required acceptance criteria, and when the installation of the system is deemed perfunctory).

Not all indicators need to be met for the Company to conclude that control has transferred to the customer. In circumstances in which revenue is recognized prior to the product acceptance, the portion of revenue associated with its performance obligations of product installation and training services are deferred and recognized upon acceptance.

Majority of sales under the manufacturing segment include a 12-month warranty. The Company generally provides a limited warranty that our products comply with applicable specifications at the time of delivery. Under our standard terms and conditions of sale, liability for certain failures of product during a stated warranty period is usually limited to repair or replacement of defective parts. The Company has concluded that the warranty provided for standard products are assurance type warranties and are not separate performance obligations.

Customized products are generally more complex and, as a result, may contain unforeseen faults that could lead to additional costs for us, including increased servicing or the need to provide product modifications. Warranty provided for customized products are service warranties and are separate performance obligations. Transaction prices are allocated to this performance obligation using cost plus method. The portion of revenue associated with warranty service is deferred and recognized as revenue over the warranty period, as the customer simultaneously receives and consumes the benefits of warranty services provided by the Company.

Testing

The Company renders testing services to manufacturers and purchasers of semiconductors and other entities who either lack testing capabilities or whose in-house screening facilities are insufficient. The Company primarily derives testing revenue from burn-in services, manpower supply and other associated services. SSP is directly observable from the sales orders. Revenue is allocated to performance obligations satisfied at a point in time depending upon terms of the sales order. Generally, there is no other performance obligation other than what has been stated inside the sales order for each of these sales.

Terms of contract that may indicate potential variable consideration include warranty, late delivery penalty and reimbursement to solve non-conformance issues for rejected products. Based on historical and recent data trends, it is concluded that these terms of the contract do not represent potential variable consideration. The transaction price is not contingent on the occurrence of any future event.

Distribution

The Company distributes complementary products, made by manufacturers around the world. The Company recognizes revenue from product sales at a point in time when the Company has satisfied its performance obligation by transferring control of the product to the customer. The Company uses judgment to evaluate whether control has transferred by considering several indicators discussed above. The Company recognizes the revenue at a point in time, generally upon shipment or delivery of the products to the customer or distributors, depending upon terms of the sales order.

Contract Balances

The timing of revenue recognition, billings and collections may result in billed accounts receivable, unbilled receivables, contract assets, customer advances, deposits and contract liabilities. The Company's payment terms and conditions vary by contract type, although terms generally include a requirement of payment of 70% to 90% of total contract consideration within 30 to 60 days of shipment with the remainder payable within 30 days of acceptance. In instances where the timing of revenue recognition differs from the timing of invoicing, the Company has determined that its contracts generally do not include a significant financing component.

The following table is the reconciliation of contract balances.

	June 30, 2024	June 30, 2023
Trade Accounts Receivable	10,661	9,804
Accounts Payable	3,175	1,660
Contract Liabilities	754	1,275

Remaining Performance Obligation

The Company had \$47 and \$55 remaining performance obligations, which represents our obligation to deliver products and services as of June 30, 2024 and 2023, respectively. Given the profile of contract terms, this amount is expected to be recognized as revenue over the next two years.

Practical Expedients

The Company applies the following practical expedients:

- The Company accounts for shipping and handling costs as activities to fulfil the promise to transfer the goods, instead of a promised service to its customer.
- The Company has not elected to adjust the promised amount of consideration for the effects of a significant financing component as the Company expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will generally be one year or less.
- The Company has elected to adopt the practical expedient for contract costs, specifically in relation to incremental costs of obtaining a contract.

Costs to obtain a contract are not material, and the Company generally expenses such costs as incurred because the amortization period is one year or less.

23. EARNINGS PER SHARE

The Company follows ASC Topic 260, *Earnings Per Share*. Basic earnings per share (“EPS”) are computed by dividing net income available to common shareholders (numerator) by the weighted average number of common shares outstanding (denominator) during the period. Diluted EPS give effect to all dilutive potential common shares outstanding during a period. In computing diluted EPS, the average price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options and warrants.

Options to purchase 701,750 shares of Common Stock at exercise prices ranging from \$2.53 to \$7.76 per share were outstanding as of June 30, 2024. 140,500 stock options were excluded in the computation of diluted EPS for Fiscal 2023 because they were anti-dilutive.

Options to purchase 656,375 shares of Common Stock at exercise prices ranging from \$2.53 to \$7.76 per share were outstanding as of June 30, 2023. 285,500 stock options were excluded in the computation of diluted EPS for Fiscal 2023 because they were anti-dilutive.

The following table is a reconciliation of the weighted average shares used in the computation of basic and diluted EPS for the years presented herein:

	For the Year Ended June 30,	
	2024	2023
Income attributable to Trio-Tech International common shareholders from continuing operations, net of tax	\$ 1,054	\$ 1,545
Loss attributable to Trio-Tech International common shareholders from discontinued operations, net of tax	(4)	(1)
Net income attributable to Trio-Tech International Common Shareholders	\$ 1,050	\$ 1,544
Weighted average number of common shares outstanding - basic	4,160	4,082
Dilutive effect of stock options	139	83
Number of shares used to compute earnings per share - diluted	4,299	4,165
Basic earnings per share from continuing operations attributable to Trio-Tech International	\$ 0.25	\$ 0.38
Basic earnings per share from discontinued operations attributable to Trio-Tech International	-	-
Basic earnings per share from net income attributable to Trio-Tech International	\$ 0.25	\$ 0.38
Diluted earnings per share from continuing operations attributable to Trio-Tech International	\$ 0.24	\$ 0.37
Diluted earnings per share from discontinued operations attributable to Trio-Tech International	-	-
Diluted earnings per share from net income attributable to Trio-Tech International	\$ 0.24	\$ 0.37

24. STOCK OPTIONS

On September 14, 2017, the Company's Board of Directors unanimously adopted the 2017 Employee Stock Option Plan (the "2017 Employee Plan") and the 2017 Directors Equity Incentive Plan (the "2017 Directors Plan") each of which was approved by the shareholders on December 4, 2017.

Assumptions

The fair value for the stock options granted to both employees and directors was estimated using the Black-Scholes option pricing model with the following weighted average assumptions, assuming:

- An expected life varying from 2.50 to 3.25 years, calculated in accordance with the guidance provided in SEC Staff bulletin No. 110 for plain vanilla options using the simplified method, since the Company does not have sufficient historical exercise data to provide a reasonable basis upon which to estimate expected term.
- A risk-free interest rate varying from 0.20% to 4.59% (2023: 0.11% to 4.17%);
- No expected dividend payments and;
- Expected volatility of 47.3% to 72.2 % (2023: 47.3% to 73.85 %).

The expected volatilities are based on the historical volatility of the Company's Common Stock. Due to higher volatility, the observation was made on a daily basis for the 12 months ended June 30, 2024 and 2023 respectively. The observation period covered is consistent with the expected life of the options. The expected life of the options granted to employees has been determined utilizing the "simplified" method as prescribed by ASC Topic 718 *Stock Based Compensation*, which, among other provisions, allows companies whose historical share option exercise experience does not provide a reasonable basis upon which to estimate expected term, to use a simplified approach for estimating the expected life of a "plain vanilla" option grant. The simplified rule for estimating the expected life of such an option is the average of the time to vesting and the full term of the option. The risk-free rate is consistent with the expected life of the stock options and is based on the United States Treasury yield curve in effect at the time of grant.

2017 Employee Stock Option Plan

The Company's 2017 Employee Plan permits the grant of stock options to its employees covering up to an aggregate of 300,000 shares of Common Stock. In December 2021, the Company's Board of Directors approved an amendment to the 2017 Employee Plan to increase the shares covered thereby from 300,000 shares to an aggregate of 600,000 shares, which amendment was approved by the Company's shareholders at the annual meeting held in December 2021.

Under the 2017 Employee Plan, all options must be granted with an exercise price of no less than fair value as of the grant date and the options granted must be exercisable within a maximum of ten years after the date of grant, or such lesser period of time as is set forth in the stock option agreements. The options may be exercisable (a) immediately as of the effective date of the stock option agreement granting the option, or (b) in accordance with a schedule related to the date of the grant of the option, the date of first employment, or such other date as may be set by the Compensation Committee. Generally, options granted under the 2017 Employee Plan are exercisable within five years after the date of grant and vest over the period as follows: 25% vesting on the grant date and the remaining balance vesting in equal installments on the next three succeeding anniversaries of the grant date. The share-based compensation will be recognized in terms of the grade method on a straight-line basis for each separately vesting portion of the award. Certain option awards provide for accelerated vesting if there is a change in control (as defined in the 2017 Employee Plan).

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During the year ended June 30, 2024, the Company granted options to purchase 122,500 shares of its Common Stock to employees pursuant to the 2017 Employee Plan, with a weighted average grant-date fair value of \$4.94.

During the year ended June 30, 2023, the Company granted options to purchase 65,000 shares of its Common Stock to employees pursuant to the 2017 Employee Plan, with a weighted average grant-date fair value of \$4.84.

There were 64,625 stock options exercised under the 2017 Employee Plan during the year ended June 30, 2024. The Company recognized stock-based compensation expense of \$246 in the year ended June 30, 2024 under the 2017 Employee Plan. The balance of unamortized stock-based compensation of \$196 based on fair value on the grant date related to options granted under the 2017 Employee Plan is to be recognized over a period of 3 years. The weighted average remaining contractual term for non-vested options outstanding under the 2017 Employee Plan was 2.01 years.

There were 5,000 stock options exercised under the 2017 Employee Plan during the year ended June 30, 2023. The Company recognized stock-based compensation expense of \$145 in the year ended June 30, 2023 under the 2017 Employee Plan. The balance of unamortized stock-based compensation of \$144 based on fair value on the grant date related to options granted under the 2017 Employee Plan is to be recognized over a period of 3 years. The weighted average remaining contractual term for non-vested options outstanding under the 2017 Employee Plan was 1.99 years.

As of June 30, 2024, there were vested employee stock options granted under the 2017 Employee Plan covering a total of 136,250 shares of Common Stock, with a weighted average exercise price was \$5.57, and weighted average contractual term of 2.87 years. The total fair value of vested employee stock options outstanding under the 2017 Employee Plan as of June 30, 2024, was \$759.

As of June 30, 2023, there were vested employee stock options granted under the 2017 Employee Plan covering a total of 134,625 shares of Common Stock, with a weighted average exercise price was \$4.49, and weighted average contractual term of 2.57 years. The total fair value of vested employee stock options outstanding under the 2017 Employee Plan as of June 30, 2023, was \$605.

A summary of option activities under the 2017 Employee Plan during the years ended June 30, 2024 and 2023, is presented as follows:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at July 1, 2022	236,375	5.21	2.61	87
Granted	65,000	4.84	-	-
Exercised	(5,000)	3.75	-	-
Forfeited or expired	(80,000)	-	-	-
Outstanding at June 30, 2023	216,375	4.89	2.92	140
Granted	122,500	4.94	-	-
Exercised	(64,625)	3.14	-	-
Forfeited or expired	(3,500)	-	-	-
Outstanding at June 30, 2024	270,750	5.35	3.43	268
Exercisable at June 30, 2024	136,250	5.57	2.87	121

A summary of the status of the Company's non-vested employee stock options during the years ended June 30, 2024 and 2023, is presented below:

	Options	Weighted Average Grant-Date Fair Value
Non-vested at July 1, 2022	75,875	\$ 5.98
Granted	65,000	4.77
Vested	(49,125)	-
Forfeited	(10,000)	-
Non-vested at June 30, 2023	81,750	\$ 5.53
Granted	122,500	6.26
Vested	(69,750)	-
Forfeited	-	-
Non-vested at June 30, 2024	134,500	\$ 5.12

2017 Directors Equity Incentive Plan

The 2017 Directors Plan permits the grant of options to its directors in the form of non-qualified options and restricted stock, and initially covered up to an aggregate of 300,000 shares of Common Stock. In September 2020, the Company's Board of Directors approved an amendment to the 2017 Directors Plan to increase the shares covered thereby from 300,000 shares to an aggregate of 600,000 shares, which amendment was approved by the Company's shareholders at the annual meeting held in December 2020. In October 2023, the Company's Board of Directors approved an amendment to the 2017 Directors Plan to increase the shares covered thereby from 600,000 shares to an aggregate of 900,000 shares, which amendment was approved by the Company's shareholders at the annual meeting held in December 2023.

Under the 2017 Directors Plan, the exercise price of the non-qualified options is required to be 100% of the fair value of the underlying shares on the grant date. The options have five-year contractual terms and are exercisable immediately as of the grant date.

During the year ended June 30, 2024, the Company granted options to purchase 100,000 shares of its Common Stock to directors pursuant to the 2017 Directors Plan, with an exercise price equal to the fair market value of Common Stock (as defined under the 2017 Directors Plan in conformity with Regulation 409A or the Internal Revenue Code of 1986, as amended) at the date of grant, and a fair value of approximately \$220, based on the fair value of \$2.20 per share determined by the Black-Scholes option pricing model.

During the year ended June 30, 2023, the Company granted options to purchase 100,000 shares of its Common Stock to directors pursuant to the 2017 Directors Plan, with an exercise price equal to the fair market value of Common Stock (as defined under the 2017 Directors Plan in conformity with Regulation 409A or the Internal Revenue Code of 1986, as amended) at the date of grant, and a fair value of approximately \$213, based on the fair value of \$2.13 per share determined by the Black-Scholes option pricing model.

As all stock options granted under the 2017 Directors Plan vest immediately on the date of grant, there were no unvested stock options granted under the 2017 Directors Plan as of June 30, 2024 and June 30, 2023.

There were 89,000 stock options exercised under the 2017 Directors Plan during the year ended June 30, 2024. The Company recognized stock-based compensation expense of \$220 in the year ended June 30, 2024 under the 2017 Directors Plan.

There were 20,000 stock options exercised under the 2017 Directors Plan during the year ended June 30, 2023. The Company recognized stock-based compensation expense of \$213 in the year ended June 30, 2023 under the 2017 Directors Plan.

A summary of option activities under the 2017 Directors Plan during the years ended June 30, 2024 and 2023, is presented as follows:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at July 1, 2022	420,000	\$ 5.10	2.85	\$ 228
Granted	100,000	4.51	-	-
Exercised	20,000	2.53	-	-
Forfeited or expired	(80,000)	5.98	-	-
Outstanding at June 30, 2023	420,000	\$ 4.91	2.91	\$ 309
Granted	100,000	5.01	-	-
Exercised	(89,000)	3.40	-	-
Forfeited or expired	-	-	-	-
Outstanding at June 30, 2024	431,000	\$ 5.24	2.88	\$ 531
Exercisable at June 30, 2024	431,000	5.24	2.88	531

25. LEASES

Company as Lessor

Operating leases under which the Company is the lessor arise from leasing the Company's commercial real estate investment property to third parties. Initial lease terms generally range from 12 to 60 months. Depreciation expense for assets subject to operating leases is taken into account primarily on the straight-line method over a period of 20 years in amounts necessary to reduce the carrying amount of the asset to its estimated residual value. Depreciation expense relating to the property held as investments in operating leases were \$68 and \$71 for the years ended June 30, 2024 and 2023, respectively.

Future minimum rental income in China and Thailand to be received from Fiscal 2025 to the fiscal year ended June 30, 2027 ("Fiscal 2027") on non-cancellable operating leases, and is contractually due as of June 30, 2024, as follows:

2025	\$ 131
2026	44
2027	16
	<u>\$ 191</u>

Future minimum rental income in China and Thailand to be received from fiscal year ended June 30, 2024 to fiscal year ended June 30, 2027 on non-cancellable operating leases, and is contractually due as of June 30, 2023, as follows:

2024	\$ 141
2025	141
2026	46
2027	16
	<u>\$ 344</u>

Sales-type leases under which the Company is the lessor arise from the lease of four units of chiller systems. The Company classifies its lease arrangements at inception of the arrangement. The lease term is three years, contains an automatic transfer of title at the end of the lease term and a guarantee of residual value at the end of the lease term. The customer is required to pay for executory cost such as taxes.

Financing receivables, consisting of net investment in sales-type leases and receivables from financed sales of 4 units of chiller systems are as follows:

Components of Lease Balances	For the Year Ended June 30,	
	2024	2023
Assets		
Gross financial sales receivable	\$ -	\$ 17
Unearned finance income	-	(1)
Financed sales receivable	<u>\$ -</u>	<u>\$ 16</u>
Net financed sales receivables due within one year	<u>\$ -</u>	<u>\$ 16</u>
Net financed sales receivables due after one year	<u>\$ -</u>	<u>\$ -</u>

As of June 30, 2024, the Company's financed sale receivables has been fully collected.

As of June 30, 2023, the Company's financed sale receivables had a weighted average effective interest rate of 11.16% and weighted average remaining lease term of 0.75 years.

Company as Lessee

The Company is the lessee under operating leases for corporate offices and research and development facilities with remaining lease terms of one year to four years and finance leases for plant and equipment.

Supplemental balance sheet information related to leases was as follows (in thousands):

Components of Lease Balances	June 30, 2024	June 30, 2023
Finance Leases (Plant and Equipment)		
Plant and equipment, at cost	\$ 1,649	\$ 1,734
Accumulated depreciation	(1,091)	(1,075)
Plant and Equipment, Net	\$ 558	\$ 659
Current portion of finance leases	\$ 57	\$ 107
Net of current portion of finance leases	34	42
Total Finance Lease Liabilities	\$ 91	\$ 149
Operating Leases (Corporate Offices, Research and Development Facilities)		
Operating lease right-of-use assets, Net	\$ 1,887	\$ 2,609
Current portion of operating leases	1,162	1,098
Net of current portion of operating leases	725	1,511
Total Operating Lease Liabilities	\$ 1,887	\$ 2,609
	For the Year Ended June 30,	
	2024	2023
Lease Cost		
Finance lease cost:		
Interest on finance lease	\$ 7	\$ 2
Amortization of right-of-use assets	85	43
Total finance lease cost	92	45
Operating Lease Costs	\$ 1,548	\$ 1,518

Other information related to leases was as follows (in thousands except lease term and discount rate):

	For the Year Ended June 30,	
	2024	2023
Cash Paid for Amounts Included in the Measurement of Lease Liabilities		
Operating cash flows from finance leases	\$ (6)	\$ (10)
Operating cash flows from operating leases	(1,415)	(1,300)
Finance cash flows from finance leases	(112)	(120)
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	732	1,297
Weighted-Average Remaining Lease Term:		
Finance leases	1.46	1.59
Operating leases	1.58	2.42
Weighted-Average Discount Rate:		
Finance leases	2.47%	3.22%
Operating leases	5.60%	5.68%

As of June 30, 2024, the maturities of the Company's operating and finance lease liabilities were as follow:

	Operating Lease Liabilities	Finance Lease Liabilities
Fiscal Year		
2025	1,234	61
2026	658	34
2027	86	-
Thereafter	-	-
Total future minimum lease payments	\$ 1,978	\$ 95
Less: amount representing interest	(91)	(4)
Present value of net minimum lease payments	\$ 1,887	\$ 91
Presentation on statement of financial position		
Current	1,162	57
Non-Current	725	34

As of June 30, 2023, future minimum lease payments under finance leases and noncancelable operating leases were as follows:

	Operating Lease Liabilities	Finance Lease Liabilities
Fiscal Year		
2024	1,321	112
2025	846	33
2026	570	12
Thereafter	64	-
Total future minimum lease payments	\$ 2,801	\$ 157
Less: amount representing interest	(192)	(8)
Present value of net minimum lease payments	\$ 2,609	\$ 149
Presentation on statement of financial position		
Current	1,098	107
Non-Current	1,511	42

26. NON-CONTROLLING INTEREST

In accordance with the provisions of ASC Topic 810, the Company has classified the non-controlling interest as a component of stockholders' equity in the accompanying consolidated balance sheets. Additionally, the Company has presented the net income attributable to the Company and the non-controlling ownership interests separately in the accompanying consolidated financial statements.

Non-controlling interest represents the minority stockholders' share of 45% of the equity of Trio-Tech (Malaysia) Sdn. Bhd., Trio-Tech (Kuala Lumpur) Sdn. Bhd., SHI International Pte. Ltd., 48% of PT. SHI Indonesia, 24% interest in Prestal Enterprise Sdn. Bhd., and 49% interest in Trio-Tech Jiangsu Co., Ltd., which are subsidiaries of the Company.

The table below reflects a reconciliation of the equity attributable to non-controlling interest:

	For the Year Ended June 30,	
	2024	2023
Non-controlling interest		
Beginning balance	\$ 165	\$ 128
Net income	92	214
Translation adjustment	(8)	(177)
Ending balance	\$ 249	\$ 165

27. COMPARATIVE FIGURES

Certain amounts in the prior periods presented have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on previously reported net income.

DESCRIPTION OF REGISTRANT'S SECURITIES**General**

Our Amended and Restated Articles of Incorporation (“*Charter*”) authorize us to issue up to 15,000,000 shares of our common stock, no par value.

Common Stock

This section describes the general terms of our common stock that we may offer from time to time. For more detailed information, a holder of our common stock should refer to our Charter and Bylaws, copies of which are filed with the Securities and Exchange Commission, and applicable California law.

Except as otherwise expressly provided in our Charter, or as required by applicable law, all shares of our common stock have the same rights and privileges and rank equally, share ratably and are identical in all respects as to all matters, including, without limitation, those described below. All outstanding shares of our common stock are fully paid and nonassessable.

Voting Rights. The holders of our common stock are entitled to one vote per share on all matters. Par common stock does not have cumulative voting rights, which means that holders of the shares of our common stock with a majority of the votes to be cast for the election of directors can elect all directors then being elected.

Dividends. Each share of our common stock has an equal and ratable right to receive dividends to be paid from our assets legally available therefore when, as and if declared by our Board of Directors. Since February 25, 2008, we have not declared or paid cash dividends on our common stock, and we do not anticipate paying cash dividends on our common stock in the foreseeable future.

Liquidation. In the event we dissolve, liquidate or wind up, the holders of our common stock are entitled to share equally and ratably in the assets available for distribution after payments are made to our creditors.

Other. The holders of shares of our common stock have no preemptive, subscription or redemption rights and are not liable for further call or assessment. All of the outstanding shares of our common stock are, and the shares of common stock offered hereby will be, fully paid and nonassessable.

Listing

Our common stock is listed on the New York Stock Exchange under the symbol “TRT.”

TRIO-TECH INTERNATIONAL
AMENDMENT TO 2017 DIRECTORS EQUITY INCENTIVE PLAN

Section 4 of the 2017 Directors Equity Incentive Plan of Trio-Tech International is amended to read in its entirety as follows:

"4. Stock Subject to Plan. There shall be reserved for issue upon the exercise of options granted, or restricted stock awarded, under the Plan 900,000 shares of Common Stock or the number of shares of Common Stock which, in accordance with the provisions of Section 9 hereof, shall be substituted therefor. Such shares may be authorized but unissued shares or treasury shares. If an option granted under the Plan shall expire or terminate for any reason without having been exercised in full, unpurchased shares subject thereto shall again be available for the purposes of the Plan."

Subsidiaries of the Registrant
(100% owned by the Registrant except as otherwise stated)

Express Test Corporation (Dormant)	a California Corporation
Trio-Tech Reliability Services (Dormant)	a California Corporation
KTS Incorporated, dba Universal Systems (Dormant)	a California Corporation
European Electronic Test Center. Ltd.	a Cayman Islands Corporation (Operation ceased on November 1, 2005)
Trio-Tech International Pte. Ltd., a Singapore Corporation	a Singapore Corporation
Universal (Far East) Pte. Ltd., a Singapore Corporation	a Singapore Corporation (100% owned by Trio-Tech International Pte. Ltd., a Singapore Corporation)
Trio-Tech International (Thailand) Co., Ltd., a Thailand Corporation	a Thailand Corporation (100% owned by Trio-Tech International Pte. Ltd., a Singapore Corporation)
Trio-Tech (Bangkok) Co., Ltd., a Thailand Corporation	(100% owned by Trio-Tech International Pte. Ltd., a Singapore Corporation)
Trio-Tech (Malaysia) Sdn Bhd., a Malaysia Corporation	(55% owned by Trio-Tech International Pte. Ltd., a Singapore Corporation)
Trio-Tech (Kuala Lumpur) Sdn Bhd., a Malaysia Corporation	(100% owned by Trio-Tech Malaysia)
Prestal Enterprise Sdn. Bhd., a Malaysia Corporation	(76% owned by Trio-Tech International Pte. Ltd., a Singapore Corporation)
Trio-Tech (SIP) Co., Ltd., a China Corporation	(100% owned by Trio-Tech International Pte. Ltd., a Singapore Corporation)
Trio-Tech (Chongqing) Co. Ltd., a China Corporation	(100% owned by Trio-Tech International Pte. Ltd., a Singapore Corporation)
SHI International Pte. Ltd, a Singapore Corporation	(55% owned Trio-Tech International Pte. Ltd., a Singapore Corporation)
PT SHI Indonesia, an Indonesia Corporation	(95% owned by SHI International Pte. Ltd., a Singapore Corporation)
Trio-Tech (Tianjin) Co., Ltd., a China Corporation	(100% owned by Trio-Tech International Pte. Ltd., a Singapore Corporation)
Trio-Tech (Jiangsu) Co., Ltd., a China Corporation	(51% owned by Trio-Tech (SIP) Co., Ltd, a China Corporation)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Trio-Tech International
Van Nuys, California

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-261485), Form S-8 (No. 333-263728, No. 333-252841, No. 333-222920, No. 333-193515, No. 333-171569, No. 333-147817 and No. 333-70632, No. 333-40102) of Trio-Tech International of our report dated September 23, 2024, relating to the consolidated financial statements which appear in this Form 10-K.

Forvis Mazars LLP (formerly known as Mazars LLP)
PUBLIC ACCOUNTANTS
AND CHARTERED ACCOUNTANTS

/s/ Forvis Mazars LLP

Singapore
September 23, 2024

CERTIFICATIONS

I, S. W. Yong, certify that:

1. I have reviewed this Annual Report on Form 10-K of Trio-Tech International, a California corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal year quarter (the registrant's fourth fiscal year quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 23, 2024

/s/ S.W.Yong
S. W. Yong
Chairman and Chief Executive Officer
(Principal Executive Officer)

I, Srinivasan Anitha, certify that:

1. I have reviewed this Annual Report on Form 10-K of Trio-Tech International, a California corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal year quarter (the registrant's fourth fiscal year quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 23, 2024

/s/ Srinivasan Anitha
Srinivasan Anitha
Chief Financial Officer
(Principal Financial Officer)

SECTION 1350 CERTIFICATION

Each of the undersigned, S.W. Yong, Chairman and Chief Executive Officer of Trio-Tech International, a California corporation (the “*Company*”), and Srinivasan Anitha, Chief Financial Officer of the Company, do hereby certify, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his / her knowledge (1) the annual report on Form 10-K of the Company for the year ended June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “*Report*”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ S.W.Yong

Name: S. W. Yong

Title: Chairman and Chief Executive Officer

Date: September 23, 2024

/s/ Srinivasan Anitha

Name: Srinivasan Anitha

Title: Chief Financial Officer

Date: September 23, 2024

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**TRIO-TECH INTERNATIONAL
CLAWBACK POLICY**

Introduction

The Board of Directors (the “*Board*”) of Trio-Tech International (the “*Company*”) believes that it is in the best interests of the Company and its shareholders to create and maintain a culture that emphasizes integrity and accountability and that reinforces the Company’s pay-for-performance compensation philosophy. The Board has therefore adopted this policy which provides for the recoupment of certain executive compensation in the event of an accounting restatement resulting from material noncompliance with financial reporting requirements under the federal securities laws (the “*Policy*”). This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), and Section 303.A.14 of the New York Stock Exchange Listed Company Manual (the “*Clawback Listing Standards*”).

Administration

This Policy shall be administered by the Board or, if so designated by the Board, the Compensation Committee, in which case references herein to the Board shall be deemed references to the Compensation Committee. Any determinations made by the Board shall be final and binding on all affected individuals.

Covered Executives

This Policy applies to the Company’s current and former executive officers, as determined by the Board in accordance with the definition in Section 10D of the Exchange Act and the Clawback Listing Standards, and such other senior executives who may from time to time be deemed subject to the Policy by the Board (“*Covered Executives*”).

Recoupment; Accounting Restatement

In the event the Company is required to prepare an accounting restatement of its financial statements due to the Company’s material noncompliance with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period, the Board will require reimbursement or forfeiture of any excess Incentive Compensation received by any Covered Executive during the three completed fiscal years immediately preceding the date on which the Company is required to prepare an accounting restatement.

Incentive Compensation

For purposes of this Policy, Incentive Compensation means any of the following; provided that; such compensation is granted, earned, or vested based wholly or in part on the attainment of a financial reporting measure:

- Annual bonuses and other short- and long-term cash incentives.
- Stock options.
- Stock appreciation rights.
- Restricted stock.
- Restricted stock units.
- Performance shares.
- Performance units.

Financial reporting measures include:

- Company stock price.
- Total shareholder return.
- Revenues.
- Net income.
- Earnings before interest, taxes, depreciation, and amortization (EBITDA).
- Funds from operations.
- Liquidity measures such as working capital or operating cash flow.
- Return measures such as return on invested capital or return on assets.
- Earnings measures such as earnings per share.

Excess Incentive Compensation: Amount Subject to Recovery

The amount to be recovered will be the excess of the Incentive Compensation paid to the Covered Executive based on the erroneous data over the Incentive Compensation that would have been paid to the Covered Executive had it been based on the restated results, as determined by the Board, without regard to any taxes paid by the Covered Executive in respect of the Incentive Compensation paid based on the erroneous data.

If the Board cannot determine the amount of excess Incentive Compensation received by the Covered Executive directly from the information in the accounting restatement, then it will make its determination based on a reasonable estimate of the effect of the accounting restatement.

Method of Recoupment

The Board will determine, in its sole discretion, the method for recouping Incentive Compensation hereunder which may include, without limitation:

- (a) requiring reimbursement of cash Incentive Compensation previously paid;
- (b) seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards;
- (c) offsetting the recouped amount from any compensation otherwise owed by the Company to the Covered Executive;
- (d) cancelling outstanding vested or unvested equity awards; and/or
- (e) taking any other remedial and recovery action permitted by law, as determined by the Board.

No Indemnification

The Company shall not indemnify any Covered Executives against the loss of any incorrectly awarded Incentive Compensation.

Interpretation

The Board is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. It is intended that this Policy be interpreted in a manner that is consistent with the requirements of Section 10D of the Exchange Act; any applicable rules or standards adopted by the Securities and Exchange Commission, and the Clawback Listing Standards.

Effective Date

This Policy shall be effective as of December 1, 2023 (the "*Effective Date*") and shall apply to Incentive Compensation that is received by Covered Executives on or after the Effective Date, even if such Incentive Compensation was approved) awarded, or granted to Covered Executives prior to the Effective Date.

Amendment; Termination

The Board may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary to reflect final regulations adopted by the Securities and Exchange Commission under Section 10D of the Exchange Act and to comply with the Clawback Listing Standards and any other rules or standards adopted by a national securities exchange on which the Company's securities are listed. The Board may terminate this Policy at any time.

Other Recoupment Rights

Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement and any other legal remedies available to the Company.

Relationship to Other Plans and Agreements

The Board intends that this Policy will be applied to the fullest extent of the law. The Board may require that any employment agreement, equity award agreement, or similar agreement entered into on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require a Covered Executive to agree to abide by the terms of this Policy. In the event of any inconsistency between the terms of the Policy and the terms of any employment agreement, equity award agreement, or similar agreement under which Incentive Compensation has been granted, awarded, earned or paid to a Covered Executive, whether or not deferred, the terms of the Policy shall govern.

Impracticability

The Board shall recover any excess Incentive Compensation in accordance with this Policy unless such recovery would be impracticable, as determined by the Board in accordance with Rule 10D-1 of the Exchange Act and the listing standards of the national securities exchange on which the Company's securities are listed.

Successors

This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.