

Integrated Service Technology  
Inc. and Subsidiaries

Consolidated Financial  
Statements for the Nine Months  
Ended September 30, 2025 and  
2024 and Independent  
Auditors' Review Report

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## **Independent Auditors' Review Report**

To: Integrated Service Technology Inc.

### **Introduction**

We have reviewed the financial statements of Integrated Service Technology Inc. and its subsidiaries, which comprise the consolidated balance sheet of September 30, 2025 and September 30, 2024, the consolidated statement of comprehensive income for the nine months ended September 30, 2025 and September 30, 2024 as well as the nine months ended September 30, 2025 and September 30, 2024, the consolidated statement of changes in equity and the consolidated statement of cash flows for the nine months ended September 30, 2025 and September 30, 2024, and the notes to the consolidated financial statements (including a summary of material accounting policies). The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards, and the Statement No. 34 "Interim Financial Reporting" of the International Accounting Standards endorsed and issued into effect by the Financial Supervisory Commission. Our responsibilities are to draw a conclusion, based on the results of the review, on the consolidated financial statements.

### **Scope of Review**

Except what has been stated in the "Basis for Qualified Conclusion" below, we conducted our review of the consolidated financial statements in accordance with the Statement No. 2410 "Review of Financial Statement" of the Standards on Review Engagements. The procedures performed in review of the consolidated financial statements included inquiries (mainly to personnel in charge of financial and accounting affairs), analytical procedure and other review procedures. The scope of

review tasks was obviously narrower than that of audit tasks, so we might be unable detect all material matters identifiable through audit tasks. As a result, we are unable to issue our audit opinion.

### **Basis for Qualified Conclusion**

As stated in Note 13 to the consolidated financial statements, the financial statements of the same period of some non-material subsidiaries included in the consolidated financial statements were not reviewed by CPAs. Their assets in total as of September 30, 2025 and September 30, 2024 were NTD 290,368 thousand and NTD 330,679 thousand respectively, which accounted for 3% and 4% of the total consolidated assets respectively. Their liabilities in total were NTD 79,881 thousand and NTD 85,454 thousand respectively, which accounted for 1% and 2% of the total consolidated liabilities. Their comprehensive income in total for 2025 Q3, 2024 Q3, and the nine months ended September 30, 2025 and September 30, 2024 was NTD (12,863) thousand, NTD (5,351) thousand, (21,576) thousand and NTD (12,336) thousand respectively, which accounted for (9)%, (10)%, (7)% and (3)% of the total consolidated comprehensive income. In addition, as stated in Note 14 to the consolidated statements, the amount of investments accounted for using the equity method as of September 30, 2025 and September 30, 2024 was NTD 752,986 thousand and NTD 726,922 thousand respectively. The share of the comprehensive income of associates accounted for using the equity method recognized for 2025 Q3, 2024 Q3, and the nine months ended September 30, 2025 and September 30, 2024 was NTD (13,032) thousand, NTD (2,424) thousand, NTD 12,640 thousand and NTD13,393 thousand respectively; however, it was recognized based on those investee companies' financial statements of the same period that were not reviewed by CPAs. Besides, such information relevant to aforementioned subsidiaries and investee companies as stated in the reinvestment-related information in Note 37 "Disclosures" to the consolidated financial statements has not been reviewed by CPAs yet.

### **Qualified Conclusion**

Except for some adjustments that would have been made to the consolidated financial statements if both the financial statements of those non-material subsidiaries and associates stated in the Basis for Qualified Conclusion below and the information

disclosed in Note 37 to the consolidated financial statements had been reviewed by CPAs, we have not found, based on our reviews, such non-compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers or the Statement No. 34 "Interim Financial Reporting" of the International Accounting Standards endorsed and issued into effect by the Financial Supervisory Commission that resulted in the consolidated financial statements not presenting fairly the consolidated financial conditions of Integrated Service Technology Inc. and its subsidiaries as of September 30, 2025 and September 30, 2024, the consolidated financial performance for 2025 Q3 and 2024 Q3, and the consolidated financial performance and consolidated cash flows for the nine months ended September 30, 2025 and September 30, 2024.

Deloitte & Touche

Wen Chih-Yuan, CPA

Chang Ya-Yun, CPA

Financial Supervisory Commission  
Approval No.:  
Jin-Guan-Zheng-Shen-Zi-1130349292

Financial Supervisory Commission  
Approval No.:  
Jin-Guan-Zheng-Shen-Zi-1110348898

November 7, 2025

Integrated Service Technology Inc. and Subsidiaries  
Consolidated Balance Sheet  
September 30, 2025, December 31, 2024 and September 30, 2024

Assets	September 30, 2025								December 31, 2024								September 30, 2024								Unit: In Thousands of New Taiwan Dollars			
	September 30, 2025		December 31, 2024		September 30, 2024			September 30, 2025		December 31, 2024		September 30, 2024			September 30, 2025		December 31, 2024		September 30, 2024			September 30, 2025		December 31, 2024		September 30, 2024		
	Amount	%	Amount	%	Amount	%	Amount	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%			
Current assets																												
Cash and cash equivalents (Note 6)	\$ 855,993	10	\$ 939,526	12	\$ 798,192	10																						
Current financial assets at fair value through profit or loss (Note 7)	-	-	-	-	73	-																						
Current financial assets at amortised cost (Note 9)	15,000	-	-	-	15,000	-																						
Current contract assets (Note 24)	1,841	-	1,854	-	2,339	-																						
Notes and accounts receivable, net (Notes 10 and 24)	2,030,429	23	1,487,096	18	1,622,792	20																						
Finance lease receivables (Notes 11 and 33)	15,251	-	15,677	-	15,601	-																						
Accounts receivable due from related parties (Notes 24 and 33)	23,361	-	20,777	-	17,807	-																						
Other receivables	42,317	1	313	-	1,361	-																						
Other receivables due from related parties (Note 33)	28,377	-	23,843	-	27,161	1																						
Current tax assets (Notes 4 and 26)	75	-	96	-	66	-																						
Non-current assets held for sale (Note 12)	-	-	493	-	-	-																						
Prepayments and other current assets (Note 18)	118,529	1	137,693	2	137,283	2																						
Other financial assets (Note 34)	13,087	-	12,048	-	14,784	-																						
Total current assets	3,144,260	35	2,639,416	32	2,652,459	33																						
Non-current assets																												
Non-current financial assets at fair value through profit or loss (Note 7)	21,898	-	23,769	-	22,911	-																						
Non-current financial assets measured at fair value through other comprehensive income (Note 8)	161,407	2	142,494	2	173,629	2																						
Investments accounted for using equity method (Note 14)	752,986	9	739,196	9	726,922	9																						
Property, plant and equipment (Notes 15 and 34)	4,498,410	50	4,110,377	51	3,987,260	50																						
Right-of-use assets (Note 16)	275,509	3	294,002	4	299,862	4																						
Other intangible assets (Note 17)	22,967	-	13,842	-	11,937	-																						
Deferred tax assets (Notes 4 and 26)	344	-	1,250	-	363	-																						
Prepayments for machinery and equipment	26,043	-	113,781	2	72,557	1																						
Guarantee deposits paid (Note 33)	29,370	1	27,124	-	26,822	-																						
Long-term finance leases receivable (Notes 11 and 33)	18,313	-	29,394	-	33,342	1																						
Net non-current defined benefit asset (Notes 4 and 22)	25,552	-	25,239	-	19,762	-																						
Total non-current assets	5,832,799	65	5,520,468	68	5,375,367	67																						
Total assets	\$ 8,977,059	100	\$ 8,159,884	100	\$ 8,027,826	100																						
Liabilities and Equity																												
Current liabilities																												
Current borrowings (Notes 19 and 34)	\$ 844,477	9	\$ 719,669	9	\$ 819,178	10																						
Current financial liabilities at fair value through profit or loss (Note 7)	64	-	114	-	-	-																						
Current contract liabilities (Note 24)	164,215	2	134,819	2	116,516	2																						
Notes and accounts payable	316,715	4	323,134	4	247,336	3																						
Accounts payable to related parties (Note 33)	4,029	-	15,208	-	3,185	-																						
Payable on machinery and equipment (Note 33)	221,336	3	346,402	4	184,363	2																						
Dividends payable (Note 23)	178,510	2	171,023	2	170,684	2																						
Current tax liabilities (Notes 4 and 26)	39,295	-	28,192	-	7,052	-																						
Current lease liabilities (Note 16)	81,606	1	76,931	1	76,484	1																						
Current portion of long-term borrowings (Notes 20 and 34)	106,147	1	78,331	1	76,763	1																						
Other current liabilities, others (Notes 21 and 33)	658,315	7	661,690	8	639,465	8																						
Total current liabilities	2,614,709	29	2,555,513	31	2,341,026	29																						
Non-current liabilities																												
Non-current portion of long-term borrowings (Notes 20 and 34)	2,598,402	29	1,844,290	23	1,919,556	24																						
Deferred tax liabilities (Notes 4 and 26)	4,672	-	4,736	-	4,866	-																						
Non-current lease liabilities (Note 16)	238,772	3	272,065	3	281,759	4																						
Deferred government subsidy income (Note 29)	6,985	-	5,000	-	-	-																						
Guarantee deposits received (Note 33)	3,534	-	2,005	-	2,005	-																						
Total non-current liabilities	2,852,365	32	2,128,096	26	2,208,186	28																						
Total liabilities	5,467,074	61	4,683,609	57	4,549,212	57																						
Equity attributed to owners of parent (Notes 22, 28 and 30)																												
Ordinary share	742,594	8	743,667	9	742,594	9																						
Capital collected in advance	9,287	-	2,721	-	5,476	-																						
Capital reserve	2,134,599	24	2,132,798	26	2,127,544	27																						
Retained earnings																												
Legal reserve	272,965	3	240,027	3	231,495	3																						
Special reserve	180,569	2	102,819	1	68,																							

The accompanying notes constitute part of the consolidated financial statements.  
(Please see the review report made by Deloitte & Touche on November 7, 2025.)

Integrated Service Technology Inc. and Subsidiaries  
Consolidated Statements of Comprehensive Income  
for 2025 Q3, 2024 Q3 and Nine Months Ended September 30, 2025 and September 30, 2024

for 2025 Q3, 2024 Q3 and Nine Months Ended September 30, 2025 and September 30, 2024

Unit: In Thousands of New Taiwan Dollars ,

except for EPS in New Taiwan Dollars

Nine months ended Sep. 30, 2025      Nine months ended Sep. 30, 2024

	2025 Q3		2024 Q3		2025		Nine months ended Sep. 30, 2025		Nine months ended Sep. 30, 2024	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Operating revenue (Notes 24 and 33)	\$ 1,275,701	100	\$ 1,116,033	100	\$ 3,611,226	100	\$ 3,238,382	100		
Operating costs (Notes 25 and 33)	963,847	75	781,231	70	2,620,732	73	2,327,819	72		
Gross profit from operations	311,854	25	334,802	30	990,494	27	910,563	28		
Operating expenses (Notes 25 and 33)										
Selling expenses	40,217	3	38,564	3	122,837	3	112,538	3		
Administrative expenses	139,539	11	129,734	12	416,443	12	381,440	12		
Research and development expenses	46,481	4	48,019	4	156,160	4	125,687	4		
Expected credit impairment (reversal) loss (Note 10)	1,500	-	( 94 )	-	583	-	( 915 )	-		
Total operating expenses	227,737	18	216,223	19	696,023	19	618,750	19		
Net operating income	84,117	7	118,579	11	294,471	8	291,813	9		
Non-operating income and expenses										
Interest income (Note 25 and 33)	1,227	-	5,070	-	4,352	-	9,995	-		
Other income, others (Notes 25 and 33)	16,737	1	8,913	1	32,784	1	35,284	1		
Other gains and losses, net (Note 25)	4,066	-	( 3,691 )	-	37,603	1	111,426	4		
Finance costs, net (Notes 25 and 33)	( 17,395 )	( 1 )	( 15,233 )	( 2 )	( 45,338 )	( 1 )	( 44,471 )	( 1 )		
Share of profit of associates for using equity method, net (Note 14)	7,160	1	( 3,318 )	-	19,412	1	6,766	-		
Total non-operating income and expenses	11,795	1	( 8,259 )	( 1 )	48,813	2	119,000	4		
Profit from continuing operations before tax	95,912	8	110,320	10	343,284	10	410,813	13		
Tax expense (Notes 4 and 26)	25,496	2	24,509	2	55,842	2	34,689	1		
Profit	70,416	6	85,811	8	287,442	8	376,124	12		
Other comprehensive income										
Components of other comprehensive income that will not be reclassified to profit or loss										
Unrealized gains (losses) from equity instrument investment measured at fair value through other comprehensive income (Note 23)	51,402	4	( 32,666 )	( 3 )	36,624	1	( 35,981 )	( 1 )		
Components of other comprehensive income that will be reclassified to profit or loss:										
Exchange differences on translation of financial statements of overseas operations (Note 23)	9,801	1	( 2,801 )	-	( 15,093 )	( 1 )	11,496	-		
Share of other comprehensive income of associates accounted for using equity method	6,648	-	894	-	( 6,772 )	-	6,627	-		
Total other comprehensive income (net, after tax)	67,851	5	( 34,573 )	( 3 )	14,759	-	( 17,858 )	( 1 )		
Total comprehensive income	\$ 138,267	11	\$ 51,238	5	\$ 302,201	8	\$ 358,266	11		
Profit attributable to:										
Owners of parent	\$ 74,193	6	\$ 85,320	8	\$ 312,095	9	\$ 391,089	12		
Non-controlling interests	( 3,777 )	-	491	-	( 24,653 )	( 1 )	( 14,965 )	-		
	\$ 70,416	6	\$ 85,811	8	\$ 287,442	8	\$ 376,124	12		
Comprehensive income attributable to:										
Owners of parent	\$ 142,044	11	\$ 50,747	5	\$ 326,854	9	\$ 373,231	11		
Non-controlling interests	( 3,777 )	-	491	-	( 24,653 )	( 1 )	( 14,965 )	-		
	\$ 138,267	11	\$ 51,238	5	\$ 302,201	8	\$ 358,266	11		
Earnings per share (Note 27)										
Total basic earnings per share	\$ 1.00		\$ 1.15		\$ 4.20		\$ 5.28			
Total diluted earnings per share	\$ 0.99		\$ 1.14		\$ 4.17		\$ 5.23			

The accompanying notes constitute part of the consolidated financial statements.  
(Please see the review report made by Deloitte & Touche on November 7, 2025.)

Integrated Service Technology Inc. and Subsidiaries  
Consolidated Statements of Changes in Equity  
for Nine Months Ended September 30, 2025 and September 30, 2024

Unit: In Thousands of New Taiwan Dollars

	Equity attributed to owners of parent														
	Ordinary share			Retained earnings				Other equity		Treasury shares	Total owners' equity	Non-controlling interests	Total equity		
	Number of shares (in thousands of shares)	Amount	Capital collected in advance	Capital reserve	Legal reserve	Special reserve	Unappropriated retained earnings	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Exchange differences on translation of financial statements of overseas operations						
Balance at Jan. 1, 2024	75,541	\$ 755,409	\$ 1,577	\$ 2,172,448	\$ 204,651	\$ 69,941	\$ 298,129	\$ -	(\$ 85,830 )	(\$ 139,797 )	\$ 3,276,528	\$ 55,574	\$ 3,332,102		
Appropriation and distribution of earnings															
Legal reserve allocated	-	-	-	-	26,844	-	( 26,844 )	-	-	-	-	-	-	-	-
Cash dividends to shareholders of the company	-	-	-	-	-	( 1,694 )	( 222,494 )	-	-	-	( 222,494 )	-	-	( 222,494 )	
Special reserve allocated	-	-	-	-	-	-	1,694	-	-	-	-	-	-	-	-
Changes in associated accounted for using the equity method	-	-	-	1,970	-	-	-	-	-	-	1,970	-	-	1,970	
Profit (loss) for the nine months ended Sep. 30, 2024	-	-	-	-	-	-	391,089	-	-	-	391,089	( 14,965 )	376,124		
Other comprehensive income after tax for the nine months ended Sep. 30, 2024	-	-	-	-	-	-	-	( 35,981 )	18,123	-	( 17,858 )	-	( 17,858 )		
Total comprehensive income for the nine months ended Sep. 30, 2024	-	-	-	-	-	-	391,089	( 35,981 )	18,123	-	373,231	( 14,965 )	358,266		
Retirement of treasury share	( 1,562 )	( 15,620 )	-	( 44,108 )	-	-	( 80,069 )	-	-	139,797	-	-	-	-	-
Disposal of investments accounted for using equity method	-	-	-	( 12,710 )	-	-	-	-	868	-	( 11,842 )	-	( 11,842 )		
Changes in ownership interests in subsidiaries	-	-	-	( 3,964 )	-	-	-	-	-	-	( 3,964 )	3,964	-	-	-
Share-based payments	-	-	-	2,316	-	-	-	-	-	-	2,316	-	2,316		
Ordinary shares issued under the Employee stock option plan	281	2,805	3,899	11,592	-	-	-	-	-	-	18,296	-	-	18,296	
Balance at September 30, 2024	74,260	\$ 742,594	\$ 5,476	\$ 2,127,544	\$ 231,495	\$ 68,247	\$ 361,505	( \$ 35,981 )	( \$ 66,839 )	\$ -	\$ 3,434,041	\$ 44,573	\$ 3,478,614		
Balance at Jan. 1, 2025	74,367	\$ 743,667	\$ 2,721	\$ 2,132,798	\$ 240,027	\$ 102,819	\$ 340,087	( \$ 67,116 )	( \$ 64,948 )	\$ -	\$ 3,430,055	\$ 46,220	\$ 3,476,275		
Appropriation and distribution of earnings															
Legal reserve allocated	-	-	-	-	32,938	77,750	( 32,938 )	( 77,750 )	-	-	-	-	-	-	-
Special reserve allocated	-	-	-	-	-	-	( 252,939 )	-	-	-	( 252,939 )	-	( 252,939 )		
Cash dividends to shareholders of the company	-	-	-	-	-	-	-	-	-	-	( 252,939 )	-	( 252,939 )		
Changes in associated accounted for using the equity method	-	-	-	1,150	-	-	-	-	-	-	1,150	-	-	1,150	
Profit (loss) for the nine months ended Sep. 30, 2025	-	-	-	-	-	-	312,095	-	-	-	312,095	( 24,653 )	287,442		
Other comprehensive income after tax for the nine months ended Sep. 30, 2025	-	-	-	-	-	-	-	36,624	( 21,865 )	-	14,759	-	14,759		
Total comprehensive income for the nine months ended Sep. 30, 2025	-	-	-	-	-	-	312,095	36,624	( 21,865 )	-	326,854	( 24,653 )	302,201		
Buyback of treasury shares	-	-	-	-	-	-	-	-	-	( 37,874 )	( 37,874 )	-	( 37,874 )		
Retirement of treasury share	( 383 )	( 3,830 )	-	( 10,900 )	-	-	( 23,144 )	-	-	37,874	-	-	-	-	-
Changes in ownership interests in subsidiaries	-	-	-	2	-	-	-	-	-	-	2	( 2 )	-	-	-
Share-based payments	-	-	-	595	-	-	-	-	-	-	595	-	595		
Ordinary shares issued under the Employee stock option plan	275	2,757	6,566	10,954	-	-	-	-	-	-	20,277	300	20,577		
Disposal of equity instrument measured at fair value through other comprehensive income	-	-	-	-	-	-	( 7,472 )	7,472	-	-	-	-	-	-	-
Balance at September 30, 2025	74,259	\$ 742,594	\$ 9,287	\$ 2,134,599	\$ 272,965	\$ 180,569	\$ 257,939	( \$ 23,020 )	( \$ 86,813 )	\$ -	\$ 3,488,120	\$ 21,865	\$ 3,509,985		

The accompanying notes constitute part of the consolidated financial statements.  
(Please see the review report made by Deloitte & Touche on November 7, 2025.)

**Integrated Service Technology Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**for Nine Months Ended September 30, 2025 and September 30, 2024**  
**Unit: In Thousands of New Taiwan Dollars**  
 Nine months ended Sep. 30, 2025      Nine months ended Sep. 30, 2024

Cash flows from operating activities			
Profit before tax	\$ 343,284	\$ 410,813	
Adjustments to reconcile profit (loss)			
Depreciation expense	639,347	574,682	
Amortization expense	10,153	5,893	
Expected credit losses (Gain)	583	( 915 )	
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	325	( 1,612 )	
Financial cost	45,338	44,471	
Interest income	( 4,352 )	( 9,995 )	
Dividend Income	( 794 )	-	
Share-based payments	595	2,316	
Share of loss (profit) of associates for using equity method, net	( 19,412 )	( 6,766 )	
Gain on disposals of property, plant and equipment	( 31,141 )	( 4,715 )	
Gains on disposals of non-current assets held for sale	( 7,755 )	-	
Gains on disposal of investments accounted for using equity method	-	( 99,181 )	
Net foreign exchange loss			
Unrealized foreign exchange loss (gain)	421	2,577	
Profit from lease modification	-	( 73 )	
Net changes in operating assets and liabilities			
Contract assets	13	3,624	
Notes and accounts receivable	( 541,586 )	( 159,406 )	
Accounts receivable due from related parties	( 2,541 )	1,196	
Other receivables	( 39,520 )	10,084	
Other receivables due from related parties	( 4,534 )	( 3,973 )	
Prepayments and other current assets	19,164	8,363	
Defined benefit assets, net	( 313 )	( 183 )	
Contract liabilities	29,396	( 17,977 )	
Notes and accounts payable	( 6,724 )	63,575	
Accounts payable to related parties	( 11,179 )	( 1,511 )	
Other current liabilities	( 4,470 )	64,796	
Deferred government subsidy income	1,985	-	
Cash generated from operations	416,283	886,083	
Interest paid	( 54,008 )	( 51,731 )	
Income tax paid	( 43,562 )	( 27,635 )	
Net cash generated from operating activities	<u>318,713</u>	<u>806,717</u>	
Cash flows from investing activities			
Sale of financial assets measured at fair value through other comprehensive income	\$ 15,231	\$ -	
Acquisition of financial assets at amortized cost	( 15,000 )	( 15,000 )	
Disposal of financial assets at fair value through profit or loss	1,496	6,084	
Disposals of non-current assets held for sale	8,248	-	
Acquisition of property, plant and equipment	( 1,037,505 )	( 721,255 )	
Proceeds from disposal of property, plant and equipment	60,891	7,911	
Increase in refundable deposits	( 2,246 )	( 2,378 )	
Acquisition of other intangible assets	( 19,498 )	( 6,896 )	
Proceeds from disposal of intangible assets	76	-	
Decrease in long-term lease and installment receivables	11,819	11,753	
(Increase) decrease in other financial assets	( 1,039 )	426	
Interest received	4,352	9,995	
Dividends received	794	-	
Net cash used in investing activities	( <u>972,381</u> )	( <u>709,360</u> )	
Cash flows from financing activities			
Increase (decrease) in short-term borrowings	121,882	( 137,474 )	
Proceeds from long-term debts	1,417,000	835,884	
Repayments of long-term debts	( 635,072 )	( 689,706 )	
Increase in guarantee deposits received	1,529	-	
Payments of lease liabilities	( 62,089 )	( 58,857 )	
Cash dividends paid	( 245,452 )	( 202,875 )	
Exercise of employee stock options	20,577	18,296	
Purchase of treasury shares	( 37,874 )	-	
Net cash generated from (used in) financing activities	<u>580,501</u>	( <u>234,732</u> )	
Effect of exchange rate changes on cash and cash equivalents	( 10,366 )	7,329	
Net decrease in cash and cash equivalents	( 83,533 )	( 130,046 )	
Cash and cash equivalents at beginning of period	<u>939,526</u>	<u>928,238</u>	
Cash and cash equivalents at end of period	<u>\$ 855,993</u>	<u>\$ 798,192</u>	

The accompanying notes constitute part of the consolidated financial statements.  
(Please see the review report made by Deloitte & Touche on November 7, 2025.)

Integrated Service Technology Inc. and Subsidiaries  
Notes to Consolidated Financial Statements  
for Nine Months Ended September 30, 2025 and September 30, 2024  
(In Thousands of New Taiwan Dollars, except as otherwise indicated herein)

I. Corporate History

Integrated Service Technology Inc. (hereinafter referred to as IST) was incorporated in September 1994 after the approval of Ministry of Economic Affairs. Its main business activities include the R&D and manufacturing of integrated circuits, analysis, burn-in, testing, the import and export of semiconductor parts and relevant equipment, electronic parts, computer and computer components, and dealing with distribution, quotation and bidding activities concerning the aforementioned products as an agent on behalf of domestic and overseas companies.

Stocks of IST have been traded at Taipei Exchange since December 28, 2004.

The New Taiwan Dollar, the functional currency adopted by IST, is used to express amounts indicated in the consolidated financial statements.

II. Date and Procedure of Adoption of Financial Statements

The consolidated financial statements were approved by the board of directors on November 7, 2025.

III. Applicability of New and Amended Standards and Interpretations

(I) We initially apply International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC) and SIC Interpretations (SIC) (hereinafter referred to as IFRSs) endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the FSC).

Amendments to IAS 21 Lack of Exchangeability

Application of the amendments to IAS 21 Lack of Exchangeability does not cause any significant change in accounting policies of IST and its subsidiaries (hereinafter referred to as the Company).

(II) IFRSs Recognized by FSC to be Applied in 2026 Standards Published / Amended / Revised and Interpretations	Effectiveness Date Announced by IASB
Amendments to IFRS 9 and IFRS 7	Jan. 1, 2026
Amendments to the Classification and Measurement of Financial Instruments	
Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity	Jan. 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	Jan. 1, 2026
IFRS 17 Insurance Contracts (including amendments made in 2020 and 2021)	Jan. 1, 2023

As of the date of publication of the consolidated financial statements, the Company still continued evaluating the impact of each amendment on the financial status and financial results. Relevant impacts would be disclosed after the completion of evaluation.

(III) IFRSs Published by International Accounting Standards Board (IASB)  
Already but Not Recognized or Published by FSC Yet

Standards Published / Amended / Revised and Interpretations	Effectiveness Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Not decided yet
IFRS 18 Presentation and Disclosure in Financial Statements	Jan. 1, 2027 (Note 2)
IFRS 19 Subsidiaries without Public Accountability: Disclosures (including the amendment made in 2025)	Jan. 1, 2027

Note 1: Except otherwise as indicated, the standards newly published / amended/revised or interpretations shall come into effect from the annual reporting period after the indicated date.

Note 2: On September 25, 2025, FSC announced that Taiwan enterprises should adopt IFRS 18 from January 1, 2028 or choose to adopt IFRS 18 in advance after IFRS 18 has been recognized by FSC.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements. Main changes in the Standard include:

- The income statement should divide operating, investment, financing, income tax and discontinuing operation categories.
- The income statement should list the subtotal and the total of the operating income, the profit or loss before financing and tax, and the profit or loss.
- Guidance provided for consolidation of the rules of aggregation and disaggregation: The Company should identify the assets, liabilities, equity, incomes, expenses, losses and cash flows being generated from individual transactions and other events, and classify and aggregate based on their common characteristics to ensure that every item listed in each single column in the primary financial statements share at least one similar characteristic. In the primary financial statements and the notes thereto, items with different characteristics shall be disaggregated. The Company lists items as “others” only when the Company is unable to find a more informative accounting subject for such items.
- Addition of the disclosure of the performance measurement defined by the management: For conducting public communication beyond financial statements and sharing a specific concept of overall financial performance with users of the financial statements, the Company shall disclose, in the notes to the financial statements, the information of the performance measurement defined by the management, including description of the measurement, calculation methods, adjustment of the subtotal or total amount specified in the IFRSs, and income tax and non-controlling interest effects.

In addition to the impacts mentioned above, as of the date of publication of the consolidated financial statements, the Company still continued evaluating the impact of the amendments to other standards and interpretations on financial results. Relevant impacts will be disclosed after the evaluation is completed.

#### **IV. Explanations of Material Accounting Policies**

##### **(I) Declaration of Compliance**

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IAS 34 Interim Financial Reporting recognized and published by the FSC. Not all information required to be disclosed in annual financial statements in accordance with IFRSs is disclosed in the consolidated financial statements.

##### **(II) Preparation Basis**

The consolidated financial statements are prepared on the basis of historical cost, except for the financial instruments at fair value, and the net defined benefit asset recognized based on the current value of defined benefit obligations less the fair value of plan assets.

Fair value measurement is classified from level 1 to level 3 based on observable level and importance of relevant inputs.

1. **Level 1 Inputs:** They refer to the prices of the same assets or liabilities obtained in the active market on measurement date (not adjusted).
2. **Level 2 Inputs:** They refer to direct inputs (i.e. prices) or indirect inputs (presumed from prices) observable, except level 1 prices, for assets or liabilities.
3. **Level 3 Inputs:** They refer to inputs not observable for assets or liabilities.

##### **(III) Consolidation Basis**

The consolidated financial statements include the financial statements of IST and the entities that it controls (subsidiaries). The consolidated statement of comprehensive income has included the operating profit (loss) of any acquired or disposed subsidiary from the date of acquisition or till the date of disposal during the current period. The financial statements of subsidiaries have been adjusted in order to cause the accounting policies used by the subsidiaries to be consistent with those used by IST. The transactions, account balances, incomes and expenses among individual entities were

deleted completely during the preparation of the consolidated financial statements. The total comprehensive income of subsidiaries was attributed to owners of IST and non-controlling interests, notwithstanding any loss of non-controlling interests.

If the Company does not lose control over a subsidiary after the Company has made some changes in the subsidiary's equity held by the Company, then the changes are treated as equity transactions. Book amounts of the Company and non-controlling interests have been adjusted to reflect the changes in the corresponding equity held by the Company. The difference between the adjusted amount of non-controlling interests and the fair value of the paid or received consideration was recognized as equity directly and attributed to owners of the Company.

Please refer to Note 13 and Schedules 3 and 4 for the detailed information, shareholding and business activities of each subsidiary.

#### **(IV) Other Material Accounting Policies**

For further information beyond the following explanations, please refer to the Explanations of Material Accounting Policies stated in the consolidated financial statements of 2024.

##### **1. Defined-benefit Postemployment Benefit**

For the pension cost for the interim period, the pension cost rate is determined actuarially at the end of the previous fiscal year, which is calculated on a periodical basis from the beginning of the year till the end of the period and adjusted based on material market fluctuations during the period, amendments to material plans, repayments or other material one-time matters.

##### **2. Income Tax Expense**

The income tax expense is the sum of the current income tax and deferred income tax for the period. The income tax for the interim period is evaluated on an annual basis and calculated based on the interim pretax income at a tax rate applicable to the expected total profit for the year.

V. Main Sources of Material Accounting Judgments, Estimates and Assumption Uncertainty

The Company took into account the possible impact of the U.S. reciprocal tariffs when it developed material accounting estimates, including cash flow projection, growth rate, discount rate, profitability and other material estimates. Management will continue to review estimates and basic assumptions. For further information, please see the Main Sources of Material Accounting Judgments, Estimates and Assumption Uncertainty stated in the consolidated financial statements of 2024.

VI. Cash and Cash Equivalents

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand and revolving funds	\$ 218	\$ 231	\$ 229
Bank checks and saving deposits of bank	745,595	793,801	696,751
Cash equivalents			
Time deposits	110,180	145,494	101,212
	<u>\$ 855,993</u>	<u>\$ 939,526</u>	<u>\$ 798,192</u>

VII. Financial Instruments at Fair Value through Profit and Loss

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial Assets – Current</u>			
At fair value through profit or loss compulsorily			
Derivatives (not designed for hedging)			
– Forward exchange agreement	\$ -	\$ -	\$ 73
<u>Financial assets – Non-current</u>			
At fair value through profit or loss compulsorily – Not listed (non-OTC)			
Beneficiary certificates of funds	\$ 21,898	\$ 23,769	\$ 22,911
<u>Financial liabilities – Current</u>			
Held for trading			
Derivatives (not designed for hedging)			
– Forward exchange agreement	\$ 64	\$ 114	\$ -

The forward exchange agreements to which hedge accounting was not applied and were not mature on the balance sheet date are as follows:

	Currency	Maturity Period	Contract Price (in thousands of NT dollars)
<u>September 30, 2025</u> Forward foreign exchange purchase	TWD to JPY	December 2025	TWD 8,319/ JPY 39,944
<u>December 31, 2024</u> Forward foreign exchange purchase	TWD to JPY	January ~ February 2025	TWD 6,807/ JPY 31,830
<u>September 30, 2024</u> Forward foreign exchange purchase	TWD to JPY	November 2024~ February 2025	TWD 1,427/ JPY 6,720

The Company engages in forward exchange transactions primarily for the purpose of avoiding the risk incurred from foreign exchange fluctuation for foreign currency assets and liabilities.

VIII. Financial Assets Measured at Fair Value through Other Comprehensive Income  
Investments in Equity Instruments

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Non-current</u>			
Domestic investment			
Listed (OTC) shares			
Ordinary shares of BTL Inc.	<u>\$ 161,407</u>	<u>\$ 142,494</u>	<u>\$ 173,629</u>

IST resigned as a director of BTL Inc. in June 2024. The Company invested in ordinary shares of BTL Inc. based on a medium- and long-term strategy and expected to make profits through the long-term investment. The Company chose to have such investment measured at fair value through other comprehensive income because the management of the Company believed that short-term fluctuations in fair value of such investment to be listed in profits or losses would be inconsistent with the aforementioned long-term investment planning. For relevant explanation, please refer to Note 14.

The Company sold a portion of ordinary shares of BTL Inc. at fair value in March 2025. The amount obtained from the sale was NTD 692 thousand. Relevant other equity - Unrealized Gains (Losses) from Financial Assets

Measured at Fair Value through Other Comprehensive Income (NTD 354 thousand) was transferred into retained earnings.

The Company sold a portion of ordinary shares of BTL Inc. at fair value in April 2025. The amount obtained from the sale was NTD 168 thousand. Relevant other equity - Unrealized Gains (Losses) from Financial Assets Measured at Fair Value through Other Comprehensive Income (NTD 131 thousand) was transferred into retained earnings.

The Company sold a portion of ordinary shares of BTL Inc. at fair value in June 2025. The amount obtained from the sale was NTD 6,508 thousand. Relevant other equity - Unrealized Gains (Losses) from Financial Assets Measured at Fair Value through Other Comprehensive Income (NTD 4,103 thousand) was transferred into retained earnings.

The Company sold a portion of ordinary shares of BTL Inc. at fair value in July 2025. The amount obtained from the sale was NTD 3,800 thousand. Relevant other equity - Unrealized Gains (Losses) from Financial Assets Measured at Fair Value through Other Comprehensive Income (NTD 2,029 thousand) was transferred into retained earnings.

The Company sold a portion of ordinary shares of BTL Inc. at fair value in August 2025. The amount obtained from the sale was NTD 2,341 thousand. Relevant other equity - Unrealized Gains (Losses) from Financial Assets Measured at Fair Value through Other Comprehensive Income (NTD 499 thousand) was transferred into retained earnings.

The Company sold a portion of ordinary shares of BTL Inc. at fair value in September 2025. The amount obtained from the sale was NTD 4,202 thousand. Relevant other equity - Unrealized Gains (Losses) from Financial Assets Measured at Fair Value through Other Comprehensive Income (NTD 356 thousand) was transferred into retained earnings.

## IX. Financial Assets at Amortised Cost

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Current</u>			
Domestic investment			
Time deposits with original maturities beyond three months	\$ 15,000	\$ -	\$ 15,000

As of both September 30, 2025 and September 30, 2024, the annual interest rate for the time deposits with original maturities beyond three months was 0.875%.

## X. Notes and Accounts Receivable -Net

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Notes and Accounts Receivable</u>			
Measured at amortized cost			
Notes receivable	\$ 1,214	\$ 785	\$ 1,368
Accounts receivable	2,045,777	1,502,846	1,637,397
Less: Loss allowance	( 16,562 )	( 16,535 )	( 15,973 )
	<u>\$ 2,030,429</u>	<u>\$ 1,487,096</u>	<u>\$ 1,622,792</u>

As for payments of the services sold by the Company, the average credit period is between 30 and 120 days after the date of monthly settlement. No interest accrues for notes and accounts receivable. To reduce credit risk, the management of the Company designates a team to be responsible for a decision of credit line, credit approval and other monitoring procedures to ensure that proper measures are taken to recover overdue receivables. In addition, the Company reviews recoverable amounts of receivables on a case-by-case basis on the balance sheet date to ensure that a proper amount of impairment loss is allocated for unrecoverable receivables. Accordingly, the management of the Company believes that the Company's credit risk has significantly reduced.

The Company recognizes, based on expected credit loss for the duration, the allowance for losses on accounts receivable. The expected credit loss for the duration is calculated by using the provision matrix, which considers the historical default records of customers, current financial conditions and the state of industrial economy. As shown in the history of credit loss incurred by the Company, there is no significant difference between loss types in terms of different customer bases. Thus the provision matrix is not used to distinguish customer bases, but to determine expected credit loss rates based on the number of days the accounts receivable are past due.

If evidence shows that the counterparty encounters serious financial difficulties and the Company is unable to reasonably expect a recoverable amount, then the Company will write off relevant accounts receivable directly; however, claiming activities will still continue. Amounts claimed and recovered are recognized in profit.

The allowance for loss of accounts receivable loss measured by the Company by using the provision matrix is as follows:

September 30, 2025

	Not overdue	Overdue for 1~90 days	Overdue for 91~180 days	Overdue for 180~365 days	Overdue for over 365 days	Total
Expected credit loss rate 0%~0.21%						
Total book amount	\$ 1,827,402	\$ 152,273	\$ 54,056	\$ 7,130	\$ 4,916	\$ 2,045,777
Loss allowance (Expected credit loss for the duration)	( 3,895 )	( 2,057 )	( 3,512 )	( 2,182 )	( 4,916 )	( 16,562 )
Amortized cost	<u>\$ 1,823,507</u>	<u>\$ 150,216</u>	<u>\$ 50,544</u>	<u>\$ 4,948</u>	<u>\$ -</u>	<u>\$ 2,029,215</u>

December 31, 2024

	Not overdue	Overdue for 1~90 days	Overdue for 91~180 days	Overdue for 180~365 days	Overdue for over 365 days	Total
Expected credit loss rate 0%~0.19%						
Total book amount	\$ 1,315,357	\$ 158,395	\$ 4,880	\$ 23,440	\$ 774	\$ 1,502,846
Loss allowance (Expected credit loss for the duration)	( 2,481 )	( 1,823 )	( 385 )	( 11,072 )	( 774 )	( 16,535 )
Amortized cost	<u>\$ 1,312,876</u>	<u>\$ 156,572</u>	<u>\$ 4,495</u>	<u>\$ 12,368</u>	<u>\$ -</u>	<u>\$ 1,486,311</u>

September 30, 2024

	Not overdue 0%~0.20%	Overdue for 1~90 days 0%~1.24%	Overdue for 91~180 days 0%~6.58%	Overdue for 180~365 days 0%~29.67%	Overdue for over 365 days 100%	Total
Expected credit loss rate						
Total book amount	\$ 1,347,246	\$ 243,890	\$ 20,738	\$ 23,738	\$ 1,785	\$ 1,637,397
Loss allowance (Expected credit loss for the duration)	( <u>2,746</u> )	( <u>3,034</u> )	( <u>1,365</u> )	( <u>7,043</u> )	( <u>1,785</u> )	( <u>15,973</u> )
Amortized cost	<u>\$1,344,500</u>	<u>\$ 240,856</u>	<u>\$ 19,373</u>	<u>\$ 16,695</u>	<u>\$ -</u>	<u>\$1,621,424</u>

Information of changes in the allowance for loss of accounts receivable is as follows:

	Nine months ended Sep. 30, 2025	Nine months ended Sep. 30, 2024
Beginning balance	\$ 16,535	\$ 16,876
Add: Impairment loss allocated (reversed) for the period	583	( 915 )
Less: Actual write-off for the period	( 540 )	-
Foreign exchange differences	( <u>16</u> )	<u>12</u>
Ending balance	<u>\$ 16,562</u>	<u>\$ 15,973</u>

## XI. Finance Leases Receivable

	September 30, 2025	December 31, 2024	September 30, 2024
Lease payments not discounted			
1 <sup>st</sup> year	\$ 15,745	\$ 16,387	\$ 16,387
2 <sup>nd</sup> year	11,254	15,626	15,586
3 <sup>rd</sup> year	5,976	8,892	11,188
4 <sup>th</sup> year	1,379	5,515	5,976
5 <sup>th</sup> year	-	-	<u>1,379</u>
	<u>34,354</u>	<u>46,420</u>	<u>50,516</u>
Less: Finance incomes not earned yet	( <u>790</u> )	( <u>1,349</u> )	( <u>1,573</u> )
Lease payments receivable	<u>33,564</u>	<u>45,071</u>	<u>48,943</u>
Net investment in the lease (expressed as finance leases receivable)	<u>\$ 33,564</u>	<u>\$ 45,071</u>	<u>\$ 48,943</u>

## XII. Non-current Assets Held for Sale

December 31,  
2024

Mechanical equipment held for  
sale

\$ 493

Integrated Service Technology (Kunshan) Co., Ltd. (IST KS Company) made a machinery equipment sale and purchase agreement with a non-related party in December 2024. The selling price was CNY 1,800 thousand. The machinery equipment was classified as non-current assets held for sale.

The transaction was completed as of March 2025. An amount of NTD 7,755 thousand was recognized as gains on the disposal (listed under Other Gains and Losses).

## XIII. Subsidiaries

The consolidated entities were as follows:

Name of investing company	Name of subsidiary	Nature of business	Shareholding			Explanation
			September 30, 2025	December 31, 2024	September 30, 2024	
IST	Samoa IST	Investment	100%	-	-	Notes 1 and 3
	Innovative Turnkey Solution (ITS Company)	Electronic product testing and relevant business	-	-	-	
	Pin Wen Corp. (Pin Wen Company)	Investment	100%	100%	100%	
	Supreme Fortune Corp.	Investment	100%	100%	100%	—
Samoa IST	Prosperity Power Technology Inc. (PPT Company)	Manufacturing and sale of various types of integrated circuits (chips), thinning and metal deposition, and testing services for various types of integrated circuits and wafers	71%	71%	71%	Notes 2 and 3
	Integrated Service Technology Sdn.Bhd (Malaysia IST)	Sale of electronic components	100%	-	-	
	Seychelles IST	Investment	100%	100%	100%	
	Integrated Service Technology USA Inc. (Integrated USA)	R&D and manufacturing of integrated circuits, analysis and burn-in, testing, semiconductor spare parts and relevant equipment, electronic spare parts, etc.	100%	100%	100%	—
Pin Wen Company	ITS Company	Electronic product testing and relevant business	-	-	-	Notes 1 and 3
	PPT Company	Manufacturing and sale of various types of integrated circuits (chips), thinning and metal deposition, and testing services for various types of integrated circuits and wafers	6%	6%	6%	
Seychelles IST	IST KS Company	Product testing and relevant business	100%	100%	100%	—
	System Integration Professional Technology (SIP KS Company)	Circuit design service	100%	100%	100%	—
Supreme Fortune Corp.	Hot Light Co., Ltd.	Investment	100%	100%	100%	—
	Instrument Supply Technology (Kunshan) Co., Ltd. (IST-trade KS Company)	Purchase and sale of electric testing and relevant equipment, and conduction of sale and trading as an agent	100%	100%	100%	—
	Integrated Service Technology (Shanghai) Co., Ltd (Xinchuang IST Shanghai)	Product testing and relevant business	100%	100%	100%	Notes 4
Hot Light Co., Ltd.	He Chou Technology Inc. (He Chou Company)	Circuit design service	100%	100%	100%	—

Note 1 : ITS Company merged with PPT Company on March 31, 2024. (PPT Company is the surviving company while ITS Company is the dissolved company. For further information, please refer to Note 3.) All the ITS shares possessed by the Company were exchanged for PPT shares.

Note 2 : ITS Company merged with PPT Company on March 31, 2024. (PPT Company is the surviving company while ITS Company is the dissolved company. For further information, please refer to Note 3.) IST exchanged 13,622 thousand shares of ITS Company for 3,593 thousand shares of PPT Company, and the percentage of the PPT shares held by IST decreased from 75% to 71%. Pin Wen Company exchanged 2,672 thousand shares of ITS Company for 705 thousand shares of PPT Company, and the percentage of the PPT shares held by Pin Wen Company was 6%. The Company held 77% of PPT shares aggregately as of September 30, 2025.

Note 3 : To integrate operation resources effectively and, with shared operation management, technology, talents and resources, optimize resource allocation to enhance overall operation efficiency and strengthen competitiveness, the board of directors resolved on November 3, 2023 to merge ITS Company and PPT Company in accordance with the Business Mergers and Acquisitions Act. (PPT Company is the surviving company while ITS Company is the dissolved company.) To conduct the merger, PPT Company will issue new shares and one ordinary share of PPT Company is changed to 3.7921 ordinary shares of ITS Company. The new shares will be issued to shareholders of ITS Company at the aforementioned exchange ratio. The merger was resolved at the extraordinary meeting of shareholders held on December 8, 2023. For the merger and ownership swap case, PPT Company issued a total of 6,982 thousand ordinary shares for increase of capital, and the capital increase base date was March 31, 2024.

Note 4: In April 2024, IST KS Company invested in and established Xinchuang IST Shanghai, which mainly provides the service of inspection and testing.

Note 5 : In February 2025, Malaysia IST completed the establishment registration in Malaysia. IST contributed a capital of 800 thousand Malaysian Ringgits (MYR) in July 2025.

The aforementioned subsidiaries did not meet the definition of important subsidiaries provided in Article 3 of the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants for the nine months ended September 30, 2025, except Samoa IST and PPT Company, and for the nine months ended September 30, 2024 except Samoa IST , ITS Company and PPT Company. Their financial statements have not been reviewed by CPAs.

**XIV. Investments Accounted for Using the Equity Method**

	September 30, 2025	December 31, 2024	September 30, 2024
<b>Investments in Associates</b>			
Dekra iST (Dekra Company)	\$ 733,019	\$ 712,875	\$ 699,866
Motor Semiconductor Co., Ltd. (MS Company)	16,179	22,171	24,768
Individual immaterial associates			
Huan Ying Sustainable Development Technology (Huan Ying Company)	3,300	3,456	1,679
EFUN Technology Inc.(EFUN company)	488	694	609
	<u>\$ 752,986</u>	<u>\$ 739,196</u>	<u>\$ 726,922</u>

Material Associates are listed as follows:

Company Name	Percentage of ownership and voting rights held by the Company		
	September 30, 2025	December 31, 2024	September 30, 2024
Dekra Company	49%	49%	49%
MS Company	21%	21%	21%

The OTC-listed BTL Inc. conducted a follow-on offering in March 2023 and IST did not participate in the follow-on offering proportionally based on the percentage of its shareholding. After the participation, the percentage of the BTL shares held by the Company reduced from 11% to 10%. Though the percentage of such shareholding was less than 20%, yet the Company still had one seat on the board of directors of BTL Inc. and therefore had a significant impact on BTL Inc. based on the evaluation made by using the equity method. IST resigned as a director of BTL Inc. in June 2024. IST possessed the shares of BTL Inc. for investment based on a medium- and long-term strategy and

expected to make profits through the long-term investment. Thus, the shares were transferred to the financial assets measured at fair value through other comprehensive income.

For the business nature and main place of business of each of the aforementioned associates, and the country where it is registered, please refer to Schedule 3 "Information of Investee Companies, their Locations, etc."

Investments accounted for using the equity method and the profits and other comprehensive incomes thereof enjoyed by the Company are recognized based on the financial statements not reviewed by CPAs.

## XV. Property, Plant and Equipment

	September 30, 2025	December 31, 2024	September 30, 2024
Self-used	\$ 4,477,893	\$ 4,084,260	\$ 3,959,277
Rented out under operating lease	20,517	26,117	27,983
	<u>\$ 4,498,410</u>	<u>\$ 4,110,377</u>	<u>\$ 3,987,260</u>

### (I) Self-used

	Land	Building and structure	Mechanical equipment	Transportation equipment	Office equipment	Leased improvements	Other equipment	Equipment under installation and construction in progress	Total
<u>Cost</u>									
Balance at Jan. 1, 2025	\$ 30,852	\$ 2,216,886	\$ 3,288,946	\$ 3,382	\$ 10,871	\$ 274,723	\$ 321,478	\$ 377,581	\$ 6,524,719
Additions	-	1,746	113,370	-	12,818	2,950	9,434	870,578	1,010,896
Disposals	-	( 3,232)	( 162,429)	-	( 619)	( 630)	( 27,889)	-	( 194,799)
Reclassification	-	125,992	620,472	-	2,162	26,354	84,965	( 859,945)	-
Net exchange difference	-	( 2,871)	( 4,302)	( 155)	( 185)	-	( 117)	( 1,692)	( 9,322)
Balance at September 30, 2025	<u>\$ 30,852</u>	<u>\$ 2,338,521</u>	<u>\$ 3,856,057</u>	<u>\$ 3,227</u>	<u>\$ 25,047</u>	<u>\$ 303,397</u>	<u>\$ 387,871</u>	<u>\$ 386,522</u>	<u>\$ 7,331,494</u>
<u>Accumulated depreciation</u>									
Balance at Jan. 1, 2025	\$ -	\$ 669,237	\$ 1,393,780	\$ 1,751	\$ 6,859	\$ 177,984	\$ 160,158	\$ -	\$ 2,409,769
Depreciation expenses	-	107,229	416,313	361	1,674	10,675	46,621	-	582,873
Disposals	-	( 3,232)	( 132,684)	-	( 569)	( 630)	( 27,598)	-	( 164,713)
Net exchange difference	-	( 1,545)	( 2,160)	( 81)	( 168)	-	( 48)	-	( 4,002)
Balance at September 30, 2025	<u>\$ -</u>	<u>\$ 771,689</u>	<u>\$ 1,675,249</u>	<u>\$ 2,031</u>	<u>\$ 7,796</u>	<u>\$ 188,029</u>	<u>\$ 179,133</u>	<u>\$ -</u>	<u>\$ 2,823,927</u>
<u>Accumulated impairment</u>									
Balance at Jan. 1, 2025	\$ -	\$ -	\$ 30,549	\$ -	\$ 141	\$ -	\$ -	\$ -	\$ 30,690
Disposals	-	-	( 335)	-	-	-	-	-	( 335)
Net exchange difference	-	-	( 673)	-	( 8)	-	-	-	( 681)
Balance at September 30, 2025	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,541</u>	<u>\$ -</u>	<u>\$ 133</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,674</u>
Net at September 30, 2025	<u>\$ 30,852</u>	<u>\$ 1,566,832</u>	<u>\$ 2,151,267</u>	<u>\$ 1,196</u>	<u>\$ 17,118</u>	<u>\$ 115,368</u>	<u>\$ 208,738</u>	<u>\$ 386,522</u>	<u>\$ 4,477,893</u>
Net at Dec. 31, 2024 and Jan. 1, 2025	<u>\$ 30,852</u>	<u>\$ 1,547,649</u>	<u>\$ 1,864,617</u>	<u>\$ 1,631</u>	<u>\$ 3,871</u>	<u>\$ 96,739</u>	<u>\$ 161,320</u>	<u>\$ 377,581</u>	<u>\$ 4,084,260</u>
<u>Cost</u>									
Balance at Jan. 1, 2024	\$ 30,852	\$ 2,177,663	\$ 3,285,753	\$ 4,261	\$ 24,403	\$ 271,074	\$ 343,649	\$ 282,609	\$ 6,420,264
Additions	-	3,075	67,589	584	1,265	6,036	2,709	615,026	696,284
Disposals	-	( 14,765)	( 550,029)	( 569)	( 15,682)	( 6,251)	( 59,503)	-	( 646,799)
Reclassification	-	48,440	505,896	-	1,507	3,428	26,938	( 586,209)	-
Net exchange difference	-	1,867	4,742	148	127	-	52	79	7,015
Balance at September 30, 2024	<u>\$ 30,852</u>	<u>\$ 2,216,280</u>	<u>\$ 3,313,951</u>	<u>\$ 4,424</u>	<u>\$ 11,620</u>	<u>\$ 274,287</u>	<u>\$ 313,845</u>	<u>\$ 311,505</u>	<u>\$ 6,476,764</u>
<u>Accumulated depreciation</u>									
Balance at Jan. 1, 2024	\$ -	\$ 555,673	\$ 1,671,329	\$ 2,736	\$ 21,053	\$ 176,374	\$ 171,834	\$ -	\$ 2,598,999
Depreciation expenses	-	104,522	369,405	488	3,014	6,352	39,127	-	522,908
Disposals	-	( 14,765)	( 542,651)	( 561)	( 15,682)	( 6,251)	( 59,503)	-	( 639,413)
Net exchange difference	-	749	3,439	99	104	-	19	-	4,410
Balance at September 30, 2024	<u>\$ -</u>	<u>\$ 646,179</u>	<u>\$ 1,501,522</u>	<u>\$ 2,762</u>	<u>\$ 8,489</u>	<u>\$ 176,475</u>	<u>\$ 151,477</u>	<u>\$ -</u>	<u>\$ 2,486,904</u>
<u>Accumulated impairment</u>									
Balance at Jan. 1, 2024	\$ -	\$ -	\$ 34,190	\$ -	\$ 134	\$ -	\$ -	\$ -	\$ 34,324
Disposals	-	-	( 4,190)	-	-	-	-	-	( 4,190)
Net exchange difference	-	-	443	-	6	-	-	-	449
Balance at September 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,443</u>	<u>\$ -</u>	<u>\$ 140</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,583</u>

Net at September 30, 2024    \$ 30,852    \$ 1,570,101    \$ 1,781,986    \$ 1,662    \$ 2,991    \$ 97,812    \$ 162,368    \$ 311,505    \$ 3,959,277

Depreciation expenses are allocated based on the following service lives on a straight-line basis.

Building and structure	
Main buildings in the plant	35~50 years
Building renovation	5~20 years
Mechanical equipment	1~10 years
Transportation equipment	2~6 years
Office equipment	2~6 years
Leased improvements	2~15 years
Other equipment	3~20 years

For the amounts of the property, plant and equipment pledged by the Company, please refer to Note 34.

(II) Renting Out Under Operating Lease

	Land	Building and structure	Total
<u>Cost</u>			
Balance at Jan. 1 2025	\$ 12,583	\$ 84,402	\$ 96,985
Disposals	-	( 21,400)	( 21,400)
Balance at September 30, 2025	<u>\$ 12,583</u>	<u>\$ 63,002</u>	<u>\$ 75,585</u>
<u>Accumulated depreciation</u>			
Balance at Jan. 1 2025	\$ -	\$ 70,868	\$ 70,868
Depreciation expenses	-	5,600	5,600
Disposals	-	( 21,400)	( 21,400)
Balance at September 30, 2025	<u>\$ -</u>	<u>\$ 55,068</u>	<u>\$ 55,068</u>
Net at September 30, 2025	<u>\$ 12,583</u>	<u>\$ 7,934</u>	<u>\$ 20,517</u>
Net at December 31, 2024 and Jan. 1, 2025	<u>\$ 12,583</u>	<u>\$ 13,534</u>	<u>\$ 26,117</u>
<u>Cost</u>			
Balance at Jan. 1, 2024 and September 30, 2024	\$ 12,583	\$ 84,402	\$ 96,985
<u>Accumulated depreciation</u>			
Balance at Jan. 1 2024	\$ -	\$ 63,402	\$ 63,402
Depreciation expenses	-	5,600	5,600
Balance at September 30, 2024	<u>\$ -</u>	<u>\$ 69,002</u>	<u>\$ 69,002</u>

Net at September 30, 2024      \$ 12,583      \$ 15,400      \$ 27,983

The Company rented out land, building and structure as well as other equipment under operating leases and the lease periods were 3.17 to 10 years.

The total lease payments to be received in the future because of the property, plant and equipment rented out under operating leases are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
1st year	\$ 7,088	\$ 7,088	\$ 7,088
2nd year	7,088	7,088	7,088
3rd year	1,180	6,496	7,088
4th year	-	-	1,180
	<u>\$ 15,356</u>	<u>\$ 20,672</u>	<u>\$ 22,444</u>

Depreciation expenses are allocated based on the following service lives on a straight-line basis.

Building and structure	
Main buildings in the	
plant	35~50 years
Building renovation	6~20 years

## XVI. Lease Agreement

### (I) Right-of-use Assets

	September 30, 2025	December 31, 2024	September 30, 2024
Book amount of right-of-use assets			
Land	\$ 141,234	\$ 143,852	\$ 145,064
Building	113,931	138,826	142,609
Transportation equipment	12,691	6,516	7,179
Mechanical equipment	7,431	4,404	4,545
Office equipment	<u>222</u>	<u>404</u>	<u>465</u>
	<u>\$ 275,509</u>	<u>\$ 294,002</u>	<u>\$ 299,862</u>

	2025 Q3	2024 Q3	Nine months ended Sep. 30, 2025	Nine months ended Sep. 30, 2024
Added right-of-use assets			\$ 40,662	\$ 72,343
Expense of depreciation of right-of-use assets				
Land	\$ 1,231	\$ 1,212	\$ 3,601	\$ 3,636
Building	14,102	12,912	42,136	37,222
Transportation equipment	1,768	1,571	4,534	4,714
Mechanical equipment	139	141	421	421
Office equipment	61	60	182	181
	\$ 17,301	\$ 15,896	\$ 50,874	\$ 46,174
Proceeds from sublease of right-of-use assets (Listed as other incomes in the books)	(\$ 4,137)	(\$ 4,143)	(\$ 12,383)	(\$ 12,553)

Except the depreciation expenses added and recognized above, neither material sublease nor material impairment occurred with respect to the right-of-use assets of the Company for the nine months ended either September 30, 2025 or September 30, 2024.

## (II) Lease Liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
Book amount of lease liabilities			
Current	\$ 81,606	\$ 76,931	\$ 76,484
Non-current	\$ 238,772	\$ 272,065	\$ 281,759

The range of discount rates for lease liabilities is as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Land	2.76%	2.76%	2.76%
Building	1.62%~2.76%	1.62%~4.75%	1.62%~4.75%
Transportation equipment	4.97%~5.91%	4.97%~5.91%	4.97%~5.91%
Mechanical equipment	1.56%~2.50%	1.56%~2.50%	1.56%~2.00%
Office equipment	5.78%	5.78%	5.78%

### (III) Important Lease Activities and Terms

The Company as a lessee has leased some land, buildings, transportation equipment, mechanical equipment and office equipment for its operating activities and the lease periods are from 2 to 40 years. The Company does not have the right of first refusal for the land, buildings, transportation equipment, mechanical equipment and office equipment that it has leased as a lessee upon expiration of a lease period.

### (IV) Sublease

The Company has the following sublease-related transactions except those explained in Notes 11 and 15.

The Company has subleased the right of use of some buildings under operating leases, and the lease period is 5 years.

The total lease payments to be received in the future because of the subleases under operating leases are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
1 <sup>st</sup> year	\$ 2,592	\$ 2,592	\$ 2,592
2 <sup>nd</sup> year	1,080	2,592	2,592
3 <sup>rd</sup> year	-	432	1,080
	<u>\$ 3,672</u>	<u>\$ 5,616</u>	<u>\$ 6,264</u>

### (V) Other Lease Information

	2025 Q3	2024 Q3	Nine months ended Sep. 30, 2025	Nine months ended Sep. 30, 2024
Short-term lease expenses	\$ 3,244	\$ 4,099	\$ 8,722	\$ 9,625
Low-value asset lease expenses	\$ 7	\$ 20	\$ 31	\$ 197
Total cash provided from (used in) leases			(\$ 77,571)	(\$ 75,679)

## XVII. Other Intangible Assets

	September 30, 2025	December 31, 2024	September 30, 2024
Computer software	\$ 22,328	\$ 13,186	\$ 11,232
Others	639	656	705
	<u>\$ 22,967</u>	<u>\$ 13,842</u>	<u>\$ 11,937</u>

No material acquisition, disposal or impairment occurred with respect to other intangible assets of the Company for the nine months either ended September 30, 2025 or September 30, 2024, except the amortization expenses recognized. Amortization expenses were allocated based on the following service lives on a straight-line basis.

Computer software	1~10 years
Others	3 years

#### XVIII. Prepayments and Other Current Assets

	September 30, 2025	December 31, 2024	September 30, 2024
Inventory of supplies	\$ 45,895	\$ 41,790	\$ 43,274
Prepaid expenses	34,067	11,208	14,403
Tax overpaid retained for offsetting the future tax payable	20,169	29,690	28,901
Payment in advance	10,260	8,824	9,833
Prepaid materials stipulated in work order	1,890	44,374	39,151
Others	6,248	1,807	1,721
	<u>\$ 118,529</u>	<u>\$ 137,693</u>	<u>\$ 137,283</u>

#### XIX. Current Borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Guaranteed loans</u>			
– Working capital loan (I)	\$ -	\$ 40,000	\$ -
<u>Loans without collateral</u>			
– Working capital loan (II)	<u>\$ 844,477</u>	<u>\$ 679,669</u>	<u>\$ 819,178</u>
	<u>\$ 844,477</u>	<u>\$ 719,669</u>	<u>\$ 819,178</u>

- (I) The working capital loans provided by the bank were secured on other current financial assets of the Company. (See Note 34.) The annual percentage rate on December 31, 2024 was 2.39%.
- (II) Interest rates for the working capital loans provided by the bank were 2.00% ~ 5.98%, 1.95% ~ 6.34% and 1.95% ~ 6.58% on September 30, 2025, December 31, 2024 and September 30, 2024 respectively.

XX. Non-current Portion of Non-current Borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Guaranteed loans</u>			
Bank loans (1)	\$ 344,353	\$ 207,462	\$ 218,447
<u>Loans without collateral</u>			
Credit loan (2)	<u>2,360,196</u> 2,704,549	<u>1,715,159</u> 1,922,621	<u>1,778,422</u> 1,996,869
Less: Unamortized balance of the expenses incurred by the organizer of syndicated loans	-	-	( 550)
Less: Current portion of non-current borrowings	( 106,147)	( 78,331)	( 76,763)
Non-current portion of non-current borrowings	<u>\$ 2,598,402</u>	<u>\$ 1,844,290</u>	<u>\$ 1,919,556</u>

(I) For the bank loans, the Company mortgaged its buildings to the bank. (Please see Note 34.) The maturity date as of September 30, 2025, December 31, 2024 and September 30, 2024 was January 2030 and the annual interest rates on September 30, 2025, December 31, 2024 and September 30, 2024 were 2.00%~3.58%, 1.83%~3.58% and 1.83%~3.58% respectively.

(II) The maturity dates of the credit loans as of September 30, 2025, December 31, 2024 and September 30, 2024 are at the end of March 2032. The annual interest rates on September 30, 2025, December 31, 2024 and September 30, 2024 were 1.65%~4.01%, 1.65%~4.01% and 0.50%~4.01% respectively.

Applicable terms of the contract under which IST applies for a long-term loan: There shall be a current ratio, a debt burden ratio, a financial debt ratio and a interest coverage ratio to be complied with in the first half year's and annual consolidated financial statements of IST, and the net worth of the tangible assets shall not be less than NTD 2,800,000 thousand. If IST violates

any of the conditions of credit loan, the interest rate for any new drawdown shall be increased by 0.25%.

XXI. Other Current Liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Other payables</u>			
Wages and bonuses payable	\$ 331,891	\$ 350,086	\$ 326,657
Remunerations payable to employees and directors	27,882	40,120	32,050
Bonus for unused leave	<u>19,269</u>	<u>19,364</u>	<u>19,475</u>
	379,042	409,570	378,182
<u>Other current liabilities</u>			
Others (Note)	<u>279,273</u>	<u>252,120</u>	<u>261,283</u>
	<u>\$ 658,315</u>	<u>\$ 661,690</u>	<u>\$ 639,465</u>

Note: It mainly includes business tax payable, receipts under custody, etc.

## XXII. Post-employment Benefit Plan

The defined benefit plan related pension benefits recognized for 2025 Q3, and 2024 Q3, and the nine months ended September 30, 2025 and September 30, 2024 were calculated at the pension cost rate determined actuarially on December 31, 2024 and December 31, 2023 respectively, and the amount of such pension benefits was NTD (104) thousand, NTD (62) thousand, NTD (312) thousand and NTD (184) thousand respectively.

## XXIII. Equity

### (I) Ordinary Share

	September 30, 2025	December 31, 2024	September 30, 2024
Authorized number of shares (In thousands of shares)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Authorized capital stock	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Number of issued and paid-in shares (In thousands of shares)	<u>74,259</u>	<u>74,367</u>	<u>74,260</u>
Capital stock issued	<u>\$ 742,594</u>	<u>\$ 743,667</u>	<u>\$ 742,594</u>

IST resolved at the board meeting of March 6, 2024 to approve conversion of employee stock warrants into 30 thousand shares with par value NTD 10. The subscription price per share was NTD 52.14~NTD 52.76. The date of capital increase was March 6, 2024. The change registration was completed on April 17, 2024.

IST resolved at the board meeting of April 26, 2024 to approve conversion of employee stock warrants into 32 thousand shares with par value NTD 10. The subscription price per share was NTD 51.55~NTD 52.14. The date of capital increase was April 29, 2024. The change registration was completed on May 21, 2024.

IST resolved at the board meeting of July 11, 2024 to approve conversion of employee stock warrants into 219 thousand shares with par value NTD 10. The subscription price per share was NTD 51.11. The date of capital increase

was July 11, 2024. The change registration was completed on September 3, 2024.

IST resolved at the board meeting of November 4, 2024 to approve conversion of employee stock warrants into 107 thousand shares with par value NTD 10. The subscription price per share was NTD 50.87~NTD 51.11. The date of capital increase was November 4, 2024. The change registration was completed on November 12, 2024.

IST resolved at the board meeting of March 7, 2025 to approve conversion of employee stock warrants into 53 thousand shares with par value NTD 10. The subscription price per share was NTD 50.60~NTD 50.87. The date of capital increase was March 7, 2025. The change registration was completed on April 1, 2025.

IST resolved at the board meeting of April 25, 2025 to approve conversion of employee stock warrants into 18 thousand shares with par value NTD 10. The subscription price per share was NTD 50.10~NTD 50.60. The date of capital increase was April 25, 2025. The change registration was completed on May 20, 2025.

IST resolved at the board meeting of August 7, 2025 to approve conversion of employee stock warrants into 204 thousand shares with par value NTD 10. The subscription price per share was NTD 49.69. The date of capital increase was August 14, 2025. The change registration was completed on October 1, 2025.

IST employees exercised stock options during the period between July and September 2025 to subscribe 188 thousand shares. The subscription price per share was NTD 49.28~NTD 49.69. A total amount of NTD 9,287 thousand paid for the shares was received. The record date for capital increase was resolved to be November 12, 2025 at the board meeting on November 7, 2025.

IST resolved at the board meeting on August 7, 2025 to issue 12,000 thousand ordinary shares with par value NTD 10 for a capital increase by cash. The shares were issued at a premium of

NTD 100 per share. The capital increase was approved on September 8, 2025 by FSC. The record date for the capital increase was October 29, 2025.

(II) Capital Reserve

	September 30, 2025	December 31, 2024	September 30, 2024
<u>May be used to offset deficits, distribute cash or transfer to share capital (Note 1)</u>			
Additional paid-in capital	\$ 2,117,109	\$ 2,111,875	\$ 2,105,457
<u>May be Used to offset deficits only</u>			
Changes in equity of associates accounted for using the equity method	4,127	2,977	2,957
Recognized changes in ownership interests in subsidiaries (Note 2)	3,960	3,958	3,958
Exercise of the right to obtain gains on the sale of shares held by their holders for less than 6 months	19	19	19
<u>Not used for any purpose</u>			
Stock option	9,384	13,969	15,153
	<u>\$ 2,134,599</u>	<u>\$ 2,132,798</u>	<u>\$ 2,127,544</u>

Note 1: Such capital reserve may be used to offset deficits of loss and may be used to distribute cash or expand capital stock when the Company has no loss; however, the amount used to expand capital stock is limited to a certain percentage of the paid-in capital.

Note 2: Such capital reserve is the equity transaction effect recognized for changes in the equity of the subsidiary when the Company does not acquire or dispose the equity in the subsidiary.

The balances of capital reserve reconciled for the nine months ended September 30, 2025 and September 30, 2024 are as follows:

	Stock issuance premium	Stock option	Recognized changes in ownership interests of subsidiaries	Changes in equity of associates accounted for using the equity method	Others
Balance at Jan. 1, 2025	\$ 2,111,875	\$ 13,969	\$ 3,958	\$ 2,977	\$ 19
Recognized changes in ownership interests of subsidiaries	-	-	2	-	-
Changes in equity of associates accounted for using the equity method	-	-	-	1,150	-
Share-based payment	-	595	-	-	-
Share premium of ordinary shares issued under employee stock option plan	16,134	( 5,180 )	-	-	-
Treasury shares retired	( 10,900 )	-	-	-	-
Balance at September 30, 2025	<u>\$ 2,117,109</u>	<u>\$ 9,384</u>	<u>\$ 3,960</u>	<u>\$ 4,127</u>	<u>\$ 19</u>
Balance at Jan. 1, 2024	\$ 2,132,703	\$ 18,107	\$ 7,922	\$ 13,697	\$ 19
Recognized changes in ownership interests of subsidiaries	-	-	( 3,964 )	-	-
Changes in equity of associates accounted for using the equity method	-	-	-	1,970	-
Disposal of investments accounted for using equity method	-	-	-	( 12,710 )	-
Share-based payment	-	2,316	-	-	-
Share premium of ordinary shares issued under employee stock option plan	16,862	( 5,270 )	-	-	-
Treasury shares retired	( 44,108 )	-	-	-	-
Balance at September 30, 2024	<u>\$ 2,105,457</u>	<u>\$ 15,153</u>	<u>\$ 3,958</u>	<u>\$ 2,957</u>	<u>\$ 19</u>

### (III) Retained Earnings and Dividend Policies

According to IST's articles of incorporation, for any distribution of earnings, IST shall make good of the previous year's loss (including the adjusted amount of undistributed earnings) first, and allocate 10% of the rest of the earnings as legal reserve. However, if legal reserve reaches the amount of IST's total paid-in capital, no legal reserve shall be allocated. Then special reserve shall be allocated or reversed in accordance with regulations or as required by the competent authority. After retaining such earnings as considered necessary by the board of directors for business operation, the board of directors shall prepare an earning distribution proposal for the rest of the earnings, together with the undistributed earnings at the beginning of

the year (including the adjusted amount of undistributed earnings), and resolve to allocate dividends and bonuses to shareholders based on the proposal. For such policies concerning remunerations to employees and directors as provided in IST's articles of incorporation, please refer to Note 25(VII) Employees' Remuneration and Directors' Remuneration.

IST requires that earnings shall be distributed and losses shall be made good after the end of each quarter. Earnings to be distributed in cash shall be resolved by the board of directors and then reported at the shareholders' meeting. No proposal of such distribution of earnings shall be submitted at the shareholders' meeting for approval.

IST considers its financial environment and growth stage to meet the requirements for future funds and long-term financial plans and satisfy the needs of shareholders in terms of cash inflows. After deducting the items provided above from distributable earnings, IST shall allocate dividends to shareholders. For the dividends distributed to shareholders for the current year, cash dividends shall account for 10% to 100% of the total dividends while stock dividends shall account for 0% to 90% of the total dividends.

In case that IST has no earnings to be distributed for the current year, or the amount of earnings is far less than that of the earnings actually distributed for the previous year, or the entirety or part of the reserve shall be distributed, based on financial, business and operating factors of IST, in compliance with the law or as required by the competent authority, then earnings to be distributed in cash shall be resolved by the board of directors and reported at the shareholders' meeting, and no proposal of such distribution of earnings shall be submitted at the shareholders' meeting for approval.

Legal reserve shall be allocated until the balance thereof reaches the total paid-in capital of IST. Legal reserve may be used to make good of loss. When IST has no loss, the portion of legal reserve in excess of 25% of paid-in capital can be used to expand capital stock or be distributed in cash.

The earning distribution proposal of IST for each quarter of 2025, 2024 and 2023 and the cash dividends per share were resolved at the board meeting as follows:

	2025 Q3	2025 Q2	2025 Q1
Date of resolution by the board of director	Nov. 7, 2025	Aug. 7, 2025	May 9, 2025
Legal reserve	\$ 7,131	\$ 10,724	\$ 12,608
Special reserve	(\$ 70,736)	\$ 53,753	(\$ 5,248)
Cash dividends	\$ 103,741	\$ 89,184	\$ 89,326
Cash dividends per share (NTD)	\$ 1.2	\$ 1.2	\$ 1.2
	2024 Q4	2024 Q3	2024 Q2
Date of resolution by the board of director	Mar. 7, 2025	Nov. 4, 2024	Aug. 5, 2024
Legal reserve	\$ 9,606	\$ 8,532	\$ 17,245
Special reserve	\$ 29,245	\$ 34,572	(\$ 2,044)
Cash dividends	\$ 74,429	\$ 74,379	\$ 96,644
Cash dividends per share (NTD)	\$ 1	\$ 1	\$ 1.3
	2023 Q4	2023 Q3	2023 Q2
Date of resolution by the board of director	Mar. 6, 2024	Nov. 3, 2023	Aug. 4, 2023
Legal reserve	\$ 4,274	\$ 9,151	\$ 15,120
Special reserve	\$ 15,889	(\$ 16,621)	\$ 7,549
Cash dividends	\$ 51,810	\$ 75,562	\$ 75,503
Cash dividends per share (NTD)	\$ 0.7	\$ 1	\$ 1

IST held the general meeting of shareholders on June 13, 2025 and June 14, 2024 to resolve on distribution of earnings for 2024 and 2023.

The above cash dividends for each quarter of 2024 have been resolved by the board of directors to be allocated.

(IV) Special Reserve

	Nine months ended Sep. 30, 2025	Nine months ended Sep. 30, 2024
Beginning balance	\$102,819	\$ 69,941
Allocated (reversed) special reserve		
Allocated (reversed) deduction of other equity items	<u>77,750</u>	( <u>1,694</u> )
Ending balance	<u>\$180,569</u>	<u>\$ 68,247</u>

When implementing IFRSs initially, IST shall reverse at the disposal percentage the special reserve allocated from the exchange difference between financial statements of foreign operations (including subsidiaries). After IST loses its material impact, IST shall reverse the entirety of such special reserve. Upon distribution of earnings, an additional special reserve is allocated from the difference between the net value of deductions of other shareholders' equity listed in the books at the end of the reporting period and the special reserve allocated upon initial implementation of IFRSs. In case of reversal of the net value of deductions of other shareholders' equity afterwards, the special reserve is reversed based on the reversed portion of such net value to distribute earnings.

(V) Other Equity

1. Exchange Differences on Translation of Financial Statements of Foreign Operations

	Nine months ended Sep. 30, 2025	Nine months ended Sep. 30, 2024
Beginning balance	(\$ 64,948)	(\$ 85,830)
Generated in the current period		
Exchange differences of foreign operations	( 15,093)	11,496
Share of the associates accounted for using the equity method	( 6,772)	6,627
Other comprehensive income for the period	( 21,865)	18,123
Reclassification adjustments		
Disposal of the share of profit of associates for using equity method	- 868	
Ending balance	(\$ 86,813)	(\$ 66,839)

2. Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income

	Nine months ended Sep. 30, 2025	Nine months ended Sep. 30, 2024
Beginning balance	(\$ 67,116)	\$ _____
Generated in the current period		
Unrealized gains or losses		
Equity instruments	<u>36,624</u>	( 35,981 )
Other comprehensive income for the period	<u>36,624</u>	( 35,981 )
Accumulated profit or loss on disposal of equity instruments being transferred into retained earnings	<u>7,472</u>	\$ _____
Ending balance	(\$ 23,020)	( \$ 35,981 )

(VI) Non-controlling Interests

	Nine months ended Sep. 30, 2025	Nine months ended Sep. 30, 2024
Beginning balance	\$ 46,220	\$ 55,574
Net loss of the period	( 24,653 )	( 14,965 )
Non-controlling interests increasing due to share swap by cash (Note 30)	300	-
Changes in ownership interests in subsidiaries	-	3,964
Ending balance	( <u>2</u> )	\$ 44,573
Beginning balance	<u>\$ 21,865</u>	

(VII) Treasury Shares

Reason of recall	Purchased back to be retired (In thousands of shares)
Number of shares at Jan. 1, 2025	-
Shares increased in the period	383
Shares decreased in the period	( 383 )
Number of shares at September 30, 2025	===== -
Number of shares at Jan. 1, 2024	1,562
Shares decreased in the period	( 1,562 )
Number of shares at September 30, 2024	===== -

To maintain corporate credit and shareholders' equity, the Company resolved at the board meeting of November 3, 2023 to buy back treasury shares. The predetermined buyback period was from November 6, 2023 to January 5, 2024 and the predetermined number of shares to be purchased back was 2,000 thousand. The range of buyback prices was from NTD 61 to NTD 133 per share. When the share price was less than the lower limit of the buyback price, the Company bought back shares continuously. The upper limit for the total amount of the shares planned to be bought back was NTD 266,000 thousand (estimated based on the expected price range of the shares to be bought back). As of December 31, 2023, the Company purchased back 1,562 thousand treasury shares and the buyback cost was NTD 139,797 thousand in total. The Company resolved at the board meeting of March 6, 2024 to retire 1,562 thousand treasury shares. The record date for capital reduction was March 8, 2024 and the registration of such change was completed on April 17, 2024.

To balance market mechanism and maintain shareholders' equity, the Company resolved at the board meeting of April 10, 2025 to buy back treasury shares. The predetermined buyback period was from April 11, 2025 to June 10, 2025 and the predetermined number of shares to be purchased back was 5,000 thousand. The range of buyback prices was from NTD 59 to NTD 120 per share. When the share price was less than the lower limit of the buyback price, the Company bought back shares continuously. The upper limit for the total amount of the shares planned to be bought back was NTD 600,000 thousand (estimated based on the upper limit of the expected price range for shares to be bought back). As of the end of the predetermined buyback period, the Company purchased back 383 thousand treasury shares and the buyback cost was NTD 37,874 thousand in total. As the buyback period had expired, these shares were deemed as such unissued shares of a company as defined in the Securities and Exchange Act; therefore, the Company should proceed with the change registration. On August 7, 2025, the board of directors resolved to conduct a capital reduction, and the record date for capital reduction was August 15, 2025 and the registration of such change was completed on October 1, 2025.

According to the Securities and Exchange Act, IST shall not pledge the treasury shares it holds and shall not have the right to allocation of dividends or the right to voting based on the treasury shares.

#### XXIV. Revenue

	2025 Q3	2024 Q3	Nine months ended Sep. 30, 2025	Nine months ended Sep. 30, 2024
Revenue from contracts with customers				
Revenue from inspection and testing services	<u>\$ 1,275,701</u>	<u>\$ 1,116,033</u>	<u>\$ 3,611,226</u>	<u>\$ 3,238,382</u>

##### (I) Contracts with Customers

The contract made by the Company with a customer provides inspection and testing service obligations. The customer pays the contractual consideration during the credit period after inspecting and accepting the

service. Because merchandise is transferred and service is delivered within one year after or before receipt of payment, the material financial compositions of the contractual consideration are not adjusted.

(II) Contract Balance

	Sep. 30, 2025	Dec. 31, 2024	Sep. 30, 2024	Jan. 1, 2024
Accounts receivable (Note 10)	<u>\$ 2,029,215</u>	<u>\$ 1,486,311</u>	<u>\$ 1,621,424</u>	<u>\$ 1,467,998</u>
Accounts receivable due from related parties (Note 33)	<u>\$ 23,361</u>	<u>\$ 20,777</u>	<u>\$ 17,807</u>	<u>\$ 19,140</u>
Contract assets				
Labor service	<u>\$ 1,841</u>	<u>\$ 1,854</u>	<u>\$ 2,339</u>	<u>\$ 5,963</u>
Contract liabilities				
Customer loyalty program	<u>\$ 99,017</u>	<u>\$ 85,507</u>	<u>\$ 67,747</u>	<u>\$ 87,570</u>
Unearned revenue	<u>65,198</u>	<u>49,312</u>	<u>48,769</u>	<u>46,923</u>
	<u><u>\$ 164,215</u></u>	<u><u>\$ 134,819</u></u>	<u><u>\$ 116,516</u></u>	<u><u>\$ 134,493</u></u>

(III) Itemized Revenue from Contracts with Customers

	2025 Q3	2024 Q3	Nine months ended Sep. 30, 2025	Nine months ended Sep. 30, 2024
Asia	<u>\$ 1,019,472</u>	<u>\$ 824,888</u>	<u>\$ 2,825,614</u>	<u>\$ 2,462,792</u>
America	<u>230,678</u>	<u>244,779</u>	<u>712,500</u>	<u>643,664</u>
Others	<u>25,551</u>	<u>46,366</u>	<u>73,112</u>	<u>131,926</u>
	<u><u>\$ 1,275,701</u></u>	<u><u>\$ 1,116,033</u></u>	<u><u>\$ 3,611,226</u></u>	<u><u>\$ 3,238,382</u></u>

XXV. Net Profit of Continuing Operations

(I) Interest Income

	2025 Q3	2024 Q3	Nine months ended Sep. 30, 2025	Nine months ended Sep. 30, 2024
Bank deposits	<u>\$ 1,003</u>	<u>\$ 4,780</u>	<u>\$ 3,629</u>	<u>\$ 8,981</u>
Net investment in the lease	<u>170</u>	<u>246</u>	<u>564</u>	<u>800</u>
Others	<u>54</u>	<u>44</u>	<u>159</u>	<u>214</u>
	<u><u>\$ 1,227</u></u>	<u><u>\$ 5,070</u></u>	<u><u>\$ 4,352</u></u>	<u><u>\$ 9,995</u></u>

(II) Other Incomes

	2025 Q3	2024 Q3	2025	Nine months ended Sep. 30, 2025	Nine months ended Sep. 30, 2024
Income from operating lease	\$ 4,051	\$ 4,134	\$ 12,106	\$ 11,949	
Income from government subsidy	1,223	400	3,532	2,013	
Dividend income	794	-	794		-
Profit from lease modification	-	-	-		73
Others	<u>10,669</u>	<u>4,379</u>	<u>16,352</u>	<u>21,249</u>	
	<u>\$ 16,737</u>	<u>\$ 8,913</u>	<u>\$ 32,784</u>	<u>\$ 35,284</u>	

(III) Other Gains and Losses

	2025 Q3	2024 Q3	2025	Nine months ended Sep. 30, 2025	Nine months ended Sep. 30, 2024
Net gain (loss) on disposals of property, plant and equipment	(\$ 515 )	\$ 4,723	\$ 31,141	\$ 4,715	
Gains on disposals of non-current assets held for sale (Note 12)	-	-	7,755		-
Gains on disposals of investments accounted for using equity method	\$ -	\$ -	\$ -	\$ 99,181	
Gain (loss) of financial assets and financial liabilities					
Financial assets at fair value through profit or loss	2,846	( 1,337 )	( 375 )	1,376	
Financial liabilities at fair value through profit or loss	67	242	50	236	
Net foreign exchange gain (loss)	2,068	( 7,305 )	( 559 )	5,948	
Others	( 400 )	( 14 )	( 409 )	( 30 )	
	<u>\$ 4,066</u>	<u>(\$ 3,691)</u>	<u>\$ 37,603</u>	<u>\$ 111,426</u>	

#### (IV) Financial Cost

	2025 Q3	2024 Q3	2025	Nine months ended Sep. 30, 2024
Interest on bank loans	\$ 17,631	\$ 15,507	\$ 47,844	\$ 44,183
Interest on lease liabilities	2,424	2,264	6,729	7,000
Computed interest on security deposits	53	8	70	25
Amortization of the expenses incurred by the organizer of syndicated loans	-	150	-	450
Other interest expenses	178	-	649	268
Less: Amounts listed in cost of qualifying assets	( 2,891 )	( 2,696 )	( 9,954 )	( 7,455 )
	<u>\$ 17,395</u>	<u>\$ 15,233</u>	<u>\$ 45,338</u>	<u>\$ 44,471</u>

Information relevant to capitalization of interest is as follows:

	2025 Q3	2024 Q3	2025	Nine months ended Sep. 30, 2024
Capitalized interest	\$ 2,891	\$ 2,696	\$ 9,954	\$ 7,455
Interest rate for capitalization of interest	2.03%~2.20%	2.21%~2.31%	1.88%~2.28%	2.05%~2.31%

#### (V) Depreciation and Amortization

	2025 Q3	2024 Q3	2025	Nine months ended Sep. 30, 2024
Depreciation expenses by functions:				
Operating cost	\$ 198,531	\$ 157,144	\$ 525,617	\$ 468,706
Operating expenses	<u>29,628</u>	<u>36,061</u>	<u>113,730</u>	<u>105,976</u>
	<u>\$ 228,159</u>	<u>\$ 193,205</u>	<u>\$ 639,347</u>	<u>\$ 574,682</u>
Amortization expenses by functions:				
Operating cost	\$ 2,431	\$ 1,086	\$ 6,549	\$ 2,728
Operating expenses	<u>1,074</u>	<u>1,112</u>	<u>3,604</u>	<u>3,165</u>
	<u>\$ 3,505</u>	<u>\$ 2,198</u>	<u>\$ 10,153</u>	<u>\$ 5,893</u>

(VI) Employee Benefit Expenses

	2025 Q3	2024 Q3	Nine months ended Sep. 30, 2025	Nine months ended Sep. 30, 2024
Short-term employee benefits	\$ 452,579	\$ 431,805	\$ 1,351,053	\$ 1,259,391
Post-employment benefits				
Defined contribution plan	14,492	12,858	41,530	36,795
Defined benefit plan (Note 22)	( 104 )	( 62 )	( 312 )	( 184 )
Share-based payment				
Equity settlement	—	627	595	2,316
Total employee benefit expenses	<u>\$ 466,967</u>	<u>\$ 445,228</u>	<u>\$ 1,392,866</u>	<u>\$ 1,298,318</u>
Compiled by functions				
Operating cost	\$ 338,581	\$ 316,095	\$ 990,679	\$ 930,287
Operating expenses	<u>\$ 128,386</u>	<u>\$ 129,133</u>	<u>\$ 402,187</u>	<u>\$ 368,031</u>
	<u><u>\$ 466,967</u></u>	<u><u>\$ 445,228</u></u>	<u><u>\$ 1,392,866</u></u>	<u><u>\$ 1,298,318</u></u>

(VII) Employees' Remuneration and Directors' Remuneration

IST allocated employees' remuneration and directors' remuneration, from its profit computed before deduction of employees' remuneration and directors' remuneration, at a rate of no less than 3% and at a rate no more than 3% respectively. The Company expected to adopt the amendment to the articles of incorporation through resolution at the shareholders' meeting in 2025 in accordance with such amendment to the Securities and Exchange Act as made in August 2024. The amended articles of incorporation stipulate that at least 50% of employees' remuneration for the year should be allocated to front-line employees as their remuneration if the Company has a profit for the year. The employees' remuneration and directors' remuneration estimated for 2025 Q3 and 2024 Q3, and the nine months ended September 30, 2025 and September 30, 2024 are listed as follows:

Estimated Percentage

	Nine months ended Sep. 30, 2025	Nine months ended Sep. 30, 2024
Employees' remuneration	5%	5%
Directors' remuneration	2%	2%

Amount

	2025 Q3	2024 Q3	Nine months ended Sep. 30, 2025	Nine months ended Sep. 30, 2024
Employees' remuneration	\$ 5,420	\$ 5,900	\$ 19,570	\$ 22,900
Directors' remuneration	\$ 2,160	\$ 2,350	\$ 7,820	\$ 9,150

If any amount is changed after the date when the annual consolidated financial statements are announced, then such change is treated as a change in accounting estimate and entered into the account for the following year after adjustment.

The employees' remuneration and directors' remuneration for 2024 and 2023 were resolved at the board meeting held on March 7, 2025 and March 6, 2024 respectively.

Amount

	2024	2023
	Cash	Cash
Employees' remuneration	\$ 28,660	\$ 22,070
Directors' remuneration	11,460	8,850

There is no difference between the actually distributed amounts of the employees' remuneration and directors' remuneration for the years 2024 and 2023 and the corresponding amounts recognized in the consolidated financial statements of 2024 and 2023.

For information of the employees' remuneration and directors' remuneration resolved by the board of directors of IST, please check at the market observatory post system of Taiwan Stock Exchange.

## XXVI. Income Tax

### (I) Income Tax Recognized in Profit or Loss

The income tax expense (income) mainly comprises the items listed as follows:

	2025 Q3	2024 Q3	Nine months ended Sep. 30, 2025	Nine months ended Sep. 30, 2024
Current income tax				
Incurred for the current period	\$ 25,639	\$ 23,313	\$ 74,418	\$ 47,460
Adjustments for previous years	—	—	( 19,418 )	( 12,719 )
	25,639	23,313	55,000	34,741
Deferred income tax				
Incurred for the current period	( 143 )	1,196	842	( 52 )
Income tax expense (income) recognized in profit or loss	\$ 25,496	\$ 24,509	\$ 55,842	\$ 34,689

### (II) Income Tax Assessment

The profit-seeking enterprise annual income tax returns filed by IST as of 2023 have been assessed by the tax authority.

## XXVII. Earnings Per Share

Unit : NTD per share

	2025 Q3	2024 Q3	Nine months ended Sep. 30, 2025	Nine months ended Sep. 30, 2024
Basic earnings per share	\$ 1.00	\$ 1.15	\$ 4.20	\$ 5.28
Diluted earnings per share	\$ 0.99	\$ 1.14	\$ 4.17	\$ 5.23

The net profit and the number of weighted average ordinary shares used to calculate earnings per share are disclosed as follows:

### Net Profit of the Period

	2025 Q3	2024 Q3	Nine months ended Sep. 30, 2025	Nine months ended Sep. 30, 2024
Net profit used to calculate basic earnings per share	\$ 74,193	\$ 85,320	\$ 312,095	\$ 391,089
Net profit used to calculate diluted earnings per share	\$ 74,193	\$ 85,320	\$ 312,095	\$ 391,089

<u>Number of Shares</u>	Unit: In Thousands of Shares			
	2025 Q3	2024 Q3	Nine months ended Sep. 30, 2025	Nine months ended Sep. 30, 2024
Number of weighted average ordinary shares used to calculate basic earnings per share	74,162	74,236	74,231	74,085
Impact of the ordinary shares with dilution effect:				
Employee stock options	267	340	314	449
Employees' remuneration	163	139	215	178
Number of weighted average ordinary shares used to calculate diluted earnings per share	<u>74,592</u>	<u>74,715</u>	<u>74,760</u>	<u>74,712</u>

If IST chooses to distribute employees' remuneration by stock or cash, then for calculation of diluted earnings per share, employees' remuneration is assumed to be distributed by stock and the number of weighted average outstanding ordinary shares is included when potential ordinary shares have dilutive effect. When calculating diluted earnings per share before the number of shares distributed as employees' remuneration is resolved in the next year, IST shall continue to consider dilutive effect of the potential ordinary shares.

## XXVIII. Share-based Payment Arrangement

### Employee Stock Options

IST resolved at the board meeting of March 5, 2021 to issue 2,000 thousand units of employee stock warrant for 2021. Each unit entitled its holder to subscribe one ordinary share. The new shares issued were 2,000 thousand ordinary shares in total, which were planned to be granted to full-time employees of IST. Subscribers may exercise their stock options in accordance with the Regulations of Employee Stock Options after 2 years from the date of grant of employee stock warrant. The duration of employee stock warrant is 5 years.

Information relevant to employee stock options is as follows:

Employee stock options	Nine months ended Sep. 30, 2025		Nine months ended Sep. 30, 2024	
	Unit (In thousands)	Exercise price (NTD)	Unit (In thousands)	Exercise price (NTD)
Outstanding at the beginning of the period	846	\$ 50.60	1,234	\$ 52.14
Exercised this period	( 275 )	49.28~50.60	( 281 )	50.87~52.14
Outstanding at the end of the period	<u>571</u>	49.28	<u>953</u>	50.87
Exercisable at the end of the period	<u>312</u>		<u>284</u>	

For the employee stock options granted on the grant date April 29, 2021, IST used the Black-Scholes model. The parameters used in the evaluation model are as follows:

	Apr. 29, 2021
Stock price on grant date	NTD 56.20
Exercise price	NTD 56.20
Expected ratio of fluctuation	44.16%
Expected duration	3.88 years
Risk-free interest rate	0.26%
Fair value of stock options	NTD 19.03

The compensation cost recognized by IST for 2025 Q3 and 2024 Q3, the nine months ended September 30, 2025 and September 30, 2024 was NTD 0, NTD 627 thousand, NTD 595 thousand and NTD 2,316 thousand respectively.

## XXIX. Government Subsidies

The Company obtained the government subsidies, totaling to NTD 5,000 thousand, under the Plan of Energy Saving by Air-Condition Improvement and Energy Management System Establishment in March and December 2024 respectively. The amount was listed as deferred government subsidy income already and would be transferred to profit/loss within service life of the corresponding assets.

IST obtained the government subsidies, totaling to NTD 1,985 thousand, provided by Energy Administration, Ministry of Economic Affairs in August 2025 for its energy efficiency performance. The amount was listed as deferred

government subsidy income already and would be transferred to profit/loss within service life of the corresponding assets.

XXX. Equity Transactions with Non-controlling Interests

IST acquired 3,593 thousand shares of PPT Company by means of stock swap in March 2024, and the percentage of the PPT shares held by IST decreased from 75% to 71%. Pin Wen Company also acquired 705 thousand shares of PPT Company by means of stock swap, and the percentage of the PPT shares held by Pin Wen Company was 6%. The Company held 77% of PPT shares in total.

As the aforementioned transactions did not change the control of the Company over PPT Company, the Company treated the transactions as equity transactions.

	PPT Company
Received cash considerations	\$ -
Amount of non-controlling interests transferred from the book amount of net assets of subsidiaries calculated based on relative changes in equity	<u>3,964</u>
Differences in equity transactions	<u>\$ 3,964</u>
 <u>Adjustments for differences in equity transactions</u>	
Capital reserve	<u>\$ 3,964</u>

XXXI. Capital Risk Management

The Company conducts capital management to ensure that enterprises in the group are able to maximize the shareholder return by optimizing debt and equity balances on the premise that the enterprises operate on an ongoing basis. The overall strategy of the Company remains unchanged.

The capital structure of the Company consists of its net debt (i.e. borrowings less cash and cash equivalents) and equity (i.e. capital stock, capital reserve, retained earnings, other equity items and non-controlling interests).

The Company does not have to abide by other external capital rules.

The main management of the Company reviews the Company's capital structure regularly and considers cost and relevant risks for capital. The

Company takes the suggestions given by the main management to balance its entire capital structure by paying dividends, issuing new shares, repurchasing shares, issuing new debts or repaying old debts.

## XXXII. Financial Instruments

(I) Information of Fair Value – Financial instruments measured at fair value on the basis of repeatability

### 1. Hierarchy of Fair Value

September 30, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Beneficiary certificates of funds	\$ _____ -	\$ _____ -	\$ 21,898	\$ 21,898
<u>Financial liabilities at fair value through profit or loss</u>				
Derivatives	\$ _____ -	\$ 64	\$ _____ -	\$ 64
<u>Financial assets measured at fair value through other comprehensive income</u>				
Investments in equity instruments				
– Domestically listed (OTC) stocks	\$ 161,407	\$ _____ -	\$ _____ -	\$ 161,407

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Beneficiary certificates of funds	\$ -	\$ -	\$ 23,769	\$ 23,769
<u>Financial liabilities at fair value through profit or loss</u>				
Derivatives	\$ -	\$ 114	\$ -	\$ 114
<u>Financial assets measured at fair value through other comprehensive income</u>				
Investments in equity instruments				
– Domestically listed (OTC) stocks	\$ 142,494	\$ -	\$ -	\$ 142,494

September 30, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Beneficiary certificates of funds	\$ -	\$ -	\$ 22,911	\$ 22,911
Derivatives	\$ -	\$ 73	\$ -	\$ 73
	\$ -	\$ 73	\$ 22,911	\$ 22,984
<u>Financial assets measured at fair value through other comprehensive income</u>				
Investments in equity instruments				
– Domestically listed (OTC) stocks	\$ 173,629	\$ -	\$ -	\$ 173,629

There was no transfer between level 1 and level 2 fair value measurements in the 9 months ended September 30, 2025 and September 30, 2024.

2. Valuation Technique and Input Value Measured at Level 2 Fair Value

Category of financial instrument	Valuation technique and input value
Derivatives—Forward exchange agreement	Discounted cash flows: To estimate future cash flows by using the forward exchange rate observable at the end of the year and the exchange rate stipulated in a contract, and to discount separately at the discount rate that reflects the credit risk of each counterparty to the transaction

3. Reconciliation of Financial Instruments Measured at Level 3 Fair Value

Financial assets	Financial assets measured at fair value through profit or loss – Beneficiary certificates of funds	
	Nine months ended Sep. 30, 2025	Nine months ended Sep. 30, 2024
Beginning balance	\$ 23,769	\$ 27,692
Recognized in profit (loss)	( 375 )	1,303
Disposals	( 1,496 )	( 6,084 )
Ending balance	<u>\$ 21,898</u>	<u>\$ 22,911</u>
Changes in the current unrealized profit or loss that are relevant to the assets held at the end of the period and recognized in profit or loss	(\$ 375 )	\$ 1,303

4. Valuation Technique and Input Value Measured at Level 3 Fair Value

(1) For domestically unlisted (non-OTC) equity investments and beneficiary certificates of funds, the asset approach is used to evaluate the total value of individual assets and individual liabilities covered by the subject to reflect the value of the enterprise or business as a whole. The material unobservable input is listed below. When liquidity discount decreases, fair value of the investment increases.

	September 30, 2025	December 31, 2024	September 30, 2024
Liquidity discount	20%	20%	20%

In case that the following input is changed for the purpose of reflecting a reasonable and possible alternative assumption, the amount of the increase (decrease) in fair value of equity investment, in the situation where all other inputs remain unchanged, is as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Liquidity discount			
Increased by 1%	(\$ 274)	(\$ 297)	(\$ 286)
Decreased by 1%	<u>\$ 274</u>	<u>\$ 297</u>	<u>\$ 286</u>

(II) Type of Financial Instrument

	Sep. 30, 2025	Dec. 31, 2024	Sep. 30, 2024
<b>Financial assets</b>			
Measured at fair value			
through profit or loss			
Measured at fair value			
through profit or loss			
compulsorily	\$ 21,898	\$ 23,769	\$ 22,984
Financial assets measured at fair value through other comprehensive income			
Equity Instruments	161,407	142,494	173,629
Financial assets at amortized cost			
Cash and cash equivalents	855,993	939,526	798,192
Financial assets at amortized cost	15,000	-	15,000
Notes and accounts receivable, net	2,030,429	1,487,096	1,622,792
Accounts receivable due from related parties	23,361	20,777	17,807
Other receivables	42,317	313	1,361
Other receivables due from related parties	28,377	23,843	27,161
Other financial assets	13,087	12,048	14,784
Guarantee deposits paid	29,370	27,124	26,822
<b>Financial liabilities</b>			
Measured at fair value			
through profit or loss			
Held for trading	64	114	-
Measured at amortized cost			
Current borrowings	844,477	719,669	819,178
Notes and accounts payable	316,715	323,134	247,336
Accounts payable to related parties	4,029	15,208	3,185
Payable on machinery and equipment	221,336	346,402	184,363
Long-term borrowings (including the current portion thereof)	2,704,549	1,922,621	1,996,319
Guarantee deposits received	3,534	2,005	2,005

(III) Purpose and Policy of Financial Risk Management

Financial management departments of the Company provide service for each business, master and coordinate operations in domestic and international financial markets, and supervise and manage the financial risks

relevant to business operation based on the level and extent of each risk and the internal risk report that analyzes risk exposure. Such risks include market risks (including exchange rate risk and interest rate risk), credit risk and liquidity risk.

The Company avoids risk exposure through derivative financial instruments to reduce the impact of such risk. The use of derivative financial instruments is governed by the policy approved by the board of directors, which is the written principle for exchange rate risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investments made through current funds. Internal auditors review policy compliance and risk exposure limit continuously. The Company does not speculate in financial instruments (including derivative financial instruments).

The financial management department submits reports to the board of directors of IST periodically.

## 1. Market Risks

Main market risks assumed by the Company for its operating activities are exchange rate risk (as stated in the item (1) below) and interest rate risk (as stated in the item (2) below).

### (1) Exchange Rate Risk

The Company conducts transactions in foreign currencies, so it is exposed to foreign exchange risk. The Company manages its exchange rate exposure within the scope permitted by the policy. The Company uses forward exchange agreements to manage risks.

For the Company's book amounts of monetary assets and monetary liabilities (including the monetary items at non-functional currencies and written off already in the consolidated financial statements) and book amounts of derivatives exposed to exchange rate risk in non-functional currencies on the balance sheet date, please refer to Note 36.

### Sensitivity Analysis

The Company is mainly impacted by fluctuation of USD, CNY and JPY exchange rates.

The table below presents the Company's sensitivity analysis for the situations when the exchange rate of the functional currency to each foreign currency increases or decreases by 5%. The sensitivity ratio used in the report on exchange rate risk submitted to the management internally is 5%, which is also the estimate provided by the management for the range in which a foreign exchange rate changes. Sensitivity analysis only includes outstanding monetary items in foreign currencies, and the conversion made at the end of the period is adjusted by 5% exchange rate fluctuation. The table below shows the increase or decrease in the pretax net profit when the functional currency against each foreign currency depreciates/appreciates by 5%.

	Impact of USD		Impact of CNY		Impact of JPY	
	Nine months ended Sep. 30, 2025	Nine months ended Sep. 30, 2024	Nine months ended Sep. 30, 2025	Nine months ended Sep. 30, 2024	Nine months ended Sep. 30, 2025	Nine months ended Sep. 30, 2024
Gain (loss)	\$ 7,043	\$ 11,220	\$ 401	\$ 461	(\$ 641)	(\$ 289)

The management believes that sensitivity analysis cannot represent the inherent risk of exchange rate.

## (2) Interest Rate Risk

Since entities in the Company borrow funds at both the fixed interest rate and the floating interest rate simultaneously, the Company is exposed to interest rate risk. The Company tries to maintain a combination of fixed and floating interest rates to manage interest rate risk.

The book amounts of financial assets and financial liabilities of the Company exposed to interest rate risk on the balance sheet date are as follows:

	<u>Sep. 30, 2025</u>	<u>Dec. 31, 2024</u>	<u>Sep. 30, 2024</u>
With fair value interest rate risk			
– Financial assets	\$ 125,180	\$ 145,494	\$ 116,212
– Financial liabilities	529,030	435,435	550,148
With cash flow interest rate risk			
– Financial assets	750,717	794,803	704,680
– Financial liabilities	3,340,374	2,555,851	2,623,592

### Sensitivity Analysis

The following sensitivity analysis is determined based on interest rate exposure with respect to non-derivative instruments on the balance sheet date. For the assets and liabilities with floating interest rates, the analysis is made based on the assumption that the outstanding assets and liabilities on the balance sheet date are still outstanding during the reporting period. The rate of change used internally for interest rate related report to the main management is the interest rate plus or minus 1%, which is also the estimate provided by the management for the range in which the interest rate may reasonably change.

If the interest rate is increased/decreased by 1%, then in the situation where all other variables remain unchanged, the pretax profit for the nine months ended September 30, 2025 and September 30, 2024 would be decreased/increased by NTD 19,422 thousand and NTD14,392 thousand respectively.

## 2. Credit Risk

Credit risk refers to the risk incurred when the counterparty to the transaction delays contractual obligations and thus causes a loss to the group. As of the balance sheet date, the greatest credit risk to which the Company was exposed due to failure by any counterparty to a transaction to perform its obligations would probably come from the book amount of financial assets recognized on the consolidated balance sheet.

To reduce credit risk, the management of the Company has designated a team to be responsible for a decision of credit line, credit approval and other monitoring procedures to ensure that proper measures are taken to recover overdue receivables. In addition, the Company reviews recoverable amounts of receivables on a case-by-case basis on the balance sheet date to ensure that a proper amount of impairment loss is allocated for unrecoverable receivables. Accordingly, the management of the Company believes that the Company's credit risk has significantly reduced.

Customers of the Company are numerous and not related, so the credit risk concentration is not high.

## 3. Liquidity Risk

The Company keeps successful business operation and mitigates the impact of cash flow fluctuation by managing and maintaining sufficient cash and cash equivalents. The management of the Company supervises the status of loans within the credit limit and ensures compliance with the terms of each loan contract.

A bank loan is an important source of liquidity for the Company. For the line of credit unused by the Company as of September 30, 2025, December 31, 2024 and September 30, 2024, please see the item (2) "Line of Credit" below.

(1) Table of Liquidity of Non-derivative Financial Liabilities and Interest Rate Risk

The maturity analysis for the remaining contracts of non-derivative financial liabilities is conducted based on the undiscounted cash flows of financial liabilities on the earliest date that the Company is requested to make the repayment.

September 30, 2025

	To pay upon demand or less than 1 month	3 months ~		1 ~ 5 years	Over 5 years
		1 ~ 3 months	1 year		
<u>Non-derivative financial liabilities</u>					
Liabilities without interest	\$ 290,057	\$ 249,110	\$ 209,571	\$ -	\$ -
Lease liabilities	7,366	16,966	67,605	124,416	182,158
Floating rate instruments	93,612	159,363	474,906	2,599,431	13,061
Fixed rate instruments	19,067	63,808	114,867	10,912	-
	<u>\$ 410,102</u>	<u>\$ 489,247</u>	<u>\$ 866,949</u>	<u>\$ 2,734,759</u>	<u>\$ 195,219</u>

Further information of the above maturity analysis for financial liabilities is as follows:

	Less than 1 year	1 ~ 5 years	5 ~ 10 years	10 ~ 15 years	15 ~ 20 years	Over 20years
Lease liabilities	\$ 91,937	\$ 124,416	\$ 38,368	\$ 38,368	\$ 38,368	\$ 67,054
Floating rate instruments	\$ 727,881	\$ 2,599,431	\$ 13,061	\$ -	\$ -	\$ -
Fixed rate instruments	\$ 197,742	\$ 10,912	\$ -	\$ -	\$ -	\$ -

December 31, 2024

	To pay upon demand or less than 1 month	1 ~ 3 months	3 months ~ 1 year	1 ~ 5 years	Over 5 years
<u>Non-derivative financial liabilities</u>					
Liabilities without interest	\$ 468,436	\$ 240,130	\$ 137,860	\$ -	\$ -
Lease liabilities	6,818	15,552	62,529	157,277	188,249
Floating rate instruments	113,612	252,319	360,530	1,663,532	165,858
Fixed rate instruments	19,335	33,433	18,771	14,900	-
	<u>\$ 608,201</u>	<u>\$ 541,434</u>	<u>\$ 579,690</u>	<u>\$ 1,835,709</u>	<u>\$ 354,107</u>

Further information of the above maturity analysis for financial liabilities is as follows:

	Less than 1 year	1 ~ 5 years	5 ~ 10 years	10 ~ 15 years	15 ~ 20 years	Over 20years
Lease liabilities	\$ 84,899	\$ 157,277	\$ 38,043	\$ 38,043	\$ 38,043	\$ 74,120
Floating rate instruments	\$ 726,461	\$ 1,663,532	\$ 165,858	\$ -	\$ -	\$ -
Fixed rate instruments	\$ 71,539	\$ 14,900	\$ -	\$ -	\$ -	\$ -

September 30, 2024

	To pay upon demand or less than 1 month	1 ~ 3 months	3 months ~ 1 year	1 ~ 5 years	Over 5 years
<u>Non-derivative financial liabilities</u>					
Liabilities without interest	\$ 231,786	\$ 201,958	\$ 189,397	\$ -	\$ -
Lease liabilities	7,715	15,867	61,078	164,138	190,151
Floating rate instruments	117,882	213,541	390,504	1,697,963	203,702
Fixed rate instruments	967	86,972	86,075	17,891	-
	<u>\$ 358,350</u>	<u>\$ 518,338</u>	<u>\$ 727,054</u>	<u>\$ 1,879,992</u>	<u>\$ 393,853</u>

Further information of the above maturity analysis for financial liabilities is as follows:

	Less than 1 year	1 ~ 5 years	5 ~ 10 years	10 ~ 15 years	15 ~ 20 years	Over 20years
Lease liabilities	\$ 84,660	\$ 164,138	\$ 38,043	\$ 38,043	\$ 38,043	\$ 76,022
Floating rate instruments	\$ 721,927	\$ 1,697,963	\$ 203,702	\$ -	\$ -	\$ -
Fixed rate instruments	\$ 174,014	\$ 17,891	\$ -	\$ -	\$ -	\$ -

(2) Line of Credit

	Sep. 30, 2025	Dec. 31, 2024	Sep. 30, 2024
Unsecured bank loan commitment, reviewed regularly			
– Used within the credit line	\$ 3,204,673	\$ 2,394,828	\$ 2,597,600
– Unused within the credit line	<u>1,286,105</u>	<u>2,213,600</u>	<u>2,057,932</u>
	<u><u>\$ 4,490,778</u></u>	<u><u>\$ 4,608,428</u></u>	<u><u>\$ 4,655,532</u></u>
Secured bank loan commitment			
– Used within the credit line	\$ 344,353	\$ 247,462	\$ 218,447
– Unused within the credit line	<u>-</u>	<u>4,308</u>	<u>-</u>
	<u><u>\$ 344,353</u></u>	<u><u>\$ 251,770</u></u>	<u><u>\$ 218,447</u></u>

XXXIII. Transactions with Related Parties

Transactions, account balances, incomes and expenses among IST and its subsidiaries have been eliminated completely upon consolidation, so they are not disclosed in the Notes. Transactions between the Company and other related parties are as follows:

(I) Name of each Related Party and Relationship with the Related Party

Name of Related Party	Relationship with the Company
Dekra Company	An associate
Dekra IST Reliability Services Limited (Dekra IST KS Company)	An associate
BTL Inc.	An associate (which became a non-related party after June 2024)
MS Company	An associate

(II) Service Income

Item Listed in the Books	Type of Related Party	2025 Q3	2024 Q3	Nine months ended Sep. 30, 2025	Nine months ended Sep. 30, 2024
Service income	Associates	<u>\$ 21,127</u>	<u>\$ 18,080</u>	<u>\$ 55,732</u>	<u>\$ 50,116</u>

Prices of the services for which the Company obtains incomes from related parties are determined on an arm's length basis and there is no comparable price of identical service sufficiently for the Company to make a comparison with the determined prices. The payment terms provided by the Company are net 30 to 90 days from the date of invoice every month or quarter or under a project.

**(III) Accounts Receivable from Related Parties**

Item Listed in the Books	Type / Name of Related Party	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable due from related parties	Associates			
	Dekra Company	\$ 18,847	\$ 18,058	\$ 16,256
	Dekra IST KS Company	4,263	2,698	1,551
	MS Company	251	21	-
		<u>\$ 23,361</u>	<u>\$ 20,777</u>	<u>\$ 17,807</u>
Other receivables due from related parties	Associates			
	Dekra Company	<u>\$ 28,377</u>	<u>\$ 23,843</u>	<u>\$ 27,161</u>

No guarantee was received for the accounts receivable from related parties. No loss allowance was allocated for the accounts receivable from related parties for the nine months ended September 30, 2025 and September 30, 2024 respectively.

“Other receivables due from related parties” refer to the technical service incomes and rent incomes receivable from related parties.

(IV) Accounts Payable to Related Parties

Item Listed in the Books	Type / Name of Related Party	September 30, 2025	December 31, 2024	September 30, 2024
Accounts payable to related parties	Associates			
	Dekra Company	\$ 4,028	\$ 15,182	\$ 3,142
	Dekra IST KS Company	1	-	31
	MS Company	<u>        -</u>	<u>        26</u>	<u>        12</u>
		<u>        \$ 4,029</u>	<u>        \$ 15,208</u>	<u>        \$ 3,185</u>
Payable on machinery and equipment	Associates	<u>        \$        -</u>	<u>        \$ 186</u>	<u>        \$ 742</u>
Other current liabilities	Associates	<u>        \$        -</u>	<u>        \$        -</u>	<u>        \$ 7,682</u>

(V) Sublease Agreement

Renting Out and Subleasing under Operating Lease

IST rented out land, building and structure as well as other equipment under operating leases and subleased the right of use of the building and structure to the associate Dekra Company, and the lease periods were 3.17 to 10 years. Rents were determined based on the rents for similar assets, and fixed lease payments were collected pursuant to lease agreements monthly. The total lease payments to be collected as of September 30, 2025, December 31, 2024 and September 30, 2024 were NTD19,028 thousand, NTD 26,288 thousand and NTD 28,708 thousand respectively. Lease incomes recognized for 2025 Q3 and 2024 Q3, and the nine months ended September 30, 2025 and September 30, 2024 were NTD2,870 thousand, NTD 2,862 thousand, NTD 8,624 thousand, and NTD 8,635 thousand respectively.

Subleasing under Finance Lease

The Company subleased the building and structure, which were originally listed as right-of-use assets in the books, to the associate Dekra Company under finance leases in the nine months ended September 30, 2025 and September 30, 2024. The net investment in the lease at the lease commencement date was NTD 62,081 thousand respectively, and the lease period was 3~5 years respectively. The balance of finance leases receivable

as of September 30, 2025 and December 31 and September 30, 2024 was NTD 33,564 thousand, NTD 45,071 thousand and NTD 48,943 thousand respectively.

(VI) Guarantee Deposits Paid

Item Listed in the Books	Type / Name of Related Party	September 30, 2025	December 31, 2024	September 30, 2024
Guarantee deposits paid	Associates Dekra Company	\$ 179	\$ -	\$ -

(VII) Guarantee Deposits Received

Item Listed in the Books	Type / Name of Related Party	September 30, 2025	December 31, 2024	September 30, 2024
Guarantee deposits received	Associates Dekra Company	\$ 3,534	\$ 2,005	\$ 2,005

(VIII) Manufacturing Expenses and Operating Expenses

Item Listed in the Books	Type of Related Party	2025 Q3	2024 Q3	Nine months ended Sep. 30, 2025	Nine months ended Sep. 30, 2024
Manufacturing expenses	Associates	\$ 6,878	\$ 10,674	\$ 22,643	\$ 18,100
Operating expenses	Associates	\$ 16	\$ 12	\$ 258	\$ 97

The amounts of manufacturing expenses and operating expenses and the payment terms between the Company and its related parties are negotiated and agreed by both sides.

## (IX) Non-operating Incomes and Expenses

Item Listed in the Books	Type / Name of Related Party			Nine months ended Sep. 30, 2025	Nine months ended Sep. 30, 2024
		2025 Q3	2024 Q3		
Interest income	Associates	\$ -	\$ -	\$ 2	\$ -
Lease incomes	Associates	\$ 2,870	\$ 2,862	\$ 8,624	\$ 8,635
Other incomes	Associates	\$ 2,106	\$ 2,136	\$ 6,364	\$ 6,049
Interest expenses	Associates	\$ 53	\$ 8	\$ 70	\$ 24

Rents and collection methods under the lease contract between the Company and its related parties are determined based on lease contracts.

The amounts of other incomes and the collection conditions between the Company and its related parties are negotiated and agreed by both sides.

Interest on a security deposit and type of payment incurred from the lease between the Company and its related parties is determined based on lease contracts.

## (X) Remunerations to Main Managements

	2025 Q3	2024 Q3	Nine months ended Sep. 30,	
			2025	2024
Short-term benefits	\$ 20,642	\$ 22,381	\$ 49,528	\$ 50,361
Post-employment benefits	86	100	286	300
Share-based payment	-	47	45	174
	<u>\$ 20,728</u>	<u>\$ 22,528</u>	<u>\$ 49,859</u>	<u>\$ 50,835</u>

The remunerations to directors and main managements are determined by the remuneration committee based on individual performance and market trends.

#### XXXIV. Pledged Assets

The following assets of the Company were provided as guarantees for issuance of L/Cs, bank loans and line of credit.

	September 30, 2025	December 31, 2024	September 30, 2024
Property, plant and equipment	\$ 724,051	\$ 721,544	\$ 744,063
Demand deposit (Listed as other financial assets in the books)	<u>13,087</u> <u>\$ 737,138</u>	<u>12,048</u> <u>\$ 733,592</u>	<u>14,784</u> <u>\$ 758,847</u>

#### XXXV. Material Contingent Liabilities and Unrecognized Contractual Commitments

##### Contingencies

Phoenix Silicon International Corporation ("Phoenix Silicon") accused an employee of IST of misappropriating the trade secrets of Phoenix Silicon. After the investigation concluded, IST received on February 24, 2021 the indictment from Taiwan Hsinchu District Prosecutors Office against the employee and his/her employer IST, and also received in March 2021 the criminal and civil complaint submitted by Phoenix Silicon to Taiwan Hsinchu District Court. In the complaint, Phoenix Silicon claimed that its trade secrets were reproduced and used by IST and its employee without authorization and the concerned parties should compensate Phoenix Silicon for its loss. After hearing the case, Taiwan Hsinchu District Court ruled on June 30, 2025 that IST should be fined NTD 5,000 thousand and held jointly liable with the employee for compensating Phoenix Silicon NTD 36,495 thousand. To protect corporate interests, IST has appointed a lawyer to file an appeal. IST believes that the aforementioned litigation has no significant impact on IST's financial status. Relevant operating activities have moved on as usual.

#### XXXVI. Information of Foreign Currency Assets and Liabilities that Have Material Impacts

The following information presents foreign currencies, rather than the functional currency, used by each entity in the Company. The disclosed exchange rate refers to the exchange rate of the foreign currency to the

functional currency. Foreign currency assets and liabilities that have material impacts are as follows:

	Unit: In thousands in foreign currency								
	September 30, 2025			December 31, 2024			September 30, 2024		
	Foreign currency	Exchange rate	Book amount	Foreign currency	Exchange rate	Book amount	Foreign currency	Exchange rate	Book amount
<b>Foreign currency assets</b>									
<u>Monetary item</u>									
USD	\$ 15,206	30.4450 (USD : NTD)	\$ 462,947	\$ 11,909	32.7850 (USD : NTD)	\$ 390,437	\$ 14,519	31.6500 (USD : NTD)	\$ 459,526
JPY	34,484	0.2058 (JPY : NTD)	7,097	68,537	0.2099 (JPY : NTD)	14,386	200,778	0.2223 (JPY : NTD)	44,633
CNY	1,871	4.2847 (CNY : NTD)	8,017	608	4.5608 (CNY : NTD)	2,773	2,041	4.5167 (CNY : NTD)	9,218
			<u>\$ 478,061</u>			<u>\$ 407,596</u>			<u>\$ 513,377</u>
<u>Non-monetary item</u>									
JPY	-	-	<u>\$ ____</u>	-	-	<u>\$ ____</u>	330	0.2223 (JPY : NTD)	<u>\$ 73</u>
<b>Foreign currency liabilities</b>									
<u>Monetary item</u>									
USD	\$ 10,579	30.4450 (USD : NTD)	\$ 322,078	\$ 7,853	32.7850 (USD : NTD)	\$ 257,461	\$ 7,429	31.6500 (USD : NTD)	\$ 235,128
JPY	96,818	0.2058 (JPY : NTD)	19,925	145,549	0.2099 (JPY : NTD)	30,551	226,790	0.2223 (JPY : NTD)	50,415
			<u>\$ 342,003</u>			<u>\$ 288,012</u>			<u>\$ 285,543</u>
<u>Non-monetary item</u>									
JPY	310	0.2058 (JPY : NTD)	<u>\$ 64</u>	542	0.2099 (JPY : NTD)	<u>\$ 114</u>	-	-	<u>\$ ____</u>

Unrealized foreign currency exchange gains and losses which have material impacts are as follows:

Functional currency	2025 Q3			2024 Q3		
	Functional currency to presentation currency	Net foreign exchange gain (loss)	Functional currency to presentation currency	Net foreign exchange gain (loss)		
USD	30.4450 (USD : NTD)	\$ 2,712	31.6500 (USD : NTD)	( \$ 5,859 )		
JPY	0.2058 (JPY : NTD)	( 187 )	0.2223 (JPY : NTD)	( 1,725 )		
CNY	4.2847 (CNY : NTD)	<u>142</u>	4.5167 (CNY : NTD)	( 218 )		
		<u>\$ 2,667</u>		<u>( \$ 7,802 )</u>		
 Nine months ended Sep. 30, 2025						
Functional currency	Functional currency to presentation currency	Net foreign exchange gain (loss)	Functional currency to presentation currency	Net foreign exchange gain (loss)		
USD	30.4450 (USD : NTD)	( \$ 550 )	31.6500 (USD : NTD)	( \$ 1,328 )		
JPY	0.2058 (JPY : NTD)	135	0.2223 (JPY : NTD)	( 1,261 )		
CNY	4.2847 (CNY : NTD)	( 4 )	4.5167 (CNY : NTD)	12		
		<u>( \$ 419 )</u>		<u>( \$ 2,577 )</u>		
 Nine months ended Sep. 30, 2024						

## XXXVII. Disclosures in the Notes

### (I) Information Relevant to Material Transactions:

1. Funds lent to others (None)
2. Enforcement and guarantee for others (None)

3. Material negotiable securities held at the end of the period (not including investments in subsidiaries, associates and joint ventures) (Schedule 1)
4. Purchases from or sales to related parties up to NTD 100 million or 20% of the paid-in capital (None)
5. Receivables due from related parties up to NTD 100 million or 20% of the paid-in capital (None)
6. Others: Business relationship between the parent company and its subsidiaries and between the subsidiaries, and important transactions among them and transaction amounts (Schedule 2)

(II) Information Relevant to Reinvestments (Schedule 3)

(III) Information of Investments in Mainland China:

1. Name of each investee company in Mainland China and its main business activities, paid-in capital, investment method, funds remitted in and out, shareholding, investment gain or loss, book value of investments at the end of the period, investment gain remitted back already, and limit of investments in Mainland China (Schedule 4)
2. Material transactions with investee companies in Mainland China directly or through a third region, and prices, payment terms and unrealized gains or losses with respect to the transactions, and other information helpful to understand the impact of investments in Mainland China on the financial statements: No material transaction.

XXXVIII. Information of Segments

The information given by the Company to its main decision makers for allocation of resources and evaluation of departmental performance focuses on types of the products delivered or services provided each time. The measurement base of the information concerning financial statements is the same as that of the consolidated financial statements. IST is a single operating segment. The measurement base of the losses, profits, assets and liabilities of the operating segment is the same as the preparation basis of the consolidated financial statements. As the result, for the reportable segment revenue and

operating result for 2025 Q3, 2024 Q3 and the nine months ended September 30, 2025 and September 30, 2024, please refer to the Consolidated Statement of Comprehensive Income for 2025 Q3, 2024 Q3 and the nine months ended September 30, 2025 and September 30, 2024. For the reportable segment assets and liabilities as of September 30, 2025, December 31, 2024 and September 30, 2024, please refer to the Consolidated Balance Sheet of September 30, 2025, December 31, 2024 and September 30, 2024.

Integrated Service Technology Inc. and Subsidiaries

Marketable Securities Held at the End of the Period

September 30, 2025

Schedule 1

Unit: In thousands of New Taiwan Dollars, except as otherwise indicated herein

Holding company	Type and name of marketable securities	Relation with the issuer of marketable securities	Items in the books	End of the period				Remarks
				Number of shares	Book amount	Ratio of shareholding	Fair value	
IST	<u>Funds</u> TIEF FUND,L.P.	—	Non-current financial assets at fair value through profit or loss	-	\$ 21,898	4.35%	\$ 21,898	Note
	<u>Stocks</u> BTL Inc.	—	Non-current financial assets measured at fair value through other comprehensive income	2,468,000	161,407	8.14%	161,407	Note

Note: It was calculated at fair value on September 30, 2025.

Integrated Service Technology Inc. and Subsidiaries  
 Business Relations and Important Transactions between Parent Company and Each Subsidiary, and Transaction Amounts  
 for Nine Months Ended September 30, 2025

Schedule 2

Unit: In thousands of New Taiwan Dollars, except as otherwise indicated herein

No.	Name of trading party	Counterparty to the transaction	Relation with trading party (Note 1)	Transaction details			
				Account	Amount	Transaction conditions (Note 2)	Ratio to total consolidated revenue or total assets
0	IST	Integrated USA	1	Net operating revenue	\$ 17,363	—	-
				Accounts receivable due from related parties	2,514	—	-
				Payable on machinery and equipment	7,235	—	-
		IST KS Company	1	Net operating revenue	21,344	—	1%
				Receivables due from related parties	1,798	—	-
				Other receivables due from related parties	1,601	—	-
		Samoa IST	1	Other payables to related parties	353	—	-
				Inventory of supplies	646	—	-
				Net operating revenue	2,538	—	-
		SIP KS Company	1	Manufacturing expenses	1,136	—	-
				Rent income	35,213	—	-
				Other incomes	3,545	—	-
2	IST KS Company	PPT Company	1	Interest expense	145	—	-
				Accounts receivable due from related parties	600	—	-
				Other receivables due from related parties	21,479	—	-
		He Chou Company	1	Accounts payable to related parties	698	—	-
				Other payables to related parties	150	—	-
				Guarantee deposits received	11,227	—	-
		SIP KS Company	2	Purchase of fixed assets	390	—	-
				Manufacturing expenses	8,853	—	-
				Other receivables due from related parties	2	—	-
		PPT Company	2	Net operating revenue	45	—	-
				Accounts payable to related parties	234	—	-
				Manufacturing expenses	238	—	-

Note 1: 1. Transactions between the parent company and a subsidiary  
 2. Transactions between a subsidiary and a subsidiary

Note 2: 1. Prices of the services for which the company obtained incomes from related parties were determined on an arm's length basis and there was no comparable price of identical service sufficiently for the company to make a comparison with the determined prices. The payment terms provided by IST were net 30 to 90 days from the date of invoice every month or quarter or under a project; however, payments might be collected subject to the subsidiary's need of funds.  
 2. For a lease agreement between the company and a related party, the rent and the collection method were determined pursuant to the lease agreement.  
 3. For the property, plant and equipment sold by the company to a related party, transaction conditions were dealt with based on the price agreed by both parties.  
 4. Other receivables due from related parties refer to rent incomes and advances.  
 5. Except for the aforementioned situations, other transactions between the company and a related party were conducted on an arm's length basis.

Integrated Service Technology Inc. and Subsidiaries  
 Information of Investee Companies (Excluding Investee Companies in Mainland China), their Locations, etc.  
 for Nine Months Ended September 30, 2025

Schedule 3

Unit: In thousands of New Taiwan Dollars, except as otherwise indicated herein

Name of investing company	Name of investee company	Location	Main business activities	Amount of original investment		Shares held at the end of the period			Profit (loss) of the investee company for the period	Investment gain (loss) recognized for the period	Remarks
				End of the period	End of last year	Number of shares	Ratio (%)	Book amount			
IST	Samoa IST	Samoa	Investment	USD 9,500	USD 9,500	4,416,770	100	\$ 211,189	(\$ 18,644)	(\$ 18,644)	A subsidiary (Note 1)
	Dekra Company	Hsinchu City	Product testing and relevant business	\$ 192,624	\$ 192,624	19,262,390	49	733,019	54,930	26,916	An associate (Note 2)
	Pin Wen Company	Hsinchu City	Investment	237,000	237,000	9,841,258	100	45,398	( 14,423)	( 14,423)	A subsidiary (Note 2)
	Supreme Fortune Corp.	Belize	Investment	USD 125	USD 125	125,000	100	1,832	( 1,776)	( 1,776)	A subsidiary (Note 2)
	PPT Company	Hsinchu City	Manufacturing and sale of various types of integrated circuits (chips), thinning and metal deposition, and testing services for various types of integrated circuits and wafers	\$ 776,543	\$ 776,543	21,427,971	71	80,404	( 113,473)	( 82,852)	A subsidiary (Note 1)
	Malaysia IST	Malaysia	Sale of electronic components	MYR 800	-	800,355	100	4,906	( 668)	( 668)	A subsidiary (Notes 2 and 3)
Samoa IST	Seychelles IST	Seychelles	Investment	USD 7,159	USD 7,159	7,158,575	100	USD 5,840	(USD 570)	(USD 570)	A sub-subsidiary (Note 2)
	Integrated USA	USA	R&D and manufacturing of integrated circuits, analysis and burn-in, testing, semiconductor spare parts and relevant equipment, electronic spare parts, etc.	USD 3,130	USD 3,130	3,130,000	100	USD 389	(USD 40)	(USD 40)	A sub-subsidiary (Note 2)
Supreme Fortune corp.	Hot Light Co., Ltd.	Seychelles	Investment	USD 125	USD 125	125,000	100	USD 60	(USD 57)	(USD 57)	A sub-subsidiary (Note 2)
Pin Wen Company	PPT Company	Hsinchu City	Manufacturing and sale of various types of integrated circuits (chips), thinning and metal deposition, and testing services for various types of integrated circuits and wafers	\$ 235,538	\$ 235,538	1,859,203	6	\$ 5,986	(\$ 113,473)	(\$ 6,837)	A subsidiary (Note 1)
	EFUN Company	Hsinchu City	Information software service	3,700	3,700	370,000	26	488	( 779)	( 206)	An associate (Note 2)
	Huan Ying Company	Hsinchu City	Information software management service and relevant business	5,100	5,100	510,000	22	3,300	( 4,640)	( 1,245)	An associate (Note 2)
	MS Company	Hsinchu County	IC design	39,974	39,974	2,954,600	21	16,179	( 28,696)	( 6,053)	An associate (Note 2)
Hot Light Co., Ltd.	He Chou Company	Hsinchu City	Circuit design service	USD 125	USD 125	400,000	100	(USD 3)	(USD 55)	(USD 55)	A sub-subsidiary (Note 2)

Note 1: It was calculated based on the financial statements of the same accounting period reviewed by CPAs.

Note 2: It was calculated based on the financial statements of the same accounting period that were not reviewed by CPAs.

Note 3: In February 2025, Malaysia IST completed the establishment registration in Malaysia. IST contributed a capital of 800 thousand Malaysian Ringgits (MYR) in July 2025.

Integrated Service Technology Inc. and Subsidiaries  
 Information of Investments in Mainland China  
 for Nine Months Ended September 30, 2025

Schedule 4

Unit: In thousands of New Taiwan Dollars, except as otherwise indicated herein

Name of investee company in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated investment amount remitted from Taiwan as of the beginning of the period	Investment amount remitted or recovered in the period		Accumulated investment amount remitted from Taiwan as of the end of the period	Investee company's profit (loss) of the period	Ratio of shares held by the Company through direct or indirect investment	Investment gain (loss) recognized for the period	Ending book value of investment	Investment gain remitted back to Taiwan as of the end of the period	Remarks
					Remitted	Recovered							
IST KS Company	Product testing and relevant business	\$ 112,647 ( USD 3,700 )	Note 1	\$ 276,227 ( USD 9,073 ) ( Note 4 )	\$ -	\$ -	\$ 276,227 ( USD 9,073 ) ( Note 4 )	(\$ 11,396) ( USD (365) )	100%	(\$ 11,396) ( USD (365) )	\$ 161,815 ( USD 5,315 )	\$ -	Note 2
SIP KS Company	Circuit design service	49,321 ( USD 1,620 )	Note 1	- ( Note 5 )	-	-	- ( Note 5 )	1,093 ( USD (35) )	100%	( 1,093) ( USD (35) )	14,888 ( USD 489 )	-	Note 2
IST-trade KS Company	Purchase and sale of electric testing and relevant equipment, and conduction of sale and trading as an agent	10,712 ( CNY 2,500 )	Note 1	- ( Note 5 )	-	-	- ( Note 5 )	( 113) ( CNY (26) )	100%	( 113) ( CNY (26) )	11,316 ( CNY 2,641 )	-	Note 2
Xinchuang IST Shanghai	Service of inspection and testing	8,569 ( CNY 2,000 )	Note 1	- ( Note 5 )	-	-	- ( Note 5 )	( 3,059) ( CNY (702) )	100%	( 3,059) ( CNY (702) )	3,029 ( CNY 707 )	-	Note 2

Accumulated investment amount remitted from Taiwan to Mainland China as of the end of the period	Investment amount approved by Investment Commission, Ministry of Economic Affairs	Limit of investment provided by Investment Commission, Ministry of Economic Affairs
\$276,227 ( USD 9,073 )	\$354,867 ( USD 11,656 )	\$2,092,872

Note 1: The company in Mainland China was invested through a third-area investee company.

Note 2: It was calculated based on the financial statements of the same accounting period that were not reviewed by CPAs.

Note 3: The figures in a foreign currency were converted into NT dollars at the exchange rate announced on the reporting date.

Note 4: An amount of USD 980 thousand in the investment is a reinvestment by Samoa IST using its own funds, so the limit of investments in Mainland China provided by Investment Commission, MOEA is not applicable here.

Note 5: It is a reinvestment by Integrated Service Technology (Kunshan) Co., Ltd. (IST KS Company) using its own funds, so the limit of investments in Mainland China provided by Investment Commission, MOEA is not applicable here.