

Integrated Service Technology
Inc.

Parent Company Only Financial
Statements for the Years 2025
and 2024 and Independent
Auditors' Report

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Independent Auditors' Report

To Integrated Service Technology Inc. :

Opinion

We have audited the financial statements of Integrated Service Technology Inc., which comprise the parent-company-only balance sheet as of Dec. 31, 2025 and 2024 and the parent-company-only statement of comprehensive income, parent-company-only statement of changes in equity and parent-company-only statement of cash flows for the years then ended, and the notes to the parent-company-only financial statements (including a summary of material accounting policies).

In our opinion, based on our audits and the report of other auditors (as referred to in the Other Matters section), the accompanying parent-company-only financial statements present fairly, in all material respects, the parent-company-only financial conditions of Integrated Service Technology Inc. as of Dec. 31, 2025 and 2024 and the parent-company-only financial performance and parent-company-only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis of Opinion

We conducted our audit of the parent-company-only financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Auditing Standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit section below. We are independent of Integrated Service Technology Inc. in accordance with the Norm of Professional Ethics for Certified Public Accountant and have fulfilled our other responsibilities in accordance with the Norm. Based on our audit results and the audit reports certified by other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent-company-only financial statements of Integrated Service Technology Inc. for the year ended Dec. 31, 2025. These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters with respect to the parent-company-only financial statements of Integrated Service Technology Inc. for the year ended Dec. 31, 2025 are stated as follows:

Recognition of Revenue

The operating revenue of Integrated Service Technology Inc. for 2025 was NTD 4,342,541 thousand, mainly generated from service income for providing customers with product verification and analysis service. Please refer to Notes 4 and 22 to the parent-company-only financial statements for the details on accounting policies and information relevant to revenue recognition.

Revenue recognition is a risk assumed in the Statement on Auditing Standards. Customers of Integrated Service Technology Inc. are numerous and are in different industrial fields domestically and overseas. This for the specific customers with respect to which the revenue growth rate of the year exceeds that of Integrated Service Technology Inc. with such customers, the authenticity of revenue is listed as a key audit matter for this year.

Our key audit procedure performed in respect of the aforementioned key audit matter comprises the following:

1. We understood the internal controls for the procedure of operating revenue recognition, tested and assessed the effectiveness of the internal controls.
2. We took adequate transactions from the whole year's operating revenue account as samples to review corresponding sales vouchers, documents signed by the customers for receipt of products, and record of receiving payments in order to confirm the authenticity of recognized revenue.

Other Matters

As stated in Note 12 to the parent-company-only financial statements, the financial statements of some investee companies accounted for using the equity method, which have been included in the parent-company-only financial statements of Integrated Service Technology Inc., were audited by other auditors instead of us. In our opinion expressed in the aforementioned parent-company-only financial statements, the amounts listed in the financial statements of such investee companies accounted for using the equity method were recognized based on the audit reports of other CPAs. As of Dec. 31, 2025 and 2024, the aforementioned investments accounted for using the equity method were NTD 757,483 thousand and NTD 712,875 thousand, respectively, which accounted for 9% of the total assets. For the years ended Dec. 31, 2025 and 2024, the comprehensive income of the aforementioned associates accounted for using the equity method were NTD 44,607 thousand and NTD 33,933 thousand, which accounted for 12% and 8% of the total comprehensive income, respectively.

Responsibilities of the Management and the Units Charged with Governance for the Parent Company Only Financial Statements

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

In preparing the parent-company-only financial statements, the management is also responsible for assessing the ability of Integrated Service Technology Inc. to continue as a going concern, disclosing relevant matters and using the going concern basis of accounting unless the management intends to liquidate Integrated Service Technology Inc. or to cease operations, or has no realistic alternative but to do so.

The units charged with governance (including the audit committee) are responsible for overseeing the financial reporting process of Integrated Service Technology Inc.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

In conducting the audit in accordance with the Auditing Standards, we exercise professional judgment and maintain professional skepticism. We also –

1. Identify and assess the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of Integrated Service Technology Inc.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and relevant disclosures made by the management.
4. Conclude, based on the audit evidence obtained, on the appropriateness of the management's use of the going concern basis of accounting, and whether a material uncertainty exists in respect of any event or situation that may cast significant doubt on the ability of Integrated Service Technology Inc. to continue as a going concern. If we conclude that a material uncertainty exists, we draw attention in our audit report to the relevant disclosures in the parent-company-only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or situations may cause Integrated Service Technology Inc. to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements (including the Notes) and whether the financial statements represent the underlying transactions and events fairly.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities within Integrated Service Technology Inc. to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the corporate audit, and also responsible for issuing our opinion based on our corporate audit.

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

We also provide the units charged with governance with a declaration that we have complied with applicable ethical requirements regarding independence, and communicate with them about all relationships and other matters that may reasonably be considered to impair our independence (and relevant preventive measures).

From the matters communicated with the units charged with governance, we determine the key audit matters in the audit of the parent-company-only financial statements of Integrated Service Technology Inc. for the year ended Dec. 31, 2025. We describe these matters in our audit report unless any law or regulation precludes public disclosure of any of these matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in the audit report because the adverse consequences of such communication are reasonably expected to outweigh any public interest to be promoted.

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

March 26, 2026

Integrated Service Technology Inc.
Parent Company Only Balance Sheets
Dec. 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

| Assets | Dec. 31, 2025 | | Dec. 31, 2024 | | Liabilities and Equity | Dec. 31, 2025 | | Dec. 31, 2024 | |
|--|----------------------------|-------------------|----------------------------|-------------------|--|----------------------------|-------------------|----------------------------|-------------------|
| | Amount | % | Amount | % | | Amount | % | Amount | % |
| Current assets | | | | | Current liabilities | | | | |
| Cash and cash equivalents (Notes 4 and 6) | \$ 438,437 | 5 | \$ 584,824 | 8 | Current borrowings (Note 17) | \$ 358,918 | 4 | \$ 579,669 | 8 |
| Current financial assets at amortized cost (Notes 4 and 9) | 15,000 | - | 15,000 | - | Current financial liabilities at fair value through profit or loss (Notes 4 and 7) | 110 | - | 114 | - |
| Notes and accounts receivable, net (Notes 4, 5, 10 and 22) | 1,992,863 | 24 | 1,375,839 | 18 | Current contract liabilities (Notes 4 and 22) | 207,739 | 3 | 134,141 | 2 |
| Current finance lease receivables (Notes 4, 11 and 30) | 15,365 | - | 15,677 | - | Notes and accounts payable | 268,741 | 3 | 277,771 | 4 |
| Accounts receivable due from related parties (Note 22 and 30) | 33,497 | - | 24,197 | - | Accounts payable to related parties (Note 30) | 6,026 | - | 15,504 | - |
| Other receivables | 27,646 | - | 19 | - | Payable on machinery and equipment (Note 30) | 200,352 | 2 | 342,547 | 4 |
| Other receivables due from related parties (Note 30) | 49,060 | 1 | 44,937 | 1 | Dividends payable (Note 21) | 192,925 | 2 | 171,023 | 2 |
| Prepayments and other current assets (Notes 16 and 30) | 59,612 | 1 | 87,935 | 1 | Current tax liabilities (Notes 4 and 24) | 65,749 | 1 | 28,192 | - |
| Total current assets | <u>2,631,480</u> | <u>31</u> | <u>2,148,428</u> | <u>28</u> | Current lease liabilities (Notes 4 and 14) | 71,134 | 1 | 71,719 | 1 |
| Non-current assets | | | | | Long-term borrowings, current portion (Notes 18 and 31) | 121,442 | 2 | 44,667 | 1 |
| Non-current financial assets at fair value through profit or loss (Notes 4 and 7) | 23,440 | - | 23,769 | - | Other current liabilities, others (Notes 19 and 30) | 609,125 | 7 | 566,368 | 7 |
| Non-current financial assets measured at fair value through other comprehensive income (Notes 4 and 8) | 133,285 | 2 | 142,494 | 2 | Total current liabilities | <u>2,102,261</u> | <u>25</u> | <u>2,231,715</u> | <u>29</u> |
| Investments accounted for using equity method (Notes 4, 12 and 33) | 1,129,148 | 13 | 1,183,317 | 15 | Non-current liabilities | | | | |
| Property, plant and equipment (Notes 4, 13, 30 and 31) | 4,164,994 | 49 | 3,760,390 | 49 | Non-current portion of non-current borrowings (Notes 18 and 31) | 1,451,947 | 17 | 1,781,389 | 23 |
| Right-of-use assets (Notes 4 and 14) | 241,856 | 3 | 275,390 | 4 | Non-current lease liabilities (Notes 4 and 14) | 214,317 | 3 | 261,385 | 4 |
| Other intangible assets (Notes 4 and 15) | 36,235 | 1 | 9,896 | - | Deferred government subsidy income (Notes 4 and 27) | 6,904 | - | 5,000 | - |
| Deferred income tax assets (Notes 4 and 24) | 1,072 | - | 883 | - | Guarantee deposits received (Note 30) | 14,761 | - | 13,232 | - |
| Prepayments for business facilities | 40,646 | 1 | 105,893 | 1 | Total non-current liabilities | <u>1,687,929</u> | <u>20</u> | <u>2,061,006</u> | <u>27</u> |
| Guarantee deposits paid (Note 30) | 18,358 | - | 17,683 | - | Total liabilities | <u>3,790,190</u> | <u>45</u> | <u>4,292,721</u> | <u>56</u> |
| Long-term lease payments receivable (Notes 4, 11 and 30) | 14,213 | - | 29,394 | 1 | Equity (Notes 4 and 21) | | | | |
| Net defined benefit asset, non-current (Notes 4 and 20) | 23,608 | - | 25,239 | - | Ordinary share | 864,474 | 10 | 743,667 | 10 |
| Total non-current assets | <u>5,826,855</u> | <u>69</u> | <u>5,574,348</u> | <u>72</u> | Capital collected in advance | 1,319 | - | 2,721 | - |
| Total assets | <u>\$ 8,458,335</u> | <u>100</u> | <u>\$ 7,722,776</u> | <u>100</u> | Capital reserve | 3,244,678 | 38 | 2,132,798 | 27 |
| | | | | | Retained earnings | | | | |
| | | | | | Legal reserve | 280,096 | 4 | 240,027 | 3 |
| | | | | | Special reserve | 109,833 | 1 | 102,819 | 1 |
| | | | | | Unappropriated retained earnings | 266,944 | 3 | 340,087 | 5 |
| | | | | | Other equity, others | (99,199) | (1) | (132,064) | (2) |
| | | | | | Total equity | <u>4,668,145</u> | <u>55</u> | <u>3,430,055</u> | <u>44</u> |
| | | | | | Total liabilities and equity | <u>\$ 8,458,335</u> | <u>100</u> | <u>\$ 7,722,776</u> | <u>100</u> |

The accompanying notes constitute part of the parent-company-only financial statements.
(Please see the auditors' report made by Deloitte & Touche on Mar. 26, 2026.)

Integrated Service Technology Inc.
Parent Company Only Statements of Comprehensive Income
For the years ended Dec. 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars,
except for EPS in New Taiwan Dollars

| | 2025 | | 2024 | |
|--|------------------|------------|------------------|------------|
| | Amount | % | Amount | % |
| Operating revenue (Notes 4, 22 and 30) | \$ 4,342,541 | 100 | \$ 3,803,818 | 100 |
| Operating costs (Notes 23 and 30) | <u>3,018,015</u> | <u>69</u> | <u>2,636,191</u> | <u>69</u> |
| Gross profit from operations | <u>1,324,526</u> | <u>31</u> | <u>1,167,627</u> | <u>31</u> |
| Operating expenses (Notes 23 and 30) | | | | |
| Selling expenses | 110,986 | 3 | 97,566 | 3 |
| Administrative expenses | 463,451 | 11 | 413,896 | 11 |
| Research and development expenses | 195,205 | 4 | 160,431 | 4 |
| Expected credit impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9 | <u>1,405</u> | <u>-</u> | <u>(187)</u> | <u>-</u> |
| Total operating expenses | <u>771,047</u> | <u>18</u> | <u>671,706</u> | <u>18</u> |
| Net operating income | <u>553,479</u> | <u>13</u> | <u>495,921</u> | <u>13</u> |
| Non-operating income and expenses | | | | |
| Interest income (Note 23) | 3,754 | - | 3,803 | - |
| Other income, others (Notes 23 and 30) | 80,389 | 2 | 83,192 | 2 |
| Other gains and losses, net (Notes 4 and 23) | (33,753) | (1) | 38,593 | 1 |
| Finance cost, net (Notes 4, 23 and 30) | (52,139) | (1) | (54,081) | (1) |
| Share of profit (loss) of subsidiaries and associates for using equity method, net (Notes 4 and 12) | <u>(103,581)</u> | <u>(2)</u> | <u>(30,961)</u> | <u>(1)</u> |
| Total non-operating income and expenses | <u>(105,330)</u> | <u>(2)</u> | <u>40,546</u> | <u>1</u> |
| Profit before tax | 448,149 | 11 | 536,467 | 14 |
| Total tax expense (Notes 4 and 24) | <u>81,070</u> | <u>2</u> | <u>54,728</u> | <u>1</u> |
| Profit | <u>367,079</u> | <u>9</u> | <u>481,739</u> | <u>13</u> |

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| | 2025 | | 2024 | |
|---|-------------------|----------|-------------------|-------------|
| | Amount | % | Amount | % |
| Other comprehensive income | | | | |
| Components of other comprehensive income that will not be reclassified to profit or loss | | | | |
| Remeasurements of defined benefit plans (Notes 4 and 20) | (\$ 2,047) | - | \$ 5,415 | - |
| Unrealized gains (losses) from equity instrument measured at fair value through other comprehensive income (Notes 4 and 21) | 25,854 | - | (67,116) | (2) |
| Components of other comprehensive income that will be reclassified to profit or loss | | | | |
| Exchange differences on translation of financial statements of foreign operations (Notes 4 and 21) | (5,226) | - | 15,057 | 1 |
| Share of other comprehensive income of subsidiaries and associates for using equity method (Notes 4 and 21) | <u>969</u> | <u>-</u> | <u>4,957</u> | <u>-</u> |
| Other comprehensive income (Net after tax) | <u>19,550</u> | <u>-</u> | <u>(41,687)</u> | <u>(1)</u> |
| Total comprehensive income | <u>\$ 386,629</u> | <u>9</u> | <u>\$ 440,052</u> | <u>12</u> |
| Earnings per share (Note 25) | | | | |
| Total basic earnings per share | <u>\$ 4.81</u> | | <u>\$ 6.50</u> | |
| Total diluted earnings per share | <u>\$ 4.77</u> | | <u>\$ 6.44</u> | |

The accompanying notes constitute part of the parent-company-only financial statements.
(Please see the auditors' report made by Deloitte & Touche on Mar. 26, 2026.)

Integrated Service Technology Inc.
Parent Company Only Statements of Changes in Equity
For the years ended Dec. 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

| | Ordinary shares | | | Capital reserve | Retained earnings | | | Other equity | | Treasury shares | Total owners' equity |
|---|---|------------|---------------------------------|-----------------|-------------------|-----------------|---|---|--|-----------------|----------------------|
| | Number of shares (in thousands of shares) | Amount | Capital collected in advance | | Legal reserve | Special reserve | Undistributed earnings (Accumulated deficit) | Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income | Exchange differences on translation of financial statements of foreign 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 |
| Appropriation and distribution of earnings | | | | | | | | | | | |
| Legal reserve appropriated | - | - | - | - | 35,376 | - | (35,376) | - | - | - | - |
| Reversal of special reserve | - | - | - | - | - | 32,878 | (32,878) | - | - | - | - |
| Cash dividends of ordinary shares | - | - | - | - | - | - | (296,873) | - | - | - | (296,873) |
| Changes in associates accounted for using the equity method | - | - | - | 1,990 | - | - | - | - | - | - | 1,990 |
| Net profit for 2024 | - | - | - | - | - | - | 481,739 | - | - | - | 481,739 |
| Other comprehensive income after tax for 2024 | - | - | - | - | - | - | 5,415 | (67,116) | 20,014 | - | (41,687) |
| Total comprehensive income for 2024 | - | - | - | - | - | - | 487,154 | (67,116) | 20,014 | - | 440,052 |
| Cancellation 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) |
| Changes in ownership interests in subsidiaries | - | - | - | (3,964) | - | - | - | - | - | - | (3,964) |
| Share-based payments | - | - | - | 3,147 | - | - | - | - | - | - | 3,147 |
| Ordinary shares issued under the employee stock option plan | 388 | 3,878 | 1,144 | 15,995 | - | - | - | - | - | - | 21,017 |
| Balance at Dec. 31, 2024 | 74,367 | 743,667 | 2,721 | 2,132,798 | 240,027 | 102,819 | 340,087 | (67,116) | (64,948) | - | 3,430,055 |
| Appropriation and distribution of earnings | | | | | | | | | | | |
| Legal reserve appropriated | - | - | - | - | 40,069 | - | (40,069) | - | - | - | - |
| Reversal of special reserve | - | - | - | - | - | 7,014 | (7,014) | - | - | - | - |
| Cash dividends of ordinary shares | - | - | - | - | - | - | (356,680) | - | - | - | (356,680) |
| Changes in associated accounted for using the equity method | - | - | - | 10,808 | - | - | - | - | - | - | 10,808 |
| Net profit for 2025 | - | - | - | - | - | - | 367,079 | - | - | - | 367,079 |
| Other comprehensive income after tax for 2025 | - | - | - | - | - | - | (2,047) | 25,854 | (4,257) | - | 19,550 |
| Total comprehensive income for 2025 | - | - | - | - | - | - | 365,032 | 25,854 | (4,257) | - | 386,629 |
| Cash capital increase | 12,000 | 120,000 | - | 1,086,415 | - | - | - | - | - | - | 1,206,415 |
| Share buyback | - | - | - | - | - | - | - | - | - | (37,874) | (37,874) |
| Cancellation of treasury share | (383) | (3,830) | - | (10,900) | - | - | (23,144) | - | - | 37,874 | - |
| Changes in ownership interests in subsidiaries | - | - | - | 6,545 | - | - | - | - | - | - | 6,545 |
| Share-based payments | - | - | - | 595 | - | - | - | - | - | - | 595 |
| Ordinary shares issued under the Employee stock option plan | 463 | 4,637 | (1,402) | 18,417 | - | - | - | - | - | - | 21,652 |
| Disposal of equity instruments measured at fair value through other comprehensive income | - | - | - | - | - | - | (11,268) | 11,268 | - | - | - |
| Balance at Dec. 31, 2025 | 86,447 | \$ 864,474 | \$ 1,319 | \$ 3,244,678 | \$ 280,096 | \$ 109,833 | \$ 266,944 | (\$ 29,994) | (\$ 69,205) | \$ - | \$ 4,668,145 |

The accompanying notes constitute part of the parent-company-only financial statements.
(Please see the auditors' report made by Debitte & Touche on Mar. 26, 2026.)

Integrated Service Technology Inc.
Parent Company Only Statements of Cash Flows
For the years ended Dec. 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

| | 2025 | 2024 |
|---|-------------------|-------------------|
| Cash flows from operating activities | | |
| Profit before tax | \$ 448,149 | \$ 536,467 |
| Adjustments to reconcile profit : | | |
| Depreciation expense | 774,763 | 684,766 |
| Amortization expense | 12,487 | 5,409 |
| Expected credit impairment loss (impairment gain and reversal of impairment loss) | 1,405 | (187) |
| Net gain on financial assets or liabilities at fair value through profit or loss | (1,171) | (2,283) |
| Financial cost | 52,139 | 54,081 |
| Interest income | (3,754) | (3,803) |
| Dividend income | (794) | - |
| Compensation cost for share-based payments | 595 | 3,147 |
| Share of profits of subsidiaries and associates accounted for using equity method | 103,581 | 30,961 |
| Net gain on disposal and retirement of property, plant and equipment | (31,656) | - |
| Gains on disposal of investments accounted for using equity method | - | (99,181) |
| Net foreign exchange gain | (5,361) | (4,411) |
| Profit from lease modification | - | (2,037) |
| Net changes in operating assets and liabilities | | |
| Notes and accounts receivable | (608,609) | 11,172 |
| Accounts receivable due from related parties | (9,114) | 976 |
| Other receivable | (27,567) | 11,347 |
| Other receivable due from related parties | (4,123) | (6,670) |
| Prepayments and other current assets | 28,323 | 17,421 |
| Defined benefit assets, net | (416) | (245) |
| Contract liabilities | 73,598 | 243 |
| Notes and accounts payable | (9,186) | 114,714 |
| Accounts payable to related parties | (9,478) | 10,151 |
| Other current liabilities | 43,775 | 77,446 |
| Deferred income from government subsidy | <u>1,904</u> | <u>5,000</u> |
| Cash generated from operations | 829,490 | 1,444,484 |
| Interest paid | (63,105) | (65,047) |
| Income taxes paid | <u>(43,702)</u> | <u>(27,694)</u> |
| Net cash generated from operating activities | <u>722,683</u> | <u>1,351,743</u> |

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| | 2025 | 2024 |
|---|----------------------|--------------------|
| Cash flows from investing activities | | |
| Disposal of financial assets at Fair value through other comprehensive income | \$ 35,003 | \$ - |
| Acquisition of financial assets at amortized cost | - | (15,000) |
| Proceeds from disposal of financial assets at fair value through profit or loss | 1,496 | 6,084 |
| Acquisition of investments accounted for using equity method | (36,316) | (31,583) |
| Proceeds from investment reduction accounted for using equity method | - | 95,687 |
| Acquisition of property, plant and equipment | (1,210,803) | (830,651) |
| Proceeds from disposal of property, plant and equipment | 60,291 | - |
| Increase in refundable deposits | (675) | (1,577) |
| Acquisition of intangible assets | (38,826) | (10,239) |
| Decrease in long-term lease and installment receivables | 15,805 | 15,625 |
| Decrease in other financial assets | - | 3,719 |
| Interest received | 3,754 | 3,803 |
| Dividends received | 794 | - |
| Net cash used in investing activities | (<u>1,169,477</u>) | (<u>764,132</u>) |
| Cash flows from financing activities | | |
| Decrease in short-term borrowings | (225,040) | (283,170) |
| Proceeds from long-term debts | 1,417,000 | 870,000 |
| Repayments of long-term debts | (1,669,667) | (781,944) |
| Increase in guarantee deposits received | 1,529 | - |
| Payments of lease liabilities | (78,623) | (72,743) |
| Cash dividends paid | (334,778) | (276,915) |
| Cash capital increase | 1,206,415 | - |
| Exercise of employee stock options | 21,652 | 21,017 |
| Capital reduction payments to shareholders | (<u>37,874</u>) | - |
| Net cash provided by (used in) financing activities | <u>300,614</u> | (<u>523,755</u>) |
| Effect of exchange rate changes on cash and cash equivalents | (<u>207</u>) | <u>28</u> |
| Net increase (decrease) in cash and cash equivalents for the year | (146,387) | 63,884 |
| Cash and cash equivalents at beginning of year | <u>584,824</u> | <u>520,940</u> |
| Cash and cash equivalents at end of year | <u>\$ 438,437</u> | <u>\$ 584,824</u> |

The accompanying notes constitute part of the parent-company-only financial statements.
(Please see the auditors' report made by Deloitte & Touche on Mar. 26, 2026.)

Integrated Service Technology Inc.

Notes to Parent-company-only Financial Statements

For the years ended Dec. 31, 2025 and 2024

(In Thousands of New Taiwan Dollars, except as otherwise indicated herein)

I. Corporate History

Integrated Service Technology Inc. (hereinafter referred to as the Company) 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 the company have been traded at Taipei Exchange since Dec. 28, 2004.

The New Taiwan Dollar, the functional currency adopted by the company, is used to express amounts indicated in the parent-company-only financial statements.

II. Date and Procedure of Adoption of Financial Statements

The parent-company-only financial statements were approved by the board of directors on Mar. 23, 2026.

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 the company.

(II) IFRSs Recognized by the FSC and Applied in 2026

| <u>Standards Published / Amended / Revised and Interpretations</u> | <u>Effectiveness Date Announced by International Accounting Standards Board (IASB)</u> |
|--|--|
| Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments | January1 ,2026 |
| Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments for the content of the application guidance for classification of financial assets | |
| Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity | January1 ,2026 |
| Annual Improvements to IFRS Accounting Standards – Volume 11 | January1 ,2026 |
| IFRS 17 Insurance Contracts (including amendments made in 2020 and 2021) | January1 ,2023 |

As of the date of publication of the parent-company-only financial statements, the Company believes, after evaluation, the amendments to other standards and interpretations do not have a material impact on financial results.

(III) IFRSs Published by IASB already but Not Recognized or Published by FSC Yet:

| <u>Standards Published / Amended / Revised and Interpretations</u> | <u>Effectiveness Date Announced by IASB (Note 1)</u> |
|--|--|
| 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 | January1 ,2027 (Note 2) |
| IFRS 19 Subsidiaries without Public Accountability: Disclosures (including the amendment made in 2025) | January1 ,2027 |
| Amendments to IAS 21 Translation to a Hyperinflationary Presentation Currency | January1 ,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 Sep. 25, 2025, FSC announced that Taiwan enterprises should adopt IFRS 18 from Jan. 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 and Relevant Complementary Amendments

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

- For evaluating whether the company engages in specific operating activities for investment in certain types of assets and providing financing to customers. the Company should classify the income and expense items in the income statement into operating, investing, financing, income tax and discontinued operations.
- 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, income, 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 name 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.

Besides, the complementary amendments to IAS 7 Statement of Cash Flows have been made as follows:

- When the company establishes cash flows from operating activities by using the indirect method, the company should use operating profit or loss as the starting point for reconciliation.
- Interest and dividends received by the company should be listed in investing activities, while interest and dividends paid shall be listed in financing activities. If the company evaluates and determines that it has engaged in the specific operating activities, it should consider the categories of the dividend income, interest income and interest expenses to be listed in the income statement. By doing so, the company is able to determine the classification of received dividends, received interest and paid interest in the statement of cash flows. However, each of the cash flows mentioned above should be only listed in one single category of activities in the statement of cash flows.

In addition to the impacts mentioned above, as of the date of publication of the parent-company-only 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 parent-company-only financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs recognized and published by the FSC.

(II) Preparation Basis

The parent-company-only 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.

In preparing the parent-company-only financial statements, the Company uses the equity method to deal with investments in subsidiaries and associates. To ensure that the current profit and loss, other comprehensive income and equity specified in the parent-company-only financial statements are the same as the current profit and loss, other comprehensive income and equity attributed to owners of the Company in the consolidated financial statements, the Company adjusts the "investments accounted for using the equity method," "share of profits or losses of subsidiaries and associates accounted for using the equity method," "share of other comprehensive income of subsidiaries and associates accounted for using the equity method" and relevant equity items to respond to accounting treatment differences in preparation of the parent-company-only financial statements and the consolidated financial statements.

(III) Standards of Distinguishing Current Assets and Liabilities from Non-current Assets and Liabilities

Current assets include:

1. Assets held primarily for sale;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash and cash equivalents (not including the same that would be used to exchange or pay off liabilities 12 months after the balance sheet date and be therefore restricted).

Current liabilities include:

1. Liabilities held primarily for sale;
2. Liabilities due and repaid within 12 months after the balance sheet date; and
3. Liabilities for which the repayment period cannot be unconditionally postponed to at least 12 months after the balance sheet date.

The assets and liabilities which are not listed as current assets and current liabilities above are classified as non-current assets and non-current liabilities.

(IV) Foreign Currency

For the transactions completed by the company using a (foreign) currency rather than its functional currency, the company converts the foreign currency to the functional currency at the exchange rate prevailing on the date of transaction in preparing the financial statements.

Foreign monetary items are converted at the closing rate on the balance sheet date. Exchange differences generated from the transfer or conversion of monetary items are recognized in profit or loss for the current year when the differences occur.

Foreign currency non-monetary items measured at fair value are converted at the exchange rate on the date when fair value is determined. Exchange differences generated are listed as current profit or loss. However, in case of changes in fair value that are recognized in other comprehensive income or losses, the exchange differences generated are listed as other comprehensive income or loss.

Foreign currency non-monetary items measured at historical cost are converted at the exchange rate on the date of transaction and will not be re-converted.

If the company disposes all equity of a subsidiary operating overseas, or disposes part of the equity of a subsidiary operating overseas but loses its control over the subsidiary, then the accumulated exchange differences that are attributable to the owners of the company and relevant to the entities operating overseas will be reclassified to profit or loss.

(V) Investments in Subsidiaries

Investments made by the company in subsidiaries are measured by using the equity method.

A subsidiary means an entity over which the company has control.

With the equity method, investments in subsidiaries are originally recognized at cost. After the date of acquisition, the book amount increases or decreases correlatively subject to the share of the profits, losses, other comprehensive income and profit distribution enjoyed by the company from subsidiaries. Besides, changes in the equity of subsidiaries to be enjoyed by the company are recognized proportionally based on the ratio of shareholding.

When changes in the company's ownership interests in a subsidiary do not cause the company to lose its control over the subsidiary, the changes are treated as equity transaction. The difference between the book amount of the investment and the fair value of the consideration paid or received is recognized directly as equity.

When the company's share of loss in a subsidiary equals or exceeds its interests in the subsidiary (including the book amount of investments in the subsidiary accounted for using the equity method, and other long-term interests substantially comprising the company's net investments in the subsidiary), any further loss shall be recognized proportionally based on the ratio of shareholding.

Acquisition cost exceeding the company's share of the identifiable assets and liabilities of subsidiaries in fair value on the date of acquisition is recognized as goodwill. The goodwill is included in the book amount of the investments and shall not be amortized. When the share of the identifiable assets and liabilities of subsidiaries in fair value enjoyed by the company on the acquisition date exceeds the amount of the acquisition cost, such excess is recognized as current profit.

In evaluating impairment, the company uses the financial statements as a whole to consider cash-generating units and compares the recoverable amount with the book amount. If the recoverable amount of the asset increases afterward, the reversal of impairment loss is recognized as profit. However, the book amount of the asset, after the impairment loss is reversed, shall not exceed the book amount of the asset from which the amortization to be allocated is subtracted before the impairment loss is recognized for the asset. Impairment loss attributed to goodwill shall not be reversed in a subsequent period.

When the Company loses its control over a subsidiary, the Company measures its remaining investment in the former subsidiary at the fair value effective on the date when the Company loses its control over the subsidiary. The difference between the fair value of the remaining investment and any disposal proceeds and the book amount of the investment on the date when the Company loses its control over the former subsidiary is listed in current profit or loss. In addition, the accounting treatment of all amounts relevant to such subsidiary to be recognized in other comprehensive income is the same as the accounting

base complied with by the Company to directly dispose relevant assets or liabilities.

Unrealized profits or losses generated from downstream transactions between the Company and a subsidiary are eliminated in the parent-company-only financial statements. Profits or losses generated from upstream and sidestream transactions between the Company and a subsidiary are recognized in the parent-company-only financial statements only to the extent that the equity of the subsidiary owned by the Company is not relevant.

(VI) Investments in Associates

An associate refers to an enterprise on which the Company has a significant influence and that is not a subsidiary or joint venture of the Company.

Investments made by the Company in associates are measured by using the equity method.

With the equity method, investments in associates are originally recognized at cost. After the date of acquisition, the book amount increases or decreases correlatively subject to the share of the profits, losses, other comprehensive income and profit distribution enjoyed by the Company from associates. Besides, changes in equity of associates are recognized proportionally based on the ratio of shareholding.

Acquisition cost exceeding the Company's share of the identifiable assets and liabilities of associates in fair value on the date of acquisition is recognized as goodwill. The goodwill is included in the book amount of the investments and shall not be amortized.

If the Company fails, when an associate issues new shares, to subscribe for shares proportionally at the rate of its shareholding so that the rate of its shareholding changes and the net equity of the investment increases or decreases accordingly, then capital reserve is adjusted by such increase or decrease – changes in net equity of associates accounted for using the equity method, and investments accounted for using the equity method. If the aforementioned adjustment is debited to capital reserve and the balance of capital reserve generated from the investments accounted for using the equity method is not sufficient, then the difference is debited to retained earnings.

When the Company's share of loss in an associate equals or exceeds its interests in the associate (including the book amount of investments in the associate accounted for using the equity method, and other long-term interests substantially comprising the Company's net investments in the associate), no loss shall be further recognized. the company recognizes additional losses and liabilities only to the extent of legal obligations or constructive obligations incurred or payments made on behalf of the associate.

In evaluating impairment, the Company regards the entire book amount of investments (including goodwill) as single assets and compares the recoverable amount with the book amount to perform the impairment test. The impairment loss recognized is not amortized to any assets (including goodwill) that constitute part of the book amount of investments. Any reversal of impairment loss is recognized to the extent of the subsequent increase in the recoverable amount of the investments.

The Company stops using the equity method when it does not invest in the associate anymore. Its retained interests in the associate are measured at faire value. The difference between the faire value and disposal proceeds and the book amount of investments as of the date when it stops using the equity method is listed in current profit or loss.

Profits or losses generated from upstream, downstream and sidestream transactions between the Company and an associate are recognized in the parent-company-only financial statements only to the extent that the equity of the associate owned by the company is not relevant.

(VII) Property, Plant and Equipment

Property, plant and equipment are recognized at cost and measured subsequently based on the amount of cost less the accumulated depreciation and accumulated impairment loss.

No depreciation is allocated for self-owned land. Each important portion of other property, plant and equipment is depreciated within service life by using the straight line method. The Company reviews the estimated service life, residual value and depreciation method at least at the end of every year and put off the effect of applicable changes in accounting estimates.

Upon derecognition of property, plant and equipment, the difference between the net proceeds on disposal and the book amount of the assets is recognized in profit or loss.

(VIII) Intangible Assets

1. Individual Acquisition

Intangible assets with limited service life acquired individually are originally measured at cost and measured subsequently based on the amount of cost less accumulated amortization. Intangible assets are amortized within service life by using the straight line method. Estimated service life, residual value and amortization method are reviewed at least at the end of every year and the effect of applicable changes in accounting estimates shall be put off. Intangible assets with defined service life are recorded at cost less accumulated impairment loss.

2. Derecognition

Upon derecognition of intangible assets, the difference between the net disposal proceeds and the book amount of such assets is recognized in current profit or loss.

(IX) Impairment of Property, Plant and Equipment, Right-of-use Assets and Intangible Assets

The Company evaluates on every balance sheet date whether there is any sign indicating that property, plant and equipment, right-of-use assets or intangible assets may be impaired. In case of any sign of impairment, a recoverable amount is estimated for the assets. If a recoverable amount cannot be estimated for any individual asset, the Company will estimate the recoverable amount of the cash-generating unit (CGU) of the concerned asset.

The recoverable amount is the higher of fair value less costs to sell and use value. If the recoverable amount of individual assets or CGUs is less than the book amount thereof, then the book amount of the assets or CGUs will be reduced to the recoverable amount, and the impairment loss will be recognized in profit and loss.

Upon subsequent reverse of impairment loss, the book amount of the assets or CGUs is increased to the revised recoverable amount. However, the increased book amount shall not exceed the book amount (less amortization or depreciation) determined if the impairment loss of the assets or CGUs was not recognized in the previous year. Reverse of impairment loss is recognized in profit and loss.

(X) Financial Instruments

Financial assets and financial liabilities are recognized in the parent-company-only balance sheet when the company becomes a party to the contract concerning the instruments.

If financial assets or financial liabilities are not measured at fair value through profit or loss (“FVTPL”), the financial assets or financial liabilities, upon original recognition, are measured at fair value plus transaction cost attributable directly to the obtained or issued financial assets or financial liabilities. Transaction cost attributable directly to the obtained or issued financial assets or financial liabilities at FVTPL is recognized as profit and loss immediately.

1. Financial Assets

Routine transactions of financial assets are recognized and derecognized on transaction date.

(1) Type of Measurement

Financial assets held by the Company are financial assets at FVTPL, financial assets measured at amortized cost, and investments in equity instruments measured at fair value through other comprehensive income (“FVTOCI”).

A. Financial Assets at FVTPL

Financial assets at FVTPL include the financial assets that are enforced or designated to be measured at FVTPL. The financial assets enforced to be measured at FVTPL include the investments in equity instruments not designated to be measured at FVTPL.

Financial assets at FVTPL are measured at fair value while the dividends, interest and remeasured profits or losses thereof are recognized in other profits and losses. For the method used to determine fair value, please refer to Note 29.

B. Financial Assets at Amortized Cost

Financial assets invested by the Company are classified as the financial assets measured at amortized cost if both of the following conditions are satisfied simultaneously:

- a. The financial assets are possessed in a specific business model, and the model is used to acquire contractual cash flows by possessing financial assets; and
- b. Cash flows generated on the specific date as provided in contractual terms are completely used for payment of principals and the interest on the outstanding principals.

After being recognized originally, the financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable measured at amortized cost (including accounts receivable from related parties), other receivables (including receivables from related parties), limited bank deposits and refundable deposits) are measured at the amortized cost of the total book amount less any impairment loss determined by the effective interest method. Foreign exchange gains or losses are recognized in profit or loss.

Interest income is computed at the effective interest rate multiplied by the total book amount of financial assets.

Cash equivalents include the time deposits that are highly liquid and may be transferred to a fixed amount of cash any time with minimal risk of changes in value to fulfill short-term cash commitments.

C. Investments in Equity Instruments at Fair Value through Other Comprehensive Income ("FVTOCI")

Upon original recognition, the Company may irrevocably choose to indicate that the investments in equity instruments which are not possessed for sale and not recognized by acquirers of business combinations or for which considerations are provided shall be measured at FVTOCI.

Investments in equity instruments at FVTOCI are measured at fair value, and the subsequent changes in fair value are listed in other comprehensive income or losses and accumulated in other equity. Upon disposal of investments, accumulated profits or losses are transferred directly to retained earnings and will not be reclassified as profits or losses.

Dividends for investments in equity instruments at FVTOCI are recognized in profits immediately when the Company's right to collect payments has been established unless the dividends obviously represent part of the investment cost recovered.

(2) Impairment of Financial Assets

The Company evaluates impairment loss of financial assets at amortized cost (including accounts receivable), finance leases receivable and contract assets based on the expected credit loss every balance sheet date.

Loss allowances for accounts receivable and finance leases receivable are recognized based on the expected credit loss for the duration of accounts receivable, finance leases receivable and contract assets. As for other financial assets, the Company determines whether credit risks increases significantly after the original recognition of such other financial assets. If the risk does not increase significantly, then loss allowances for other financial assets are recognized based on the expected credit loss for 12 months. If the risk increases significantly, loss allowances are recognized based on the expected credit loss for the duration of such other financial assets.

The expected credit loss refers to the weighted average credit loss computed by weighting the risk of a breach of contract. The expected credit loss for 12 months means the expected credit loss incurred due to violation of a financial instrument within 12 months after the date of reporting. The expected credit loss for the duration means the expected credit loss incurred due to all violations of a financial instrument for the duration of the financial instrument.

For all financial assets, impairment loss is reflected by reducing the book amount of the financial assets through the allowance account.

(3) Derecognition of Financial Assets

The Company derecognizes financial assets only when their rights to cash flows from financial assets under a contract expire or when financial assets have been transferred and almost all risks of ownership of the assets and payments of the assets have been transferred to other enterprises.

Upon derecognition of the entire financial assets measured at amortized cost, the difference between the book amount of the financial assets and the received consideration is recognized in profit or loss. Upon derecognition of the entire investments in equity instruments measured at fair value through other comprehensive income, the accumulated profits or losses of the investments in equity instruments are transferred to retained earnings directly instead of being reclassified as profit or loss.

2. Equity Instruments

The debt and equity instruments issued by the Company are classified as financial liabilities or equity based on the substance of the contractual agreement and the definitions of a financial liability and an equity instrument.

The equity instruments issued by the Company are recognized based on the obtained consideration less the cost of direct issuance.

The equity instruments of the Company taken back are recognized as and subtracted from equity. The book amount thereof is calculated based on weighted average subject to types of stocks. No purchase, sale, issuance or annulment of equity instruments of the Company shall be recognized as profit or loss.

3. Financial Liabilities

(1) Subsequent Measurement

All financial liabilities, except financial liabilities at FVTPL, are measured at amortized cost by using the effective interest method.

Financial liabilities at FVTPL are held for trading. Financial liabilities held for trading are measured at fair value. Interest incurred is recognized in financial cost, and other gains or losses generated by remeasurement are recognized in other gains or losses. For the method used to determine fair value, please refer to Note 29.

(2) Derecognition of Financial Liabilities

With respect to derecognition of financial liabilities, the difference between the book amount and the consideration paid (including any transferred non-cash assets or assumed liabilities) is recognized as profit or loss.

4. Derivatives

The derivatives contracted for by the Company are forward exchange agreements, which are used to manage exchange rate risk of the Company.

Derivatives are recognized at fair value originally upon execution of the contract of derivatives, and are remeasured at fair value subsequently on the balance sheet date. The gain or loss generated by the subsequent measurement is recognized directly as profit or loss. Derivatives are listed as financial assets if the fair value thereof is a positive value, and listed as financial liabilities if the fair value is a negative value.

(XI) Revenue Recognition

After identifying its obligations under a contract made with a customer, the Company amortizes the transaction price to each obligation and recognizes revenue upon fulfillment of each obligation.

For a contract based on which merchandise or service is delivered within one year after or before receipt of consideration, the transaction price is not adjusted for the important compositions thereof.

Service income derives from the R&D, manufacturing, analysis, burn-in and testing of integrated circuits.

The Company provides service for a customer and the customer obtains and consumes performance effect simultaneously. The related revenue is recognized upon provision of service.

Customers were given gift vouchers upon sale of service under the customer loyalty program for their purchases to be made in the further. As the gift vouchers provided important rights, the transaction prices to which the gift vouchers were amortized were recognized as contract liabilities upon receipt of the gift vouchers and listed as revenue upon redemption or expiration of the gift vouchers.

(XII) Lease

Upon establishment of a contract, the company evaluates whether the contract is (or includes) a lease.

1. The Company is a lessor.

If almost all of the risks pertaining to the ownership of the assets and the compensation are required to be transferred to the lessee in accordance with the terms of the lease, then the lease is classified as a financed lease. All other leases are classified as operating leases.

When subleasing right-of-use assets, the Company determines the classification of the sublease (instead of the subject assets). However, if the master lease is applicable to the short-term leases for which the Company recognizes exemptions, then the sublease is classified as an operating lease.

Lease payments under a finance lease include fixed payments. Net investment in the lease is measured at the current value of lease payments receivable and is expressed as finance leases receivable. Finance income are amortized to relevant accounting periods to reflect the fixed rate of return obtained for each accounting period based on the net of unexpired lease investments of the Company.

Lease payments under the operating lease are recognized as income for the lease period on a straight-line basis.

2. The Company is a lessee.

For other leases, right-of-use assets and lease liabilities are recognized on the date of lease commencement, except for leases of low-value assets for which exemptions can be recognized and short-term leases, in which case, lease payments are recognize as expenses for the lease period on a straight-line basis.

Right-of-use assets are originally measured at cost (including the amount of originally measured lease liabilities). They are subsequently measured based on the cost less accumulated depreciation and accumulated impairment loss, and the remeasured amount of lease liabilities is adjusted accordingly. Right-of-use assets are expressed separately in the parent-company-only balance sheet.

Right-of-use assets are depreciated on a straight-line basis between the date of lease commencement and the expiration of the service life or expiration of the lease period, whichever comes first.

Lease liabilities are originally measured based on the current value of lease payments (including periodical payments). If a lease implies an interest rate that can be determined easily, then lease payments are discounted at the interest rate. If the interest rate cannot be determined easily, then the lessee's incremental borrowing rate of interest is used.

After that, lease liabilities are measured at amortized cost by using the effective interest method, and interest expenses are amortized for the leasing. If the index or rate determined for lease payments changes during the lease period, then the Company remeasures lease liabilities and adjusts right-of-use assets accordingly. However, if the book amount of right-of-use assets has been reduced to zero, then the rest of the remeasured amount is recognized in profit or loss. Lease liabilities are expressed separately in the parent-company-only balance sheet.

(XIII) Borrowing Cost

The borrowing cost directly attributable to the acquisition, construction or production of the assets that meet requirements is part of the cost of the assets until almost all activities necessary for the assets to be used or sold as expected have been completed.

If specific borrowings are used for temporary investments prior to occurrence of the capital expenditure that meets requirements, then any and all investment income earned accordingly are subtracted from the borrowing costs satisfying the condition of capitalization.

Except otherwise as stated above, all other borrowing costs are recognized as loss for the year when the costs occur.

(XIV) Government Subsidies

A government subsidy is recognized only when the Company is reasonably believed to comply with the conditions attached to the government subsidy and will receive the subsidy.

Income-related government subsidies are recognized as other income on a systemic basis for the year in which the Company recognizes as expenses the costs to be covered by the subsidies.

The subsidies granted by the government on condition that the company purchases, constructs or otherwise acquires non-current assets are recognized as deferred government subsidy income and are transferred to profit/loss in service lives of corresponding assets on a reasonable and systematic basis.

(XV) Employee Benefits

1. Short-term Employee Benefits

Liabilities relevant to short-term employee benefits are measured based on non-discounted amounts expected to pay to exchange for employees' service.

2. Post-employment Benefits

As for retirement pensions under the defined contribution plan, the pension amounts allocated for the period when employees provide service are recognized as expenses.

Defined costs (including service costs, net interest and remeasurements) of the defined benefit plan are calculated by using the projected unit credit method. Current service costs and net interest on defined benefit assets are recognized as employee benefit expenses upon their occurrence. Remeasurements (including actuarial gains and losses, and return on plan asset less interest) are recognized as other comprehensive income or losses and listed in retained earnings upon their occurrence, and will not be reclassified to profit or loss.

Net defined benefit assets are allocated surplus of the defined benefit plan. Net defined benefit assets shall not exceed the current value of the refund of contributions from the plan or the reduction in future contributions.

(XVI) Share-based Payment Arrangement

Employee stock options are recognized as expenses on a straight-line basis for the vesting period based on the fair value of equity instrument on the grant date and the best estimate of the employee stock options expected and obtained, and the "capital reserve—employee stock option" is also adjusted simultaneously. If employee stock options are vested immediately on the grant date, then all such options shall be recognized as expenses on the grant date.

The Company amends the estimate of the expected employee stock options on each balance sheet date. If an originally estimated amount is amended, then its effects are recognized as profit or loss so that accumulated expenses reflect the amended estimate, and the “capital reserve—employee stock option” is also adjusted accordingly.

(XVII) Income Tax

Income tax expense is the sum of current income tax and deferred income tax.

1. Current Income Tax

The Company determines its income (losses) for the current period in accordance with the regulations enacted by the Republic of China and calculates income tax payable (refundable) based on such income (losses).

The income tax on unappropriated earnings computed in accordance with the Income Tax Act of the Republic of China is recognized for the year when the resolution is adopted at the shareholders’ meeting.

Adjustment made for the previous year’s income tax payable is listed in current income tax.

2. Deferred Income Tax

Deferred income tax is computed based on temporary differences generated from the book amounts of assets and liabilities and the tax base used to compute taxable income.

Deferred income tax liabilities are generally recognized based on taxable temporary differences. Deferred income tax assets are recognized when there may probably be taxable income from which the tax credits generated from temporary differences can be subtracted.

Taxable temporary differences relevant to investments in subsidiaries and associates are recognized as deferred income tax liabilities, except when the company is able to control the point of reverse of temporary differences and the taxable temporary differences will not be reversed in the foreseeable future. Deductible temporary differences relevant to the investments are recognized as deferred income tax assets only to the extent of the foreseeable reverse expected in the future when there is taxable income sufficient to realize temporary differences.

The book amount of deferred income tax assets is reviewed again on every balance sheet date. For all or part of assets that taxable income may probably not be sufficient to recover, the book amount is reduced. Those that are not originally recognized as deferred income tax assets are also reviewed again on every balance sheet date. The book amount is increased when there may be any taxable income used to recover all or part of the assets.

Deferred income tax assets and liabilities are measured at the tax rate applicable to the year when liabilities are expected to be repaid or assets are expected to be realized. The interest rate refers to the interest rate determined by the tax law that is enacted or substantially enacted as of the balance sheet date. Deferred income tax liabilities and assets are measured to reflect the tax consequences generated in the way that the Company expects to recover or repay the book amount of its assets or liabilities as of the balance sheet date.

3. Current and Deferred Income Taxes

Current and deferred income taxes are recognized in profit or loss. However, the current and deferred income taxes relevant to the items recognized in other comprehensive income or losses or those included directly in equity are recognized in other comprehensive income or losses or included directly in equity respectively.

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

For relevant information not available by the Company from other resources in applying accounting policies, the management must make relevant judgments, estimates and assumptions based on historical experience and other relevant factors. The actual result may probably differ from the estimate.

Main Sources of Estimates and Assumption Uncertainty Impairment of Financial Asset Estimates

Impairment of accounts receivable was estimated based on the assumptions of probability of default and loss given default made by the company. The company considered historical experience and current market conditions to make its assumptions and choose input values for the impairment of estimates. For the important assumptions and input values used, please refer to Note 10. If the actual cash flows in the future are less than those expected, a material impairment loss may occur.

VI. Cash and Cash Equivalents

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|---|----------------------|----------------------|
| Cash on hand and revolving funds | \$ 125 | \$ 135 |
| Bank checks and saving deposits of bank | <u>438,312</u> | <u>584,689</u> |
| | <u>\$438,437</u> | <u>\$584,824</u> |

The interest rate range of time deposits as of the balance sheet date is as follows:

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|---------------|----------------------|----------------------|
| Bank deposits | 0%~0.73% | 0%~0.90% |

VII. Financial Instruments at Fair Value through Profit and Loss

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|--|----------------------|----------------------|
| <u>Financial assets – Non-current</u> | | |
| At fair value through profit or loss compulsorily – Not listed (non-OTC) | | |
| Beneficiary certificates of funds | <u>\$ 23,440</u> | <u>\$ 23,769</u> |
| <u>Financial liabilities – Current</u> | | |
| Held for trading | | |
| Derivatives (not designed for hedging) | | |
| – Forward exchange agreement | <u>\$ 110</u> | <u>\$ 114</u> |

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

| | <u>Currency</u> | <u>Maturity Period</u> | <u>Contract Price (in thousands of NT dollars)</u> |
|-----------------------------------|-----------------|--------------------------------|--|
| <u>Dec. 31, 2025</u> | | | |
| Forward foreign exchange purchase | TWD to JPY | January 2026 | TWD 11,854/ JPY 58,350 |
| <u>Dec. 31, 2024</u> | | | |
| Forward foreign exchange purchase | TWD to JPY | January 2025 ~February 2025 | TWD 6,807/ JPY 31,830 |

The Company engaged in forward exchange transactions in 2025 and 2024 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

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|------------------------|----------------------|----------------------|
| <u>Non-current</u> | | |
| Domestic investment | | |
| listed (OTC) shares | | |
| Ordinary shares of BTL | | |
| Inc. | <u>\$133,285</u> | <u>\$142,494</u> |

The Company 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 12.

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.

The company sold a portion of ordinary shares of BTL Inc. at fair value in October 2025. The amount obtained from the sale was NTD 1,332 thousand. Relevant other equity – Unrealized Gains (Losses) from Financial Assets Measured at Fair Value through Other Comprehensive Income (NTD 236 thousand) was transferred into retained earnings.

The company sold a portion of ordinary shares of BTL Inc. at fair value in November 2025. The amount obtained from the sale was NTD 2,483 thousand. Relevant other equity – Unrealized Gains (Losses) from Financial Assets Measured at Fair Value through Other Comprehensive Income (NTD 656 thousand) was transferred into retained earnings.

The company sold a portion of ordinary shares of BTL Inc. at fair value in December 2025. The amount obtained from the sale was NTD 13,537 thousand. Relevant other equity – Unrealized Gains (Losses) from Financial Assets Measured at Fair Value through Other Comprehensive Income (NTD 2,904 thousand) was transferred into retained earnings.

IX. Financial Assets at Amortised Cost

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|--|----------------------|----------------------|
| <u>Current</u> | | |
| Time deposits with original maturities beyond three months | <u>\$ 15,000</u> | <u>\$ 15,000</u> |

As of both Dec. 31, 2025 and Dec. 31, 2024, the annual interest rate for the time deposits with original maturities beyond three months was 0.875%.

X. Notes and Accounts Receivable – Net

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|--|----------------------|----------------------|
| Notes and accounts receivable Measured at amortized cost | | |
| Notes receivable | \$ 845 | \$ 671 |
| Accounts receivable | 2,008,814 | 1,391,099 |
| Less: Loss allowance | <u>(16,796)</u> | <u>(15,931)</u> |
| | <u>\$1,992,863</u> | <u>\$1,375,839</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. This 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:

Dec. 31, 2025

| | <u>Not overdue</u> | <u>Overdue for 1~90 days</u> | <u>Overdue for 91~180 days</u> | <u>Overdue for 180~365 days</u> | <u>Overdue for over 365 days</u> | <u>Total</u> |
|--|--------------------|------------------------------|--------------------------------|---------------------------------|----------------------------------|--------------------|
| Expected credit loss rate | 0.21% | 1.62% | 10.35% | 75.96% | 100% | |
| Total book amount | \$1,835,417 | \$ 123,980 | \$ 41,615 | \$ 5,041 | \$ 2,761 | \$2,008,814 |
| Loss allowance (Expected credit loss for the duration) | (<u>3,890</u>) | (<u>2,008</u>) | (<u>4,309</u>) | (<u>3,828</u>) | (<u>2,761</u>) | (<u>16,796</u>) |
| Amortized cost | <u>\$1,831,527</u> | <u>\$ 121,972</u> | <u>\$ 37,306</u> | <u>\$ 1,213</u> | <u>\$ -</u> | <u>\$1,992,018</u> |

Dec. 31, 2024

| | <u>Not overdue</u> | <u>Overdue for 1~90 days</u> | <u>Overdue for 91~180 days</u> | <u>Overdue for 180~365 days</u> | <u>Overdue for over 365 days</u> | <u>Total</u> |
|--|--------------------|------------------------------|--------------------------------|---------------------------------|----------------------------------|--------------------|
| Expected credit loss rate | 0.20% | 1.24% | 8.18% | 47.62% | 100% | |
| Total book amount | \$1,216,388 | \$ 146,478 | \$ 4,708 | \$ 23,253 | \$ 272 | \$1,391,099 |
| Loss allowance (Expected credit loss for the duration) | (<u>2,379</u>) | (<u>1,823</u>) | (<u>385</u>) | (<u>11,072</u>) | (<u>272</u>) | (<u>15,931</u>) |
| Amortized cost | <u>\$1,214,009</u> | <u>\$ 144,655</u> | <u>\$ 4,323</u> | <u>\$ 12,181</u> | <u>\$ -</u> | <u>\$1,375,168</u> |

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

| | <u>2025</u> | <u>2024</u> |
|---|------------------|------------------|
| Beginning balance | \$ 15,931 | \$ 16,118 |
| Add: Impairment loss allocated for the year | 1,405 | - |
| Less: Amounts written off actually for the year | (540) | - |
| Less: Impairment loss reversed for the year | - | (<u>187</u>) |
| Ending balance | <u>\$ 16,796</u> | <u>\$ 15,931</u> |

XI. Finance Leases Receivable

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|--|----------------------|----------------------|
| Lease payments not discounted | | |
| 1st year | \$ 15,785 | \$ 16,387 |
| 2nd year | 8,918 | 15,626 |
| 3rd year | 5,515 | 8,892 |
| 4th year | <u>-</u> | <u>5,515</u> |
| | 30,218 | 46,420 |
| Less: Finance income not earned yet | (<u>640</u>) | (<u>1,349</u>) |
| Lease payments receivable | <u>29,578</u> | <u>45,071</u> |
| Net investment in the lease (Expressed as finance leases receivable) | <u>\$ 29,578</u> | <u>\$ 45,071</u> |

XII. Investments Accounted for Using the Equity Method

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|-----------------------------|----------------------|----------------------|
| Investments in subsidiaries | \$ 371,665 | \$ 470,442 |
| Investments in associates | <u>757,483</u> | <u>712,875</u> |
| | <u>\$1,129,148</u> | <u>\$1,183,317</u> |

(I) Investments in Subsidiaries

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|--|----------------------|----------------------|
| Samoa Integrated Service Technology (Samoa IST) | \$248,465 | \$244,762 |
| Supreme Fortune Corp. (Supreme Corp.) | 3,195 | 3,760 |
| Pin Wen Corp. (Pin Wen Company) | 52,387 | 58,670 |
| Innovative Turnkey Solution (ITS Company) | 62,650 | 163,250 |
| Malaysia Integrated Service Technology Sdn. (Malaysia IST) | <u>4,968</u> | <u>-</u> |
| | <u>\$371,665</u> | <u>\$470,442</u> |

| <u>Name of subsidiary</u> | <u>Percentage of ownership rights and voting rights held</u> | |
|---------------------------|--|----------------------|
| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
| Samoa IST | 100% | 100% |
| Supreme Corp. | 100% | 100% |
| Pin Wen Company | 100% | 100% |
| PPT Company | 69% | 71% |
| Malaysia IST | 100% | - |

ITS Company merged with PPT Company on Mar. 31, 2024. (PPT Company is the surviving company while ITS Company is the dissolved company.) All the ITS shares possessed by the company were exchanged for PPT shares.

ITS Company merged with PPT Company on Mar. 31, 2024. (PPT Company is the surviving company while ITS Company is the dissolved company.) The company 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 the company decreased from 75% to 71%.

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 Nov. 3, 2023 to merge Innovative Turnkey Solution and Prosperity Power Technology Inc. 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 the 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 Dec. 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 Mar. 31, 2024.

PPT Company issued the employee stock options of 1,224 thousand units in December 2025. This the company's shareholding ratio decreased from 71% to 69%.

In February 2025, IST Malaysia completed the incorporation registration in Malaysia. In July 2025, the company completed the actual capital investment of MR 800 thousand.

For the information relevant to investments in subsidiaries, please refer to Schedules 2 and 3.

(II) Investments in Associates

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|---------------------------|----------------------|----------------------|
| Investments in associates | | |
| Dekra IST (Dekra Company) | <u>\$757,483</u> | <u>\$712,875</u> |

Material associates are listed as follows:

| <u>Company Name</u> | <u>Percentage of ownership and voting rights held by the company</u> | |
|---------------------|--|----------------------|
| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
| Dekra Company | 49% | 49% |

The OTC-listed BTL Inc. conducted a follow-on offering in March 2023 and the company 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. The Company resigned as a director of BTL Inc. in June 2024. The Company 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. This, 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 2 “Information of Investee Companies, their Locations, etc.”

The following compiled information was prepared based on the financial report made by each associate in compliance with IFRSs and has reflected the adjustment made upon application of the equity method.

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|---|----------------------|----------------------|
| <u>Dekra Company</u> | | |
| Current assets | \$ 421,293 | \$ 374,151 |
| Non-current assets | 1,508,269 | 1,500,627 |
| Current liabilities | (411,860) | (418,985) |
| Non-current liabilities | (416,093) | (445,219) |
| Equity | <u>\$1,101,609</u> | <u>\$1,010,574</u> |
| | | |
| Percentage of shares held by the Company | 49% | 49% |
| | | |
| Equity enjoyed by the Company | \$ 539,789 | \$ 495,181 |
| Goodwill | <u>217,694</u> | <u>217,694</u> |
| Book amount of investments | <u>\$ 757,483</u> | <u>\$ 712,875</u> |
| | | |
| | <u>2025</u> | <u>2024</u> |
| Operating revenue | <u>\$744,007</u> | <u>\$679,155</u> |
| | | |
| Profit of the current year | \$ 89,060 | \$ 61,398 |
| Other comprehensive income (loss) | <u>1,975</u> | <u>7,854</u> |
| Total comprehensive income | <u>\$ 91,035</u> | <u>\$ 69,252</u> |

XIII. Property, Plant and Equipment

| | | |
|----------------------------------|----------------------|----------------------|
| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
| Self-used | \$3,630,596 | \$3,164,096 |
| Rented out under operating lease | <u>534,398</u> | <u>596,294</u> |
| | <u>\$4,164,994</u> | <u>\$3,760,390</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 |
|---------------------------------|-----------------|------------------------|----------------------|--------------------------|------------------|---------------------|------------------|---|--------------------|
| Cost | | | | | | | | | |
| Balance at Jan. 1, 2025 | \$30,852 | \$1,364,273 | \$2,479,307 | \$823 | \$3,590 | \$251,759 | \$241,585 | \$337,921 | \$4,710,110 |
| Additions | - | - | 121,105 | - | 12,818 | 2,600 | 15,470 | 991,817 | 1,143,810 |
| Disposals | - | (4,577) | (211,862) | - | - | (13,676) | (28,600) | - | (258,715) |
| Reclassification | - | <u>132,492</u> | <u>705,577</u> | - | <u>1,871</u> | <u>39,569</u> | <u>103,174</u> | (<u>982,683</u>) | - |
| Balance at Dec. 31, 2025 | <u>\$30,852</u> | <u>\$1,492,188</u> | <u>\$3,094,127</u> | <u>\$823</u> | <u>\$18,279</u> | <u>\$280,252</u> | <u>\$331,629</u> | <u>\$347,055</u> | <u>\$5,595,205</u> |
| Accumulated depreciation | | | | | | | | | |
| Balance at Jan. 1, 2025 | \$- | \$363,704 | \$905,270 | \$489 | \$353 | \$164,451 | \$111,747 | \$- | \$1,546,014 |
| Depreciation expenses | - | 103,669 | 480,936 | 153 | 2,839 | 5,662 | 55,416 | - | 648,675 |
| Disposals | - | (4,577) | (183,518) | - | - | (13,676) | (28,309) | - | (230,080) |
| Balance at Dec. 31, 2025 | <u>\$-</u> | <u>\$462,796</u> | <u>\$1,202,688</u> | <u>\$642</u> | <u>\$3,192</u> | <u>\$156,437</u> | <u>\$138,854</u> | <u>\$-</u> | <u>\$1,964,609</u> |
| Net at Dec. 31, 2025 | <u>\$30,852</u> | <u>\$1,029,392</u> | <u>\$1,891,439</u> | <u>\$181</u> | <u>\$15,087</u> | <u>\$123,815</u> | <u>\$192,775</u> | <u>\$347,055</u> | <u>\$3,630,596</u> |
| Cost | | | | | | | | | |
| Balance at Jan. 1, 2024 | \$30,852 | \$1,319,251 | \$2,369,776 | \$733 | \$15,236 | \$248,235 | \$252,158 | \$281,008 | \$4,517,249 |
| Additions | - | 3,075 | 117,637 | - | 940 | 5,247 | 2,192 | 796,749 | 925,840 |
| Disposals | - | (18,849) | (641,752) | - | (15,236) | (6,961) | (50,181) | - | (732,979) |
| Reclassification | - | <u>60,796</u> | <u>633,646</u> | <u>90</u> | <u>2,650</u> | <u>5,238</u> | <u>37,416</u> | (<u>739,836</u>) | - |
| Balance at Dec. 31, 2024 | <u>\$30,852</u> | <u>\$1,364,273</u> | <u>\$2,479,307</u> | <u>\$823</u> | <u>\$3,590</u> | <u>\$251,759</u> | <u>\$241,585</u> | <u>\$337,921</u> | <u>\$4,710,110</u> |
| Accumulated depreciation | | | | | | | | | |
| Balance at Jan. 1, 2024 | \$- | \$291,066 | \$1,129,255 | \$367 | \$12,863 | \$164,859 | \$120,586 | \$- | \$1,718,996 |
| Depreciation expenses | - | 91,487 | 417,767 | 122 | 2,726 | 6,553 | 41,342 | - | 559,997 |
| Disposals | - | (18,849) | (641,752) | - | (15,236) | (6,961) | (50,181) | - | (732,979) |
| Balance at Dec. 31, 2024 | <u>\$-</u> | <u>\$363,704</u> | <u>\$905,270</u> | <u>\$489</u> | <u>\$353</u> | <u>\$164,451</u> | <u>\$111,747</u> | <u>\$-</u> | <u>\$1,546,014</u> |
| Net at Dec. 31, 2024 | <u>\$30,852</u> | <u>\$1,000,569</u> | <u>\$1,574,037</u> | <u>\$334</u> | <u>\$3,237</u> | <u>\$87,308</u> | <u>\$129,838</u> | <u>\$337,921</u> | <u>\$3,164,096</u> |

No impairment loss was recognized by the company in either 2025 or 2024.

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 31.

(II) Renting Out Under Operating Lease

| | Land | Building and structure | Mechanical equipment | Other equipment | Total |
|-------------------------------------|------------------|---------------------------|-------------------------|--------------------|--------------------|
| <u>Cost</u> | | | | | |
| Balance at Jan. 1, 2025 | \$ 12,583 | \$ 890,068 | \$ 48,000 | \$ 66,477 | \$1,017,128 |
| Disposals | - | (59,899) | - | (7,098) | (66,997) |
| Balance at Dec. 31, 2025 | <u>\$ 12,583</u> | <u>\$ 830,169</u> | <u>\$ 48,000</u> | <u>\$ 59,379</u> | <u>\$ 950,131</u> |
| <u>Accumulated depreciation</u> | | | | | |
| Balance at Jan. 1, 2025 | \$ - | \$ 352,134 | \$ 27,333 | \$ 41,367 | \$ 420,834 |
| Depreciation expenses | - | 47,760 | 8,000 | 6,136 | 61,896 |
| Disposals | - | (59,899) | - | (7,098) | (66,997) |
| Balance at Dec. 31, 2025 | <u>\$ -</u> | <u>\$ 339,995</u> | <u>\$ 35,333</u> | <u>\$ 40,405</u> | <u>\$ 415,733</u> |
| Net at Dec. 31, 2025 | <u>\$ 12,583</u> | <u>\$ 490,174</u> | <u>\$ 12,667</u> | <u>\$ 18,974</u> | <u>\$ 534,398</u> |
| <u>Cost</u> | | | | | |
| Balance at Jan. 1, 2024 | \$ 12,583 | \$ 898,189 | \$ 48,000 | \$ 79,072 | \$1,037,844 |
| Disposals | - | (8,121) | - | (12,595) | (20,716) |
| Balance at Dec. 31, 2024 | <u>\$ 12,583</u> | <u>\$ 890,068</u> | <u>\$ 48,000</u> | <u>\$ 66,477</u> | <u>\$1,017,128</u> |
| <u>Accumulated depreciation</u> | | | | | |
| Balance at Jan. 1, 2024 | \$ - | \$ 310,342 | \$ 19,333 | \$ 46,305 | \$ 375,980 |
| Depreciation expenses | - | 49,913 | 8,000 | 7,657 | 65,570 |
| Disposals | - | (8,121) | - | (12,595) | (20,716) |
| Balance at Dec. 31, 2024 | <u>\$ -</u> | <u>\$ 352,134</u> | <u>\$ 27,333</u> | <u>\$ 41,367</u> | <u>\$ 420,834</u> |
| Net at Dec. 31, 2024 | <u>\$ 12,583</u> | <u>\$ 537,934</u> | <u>\$ 20,667</u> | <u>\$ 25,110</u> | <u>\$ 596,294</u> |

The Company rented out land, building and structure, mechanical equipment and 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:

| | Dec. 31, 2025 | Dec. 31, 2024 |
|----------|------------------|------------------|
| 1st year | \$ 56,651 | \$ 53,331 |
| 2nd year | 34,138 | 32,731 |
| 3rd year | - | 18,138 |
| | <u>\$ 90,789</u> | <u>\$104,200</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 |
| Mechanical equipment | 1~6 years |
| Other equipment | 3~20 years |

XIV. Lease Agreement

(I) Right-of-use Assets

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|---|----------------------|----------------------|
| Book amount of right-of-use assets | | |
| Land | \$140,003 | \$143,852 |
| Building | 90,302 | 125,009 |
| Transportation equipment | 11,194 | 6,125 |
| Office equipment | <u>357</u> | <u>404</u> |
| | <u>\$241,856</u> | <u>\$275,390</u> |
| | <u>2025</u> | <u>2024</u> |
| Added right-of-use assets | <u>\$ 38,077</u> | <u>\$ 81,931</u> |
| Expense of depreciation of right-of-use assets | | |
| Land | \$ 4,832 | \$ 4,848 |
| Building | 53,068 | 48,062 |
| Transportation equipment | 6,046 | 6,047 |
| Office equipment | <u>246</u> | <u>242</u> |
| | <u>\$ 64,192</u> | <u>\$ 59,199</u> |
| Proceeds from sublease of right-of-use assets (listed as other income in the books) | <u>(\$ 16,519)</u> | <u>(\$ 16,649)</u> |

Except for the depreciation expenses added and recognized above, there were no material subleases or impairments of the company's right-of-use assets in 2025 and 2024.

(II) Lease Liabilities

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|----------------------------------|----------------------|----------------------|
| Book amount of lease liabilities | | |
| Current | <u>\$ 71,134</u> | <u>\$ 71,719</u> |
| Non-current | <u>\$214,317</u> | <u>\$261,385</u> |

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

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|--------------------------|----------------------|----------------------|
| Land | 2.16%~2.76% | 2.76% |
| Building | 1.67%~2.76% | 1.62%~2.76% |
| Transportation equipment | 5.78%~5.91% | 4.97%~5.91% |
| Office equipment | 5.78% | 5.78% |

(III) Important Lease Activities and Terms

The Company as a lessee has leased some land, buildings, transportation 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 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 13.

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:

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|----------|----------------------|----------------------|
| 1st year | \$ 2,592 | \$ 2,592 |
| 2nd year | 432 | 2,592 |
| 3rd year | <u>-</u> | <u>432</u> |
| | <u>\$ 3,024</u> | <u>\$ 5,616</u> |

(V) Other Lease Information

For the agreements concerning the assets that the Company has rented out under finance leases, please refer to Note 11.

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|---|----------------------|----------------------|
| Short-term lease expenses | <u>\$ 9,548</u> | <u>\$ 10,929</u> |
| Low-value asset lease expenses | <u>\$ 42</u> | <u>\$ 27</u> |
| Total cash provided from (used in) leases | <u>(\$ 96,050)</u> | <u>(\$ 92,170)</u> |

The Company chose to recognize exemptions applicable to the building and transportation equipment leases that are in line with short-term leases and low-value asset leases and did not recognize right-of-use assets or lease liabilities relevant to such leases.

XV. Other Intangible Assets

| | <u>2025</u> | <u>2024</u> |
|--------------------------|------------------|-----------------|
| <u>Computer software</u> | | |
| Cost | | |
| Beginning balance | \$ 20,886 | \$ 17,462 |
| Individual acquisition | 38,826 | 10,239 |
| Disposals | <u>(10,588)</u> | <u>(6,815)</u> |
| Ending balance | <u>49,124</u> | <u>20,886</u> |
| Accumulated amortization | | |
| Beginning balance | 10,990 | 12,396 |
| Amortization expense | 12,487 | 5,409 |
| Disposals | <u>(10,588)</u> | <u>(6,815)</u> |
| Ending balance | <u>12,889</u> | <u>10,990</u> |
| Net | <u>\$ 36,235</u> | <u>\$ 9,896</u> |

No material disposal or impairment occurred with respect to the Company's intangible assets as of Dec. 31, 2025 and 2024.

Amortization expenses were allocated based on the following service lives on a straight-line basis.

| | |
|-------------------|-----------|
| Computer software | 1~3 years |
|-------------------|-----------|

Amortization Expenses Compiled by Functions:

| | <u>2025</u> | <u>2024</u> |
|---------------------|------------------|-----------------|
| Operating costs | \$ 9,091 | \$ 3,238 |
| Management expenses | 3,274 | 2,152 |
| R&D expenses | <u>122</u> | <u>19</u> |
| | <u>\$ 12,487</u> | <u>\$ 5,409</u> |

XVI. Prepayments and Other Current Assets

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|---|----------------------|----------------------|
| Inventory of supplies | \$ 22,018 | \$ 27,139 |
| Prepaid expenses | 22,230 | 9,857 |
| Prepaid materials stipulated in work order | 8,295 | 44,374 |
| Payment in advance | 5,618 | 5,417 |
| Others | <u>1,451</u> | <u>1,148</u> |
| | <u>\$ 59,612</u> | <u>\$ 87,935</u> |

XVII. Current Borrowings

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|---------------------------------|----------------------|----------------------|
| <u>Loans without collateral</u> | | |
| Working capital loan | <u>\$358,918</u> | <u>\$579,669</u> |

Interest rates for the working capital loans provided by the bank were 2.02% ~ 5.35% and 1.95% ~ 6.34% on Dec. 31, 2025 and Dec. 31, 2024, respectively.

XVIII. Non-current Portion of Non-current Borrowings

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|--|----------------------|----------------------|
| <u>Guaranteed loans</u> | | |
| Bank loans (1) | \$ 320,000 | \$ 171,000 |
| <u>Loans without collateral</u> | | |
| Credit loan (2) | <u>1,253,389</u> | <u>1,655,056</u> |
| | 1,573,389 | 1,826,056 |
| Less: Current portion of non-current borrowings | (<u>121,442</u>) | (<u>44,667</u>) |
| | <u>\$1,451,947</u> | <u>\$1,781,389</u> |

- (I) For the bank loans, the company mortgaged its buildings to the bank. (Please see Note 31.) The maturity date as of Dec. 31, 2025 and Dec. 31, 2024 was January 2030 and the annual interest rates on Dec. 31, 2025 and Dec. 31, 2024 were 2.00% and 1.83% respectively.

- (II) The maturity date of the credit loans as of Dec. 31, 2025 and Dec. 31, 2024 was the end of March 2032, and the annual interest rates on Dec. 31, 2025 and Dec. 31, 2024 were 1.65%~2.00% and 1.65%~2.25% respectively.

Applicable terms of the contract under which the company applies for a long-term loan: There shall be a current ratio, a debt burden ratio, a financial debt ratio and an interest coverage ratio to be complied with in the first half year's and annual consolidated financial statements of the company, and the net worth of the tangible assets shall not be less than NTD 2,800,000 thousand. If the company violates any of the conditions of credit loan, the interest rate for any new drawdown shall be increased by 0.25%.

XIX. Other Current Liabilities

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|--|----------------------|----------------------|
| <u>Other payables</u> | | |
| Wages and bonuses payable | \$332,113 | \$298,512 |
| Remunerations payable to employees and directors | 32,950 | 40,120 |
| Bonus for unused leave | <u>19,634</u> | <u>16,747</u> |
| | 384,697 | 355,379 |
| <u>Other current liabilities</u> | | |
| Other payables to related parties | 345 | 360 |
| Others (Note) | <u>224,083</u> | <u>210,629</u> |
| | <u>\$609,125</u> | <u>\$566,368</u> |

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

XX. Post-employment Benefit Plan

(I) Defined Contribution Plan

The retirement pension system provided in the Labor Pension Act, which is applicable to the company, refers to the defined contribution plan managed by the government. The 6% of the monthly wages of an employee is allocated to the specific account of the individual with Bureau of Labor Insurance.

(II) Defined Benefit Plan

The retirement pension system adopted by the Company in accordance with the Labor Standards Act of the Republic of China refers to the defined benefit plan governed by the government. The retirement pension to an employee is computed based on the employee's service time and average wage of the 6 months immediately before the date of retirement approval. The Company allocates the 2% of the monthly wages of an employee to be the employee's retirement fund and transfers it to Supervisory Committee of

Business Entities' Labor Retirement Reserve. The committee then deposits it to the specific account with Bank of Taiwan in the name of the committee. If the balance of the specific account at the end of a fiscal year is estimated to be insufficient for the amount of retirement pensions to be paid to the employees who will meet the requirements of retirement in the next year, the difference will be allocated in full by the end of March in the next year. The specific account is entrusted to Bureau of Labor Funds, Ministry of Labor to manage. The company has no right to influence its investment and management strategies.

Amounts for the defined benefit plan in the parent-company-only balance sheet are listed as follows:

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|---|----------------------|----------------------|
| Fair value of plan assets | \$ 70,358 | \$ 64,828 |
| Present value of defined benefit obligation | (46,750) | (39,589) |
| Net defined benefit assets | <u>\$ 23,608</u> | <u>\$ 25,239</u> |

Changes in net defined benefit assets are as follows:

| | <u>Fair value of plan assets</u> | <u>Present value of defined benefit obligations</u> | <u>Net defined benefit assets</u> |
|---|----------------------------------|---|-----------------------------------|
| Balance at Jan. 1, 2024 | <u>\$ 58,855</u> | <u>(\$ 39,276)</u> | <u>\$ 19,579</u> |
| Interest income (expense) | <u>732</u> | <u>(487)</u> | <u>245</u> |
| Recognized in profit (loss) | <u>732</u> | <u>(487)</u> | <u>245</u> |
| Remeasurements | | | |
| Return on plan assets (except the amounts included in net interest) | 5,241 | - | 5,241 |
| Actuarial losses – Changes in demographic assumptions | - | (6) | (6) |
| Actuarial losses – Changes in financial assumptions | - | 1,455 | 1,455 |
| Actuarial losses – Experience adjustments | - | <u>(1,275)</u> | <u>(1,275)</u> |
| Recognized in other comprehensive income | <u>5,241</u> | <u>174</u> | <u>5,415</u> |
| Balance at Dec. 31, 2024 | <u>64,828</u> | <u>(39,589)</u> | <u>25,239</u> |
| Interest income (expense) | <u>1,062</u> | <u>(646)</u> | <u>416</u> |
| Recognized in profit (loss) | <u>1,062</u> | <u>(646)</u> | <u>416</u> |
| Remeasurements | | | |
| Return on plan assets (except the amounts included in net interest) | 4,468 | - | 4,468 |
| Actuarial losses – Changes in demographic assumptions | - | (65) | (65) |
| Actuarial losses – Changes in financial assumptions | - | (1,114) | (1,114) |
| Actuarial losses – Experience adjustments | - | <u>(5,336)</u> | <u>(5,336)</u> |
| Recognized in other comprehensive income | <u>4,468</u> | <u>(6,515)</u> | <u>(2,047)</u> |
| Balance at Dec. 31, 2025 | <u>\$ 70,358</u> | <u>(\$ 46,750)</u> | <u>\$ 23,608</u> |

The company is exposed to the following risks with respect to the retirement pension system provided by the Labor Standards Act.

1. Investment Risk: The Bureau of Labor Funds, Ministry of Labor invests the labor pension fund, by itself or through an agent, in domestic (foreign) domestic equity securities and debt securities, bank deposits and other subject matters. However, the distributable amount of the company's plan assets is the income calculated at an interest rate not inferior to that announced by the local bank for 2-year time deposits.
2. Interest Rate Risk: Interest rates for government bonds are reduced so that the present value of defined benefit obligations increases. However, the return on debt investments with respect to plan assets increases accordingly. Both offset the impact on the net defined benefit liabilities partially.
3. Wage Risk: The present value of defined benefit obligations is calculated by taking future wages of plan members into account. This the increase in wages of plan members will result in an increase in the present value of defined benefit obligations.

The present value of defined benefit obligations of the Company is calculated by a qualified actuary. Material assumptions on the measurement date are as follows:

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|----------------------------------|----------------------|----------------------|
| Discount rate | 1.40% | 1.65% |
| Expected rate of wage increments | 2.00% | 2.00% |

In case of a reasonable and possible change in any material actuarial assumption, the increase (decrease) in the present value of defined benefit obligations on the premise that other assumptions remain unchanged is as follows:

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|----------------------------------|----------------------|----------------------|
| Discount rate | | |
| Increased by 0.25% | (\$ 1,118) | (\$ 869) |
| Decreased by 0.25% | \$ 1,164 | \$ 900 |
| Increased by 0.1% | (\$ 452) | (\$ 351) |
| Decreased by 0.1% | \$ 460 | \$ 356 |
| Expected rate of wage increments | | |
| Increased by 0.25% | \$ 1,154 | \$ 895 |
| Decreased by 0.25% | (\$ 1,114) | (\$ 868) |

The aforementioned sensitivity analysis may probably not reflect actual changes in the present value of defined benefit obligations as actuarial assumptions may correlate mutually and changes in only one assumption are not quite possible.

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|--|----------------------|----------------------|
| Amount expected to be contributed in one year | <u>\$ -</u> | <u>\$ -</u> |
| Average expiration period of defined benefit obligations | 9 years | 9 years |

XXI. Equity

(I) Ordinary Share

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|--|----------------------|----------------------|
| Authorized number of shares (In thousands of shares) | <u>200,000</u> | <u>200,000</u> |
| Authorized capital stock | <u>\$2,000,000</u> | <u>\$2,000,000</u> |
| Number of issued and paid-in shares (In thousands of shares) | <u>86,447</u> | <u>74,367</u> |
| Capital stock issued | <u>\$ 864,474</u> | <u>\$ 743,667</u> |

The Company resolved at the board meeting of Mar. 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 52.14~52.76. The date of capital increase was Mar. 6, 2024. The change registration was completed on Apr. 17, 2024.

The Company resolved at the board meeting of Apr. 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 51.55~52.14. The date of capital increase was Apr. 29, 2024. The change registration was completed on May 21, 2024.

The Company resolved at the board meeting of Jul 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 Jul 11, 2024. The change registration was completed on Sep. 3, 2024.

The Company resolved at the board meeting of Nov. 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 50.87~51.11. The date of capital increase was Nov. 4, 2024. Procedures for registration of relevant changes were completed on Nov. 12, 2024.

The Company resolved at the board meeting of Mar. 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 50.60~50.87. The date of capital increase was Mar. 7, 2025. Procedures for registration of relevant changes were completed on Apr. 1, 2025.

The Company resolved at the board meeting of Apr. 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 50.10~50.60. The date of capital increase was Apr. 25, 2025. Procedures for registration of relevant changes were completed on May 20, 2025.

The Company resolved at the board meeting of Aug. 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 Aug. 14, 2025. Procedures for registration of relevant changes were completed on Oct. 1, 2025.

The Company resolved at the board meeting of Nov. 7, 2025 to approve conversion of employee stock warrants into 188 thousand shares with par value NTD 10. The subscription price per share was NTD 49.28~49.69. The date of capital increase was Nov. 12, 2025. Procedures for registration of relevant changes were completed on Dec. 30, 2025.

The Company resolved at the board meeting on Aug. 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 Sep. 8, 2025 by FSC. The record date for the capital increase was Oct. 29, 2025. Procedures for registration of relevant changes were completed on Dec. 9, 2025.

The employees of the Company exercised stock options during the period between October and December 2025 to subscribe 28 thousand shares. The subscription price per share was NTD 47.78~49.28. A total amount of NTD 1,319 thousand paid for the shares was received. The record date for capital increase was resolved to be Jan. 21, 2026 at the board meeting on Jan. 21, 2026. Procedures for registration of relevant changes were completed on Feb. 3, 2026.

(II) Capital Reserve

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|---|----------------------|----------------------|
| <u>May be used to offset deficits, distribute cash or transfer to share capital (Note 1)</u> | | |
| Additional paid-in capital | \$3,214,518 | \$2,111,875 |
| <u>May be Used to offset deficits only</u> | | |
| Changes in equity of associates accounted for using the equity method | 13,785 | 2,977 |
| Recognized changes in ownership interests in subsidiaries (Note 2) | 10,503 | 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 |
| <u>Not used for any purpose</u> | | |
| Stock option | <u>5,853</u> | <u>13,969</u> |
| | <u>\$3,244,678</u> | <u>\$2,132,798</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 expend 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 balance of capital reserve reconciled for 2025 and 2024 is 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, 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 and joint ventures accounted for using the equity method | - | - | - | 1,990 | - |
| Disposal of investments accounted for using equity method | - | - | - | (12,710) | - |
| Share-based payment | - | 3,147 | - | - | - |
| Share premium of ordinary shares issued under employee stock option plan | 23,280 | (7,285) | - | - | - |
| Treasury shares retired | (44,108) | - | - | - | - |
| Balance at Dec. 31, 2024 | 2,111,875 | 13,969 | 3,958 | 2,977 | 19 |
| Recognized changes in ownership interests of subsidiaries | - | - | 6,545 | - | - |
| Changes in net equity of associates accounted for using the equity method | - | - | - | 10,808 | - |
| Share-based payment | - | 595 | - | - | - |
| Cash capital increase | 1,086,415 | - | - | - | - |
| Share premium of ordinary shares issued under employee stock option plan | 27,128 | (8,711) | - | - | - |
| Treasury shares retired | (10,900) | - | - | - | - |
| Balance at Dec. 31, 2025 | <u>\$3,214,518</u> | <u>\$ 5,853</u> | <u>\$ 10,503</u> | <u>\$ 13,785</u> | <u>\$ 19</u> |

(III) Retained Earnings and Dividend Policies

According to the Company's articles of incorporation, for any distribution of earnings, the company 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 the company'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 the company's articles of incorporation, please refer to Note 23(VII) Employees' Remuneration and Directors' Remuneration.

The Company 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.

The Company 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, the company 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 the Company 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 the company, 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 the company. Legal reserve may be used to make good of loss. When the company 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 the company for each quarter of 2025, 2024 and

2023 and the cash dividends per share were resolved at the board meeting as follows:

| | 2025 Q4 | 2025 Q3 | 2025 Q2 | 2025 Q1 |
|---|--------------------|--------------------|------------------|-------------------|
| Date of resolution by the board of director | Mar. 23, 2026 | Nov.7 2025 | Aug. 7, 2025 | May 9, 2025 |
| Legal reserve | <u>\$ 2,599</u> | <u>\$ 7,131</u> | <u>\$ 10,724</u> | <u>\$ 12,608</u> |
| Special reserve | <u>(\$ 10,634)</u> | <u>(\$ 70,736)</u> | <u>\$ 53,753</u> | <u>(\$ 5,248)</u> |
| Cash dividends | <u>\$ 103,957</u> | <u>\$ 103,741</u> | <u>\$ 89,184</u> | <u>\$ 89,326</u> |
| Cash dividends per share (NTD) | \$ 1.2 | \$ 1.2 | \$ 1.2 | \$ 1.2 |

| | 2024 Q4 | 2024 Q3 | 2024 Q2 | 2024 Q1 |
|---|------------------|------------------|-------------------|--------------------|
| Date of resolution by the board of director | Mar. 7, 2025 | Nov. 4, 2024 | Aug. 5, 2024 | Apr. 26, 2024 |
| Legal reserve | <u>\$ 9,606</u> | <u>\$ 8,532</u> | <u>\$ 17,245</u> | <u>\$ 5,325</u> |
| Special reserve | <u>\$ 29,245</u> | <u>\$ 34,572</u> | <u>(\$ 2,044)</u> | <u>(\$ 15,539)</u> |
| Cash dividends | <u>\$ 74,429</u> | <u>\$ 74,379</u> | <u>\$ 96,644</u> | <u>\$ 74,040</u> |
| Cash dividends per share (NTD) | \$ 1 | \$ 1 | \$ 1.3 | \$ 1 |

| | 2023 Q4 | 2023 Q3 | 2023 Q2 | 2023 Q1 |
|---|------------------|--------------------|------------------|-------------------|
| Date of resolution by the board of director | Mar. 6, 2024 | Nov. 3, 2023 | Aug. 4, 2023 | Apr. 28, 2023 |
| Legal reserve | <u>\$ 4,274</u> | <u>\$ 9,151</u> | <u>\$ 15,120</u> | <u>\$ 9,795</u> |
| Special reserve | <u>\$ 15,889</u> | <u>(\$ 16,621)</u> | <u>\$ 7,549</u> | <u>(\$ 3,440)</u> |
| Cash dividends | <u>\$ 51,810</u> | <u>\$ 75,562</u> | <u>\$ 75,503</u> | <u>\$ 74,775</u> |
| Cash dividends per share (NTD) | \$ 0.7 | \$ 1 | \$ 1 | \$ 1 |

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

The above cash dividends for each quarter of 2025 have been resolved to allocate by the board of directors, and the rest is expected to be resolved at the general meeting of shareholders held on June 12, 2026.

(IV) Special Reserve

| | 2025 | 2024 |
|---|------------------|------------------|
| Beginning balance | \$102,819 | \$ 69,941 |
| Allocated special reserve | | |
| Allocated deduction of other equity items | <u>7,014</u> | <u>32,878</u> |
| Ending balance | <u>\$109,833</u> | <u>\$102,819</u> |

(V) Other Equity

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

| | <u>2025</u> | <u>2024</u> |
|--|----------------------|----------------------|
| Beginning balance | (\$ 64,948) | (\$ 85,830) |
| Generated in the current period | | |
| Exchange differences arising on translating financial statements of foreign operations | (5,226) | 15,057 |
| Share of translation differences of associates accounted for using the equity method | <u>969</u> | <u>4,957</u> |
| Other comprehensive income for the year | (<u>4,257</u>) | <u>20,014</u> |
| Reclassification | | |
| Disposal of the share of profit of associates for using equity method | <u>-</u> | <u>868</u> |
| Ending balance | (\$ <u>69,205</u>) | (\$ <u>64,948</u>) |

2. Unrealized Gains (Losses) from Financial Assets Measured at Fair Value through Other Comprehensive Income

| | <u>2025</u> | <u>2024</u> |
|---|----------------------|----------------------|
| Beginning balance | (\$ 67,116) | \$ - |
| Generated in the current period | | |
| Unrealized gains or losses | | |
| Equity instruments | <u>25,854</u> | (<u>67,116</u>) |
| Other comprehensive income for the year | <u>25,854</u> | (<u>67,116</u>) |
| Accumulated profit or loss on disposal of equity instruments being transferred into retained earnings | <u>11,268</u> | <u>-</u> |
| Ending balance | (\$ <u>29,994</u>) | (\$ <u>67,116</u>) |

(VI) Treasury Shares

| <u>Reason of recall</u> | <u>Purchased back to be retired (In thousands of shares)</u> |
|--------------------------------------|--|
| Number of shares at Jan. 1, 2025 | - |
| Shares increased in the year | 383 |
| Shares decreased in the year | (<u>383</u>) |
| Number of shares at Dec. 31, 2025 | <u> -</u> |
| | |
| Number of shares at Jan. 1, 2024 | 1,562 |
| Shares decreased in the year | (<u>1,562</u>) |
| Number of shares at Dec. 31, 2024 | <u> -</u> |

To maintain corporate credit and shareholders' equity, the company resolved at the board meeting of Nov. 3, 2023 to purchase back treasury shares. The predetermined buyback period was from Nov. 6, 2023 to Jan. 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 Dec. 31, 2023, the company bought back a total of 1,562 thousand treasury shares, and the payment to redeem such treasury shares was NTD 139,797 thousand in total. The company resolved at the board meeting of Mar. 6, 2024 to retire 1,562 thousand treasury shares. The record date for capital reduction was Mar. 8, 2024. The registration of such change was completed on Apr. 17, 2024. ◦

To balance market mechanism and maintain shareholders' equity, the company resolved at the board meeting of Apr. 10, 2025 to buy back treasury shares. The predetermined buyback period was from Apr. 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 Aug. 7, 2025, the board of directors resolved to conduct a capital reduction, and the record date for capital reduction was Aug. 15, 2025 and the registration of such change was completed on Oct. 1, 2025.

According to the Securities and Exchange Act, the company 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.

XXII. Revenue

| | <u>2025</u> | <u>2024</u> |
|--|--------------------|--------------------|
| Revenue from contracts with customers | | |
| Revenue from inspection and testing services | <u>\$4,342,541</u> | <u>\$3,803,818</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 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

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> | <u>Jan. 1, 2024</u> |
|--|----------------------|----------------------|---------------------|
| Accounts receivable (Note 10) | <u>\$ 1,992,018</u> | <u>\$ 1,375,168</u> | <u>\$ 1,380,016</u> |
| Accounts receivable due from related parties (Note 30) | <u>\$ 33,497</u> | <u>\$ 24,197</u> | <u>\$ 25,101</u> |
| Contract liabilities | | | |
| Customer loyalty program | \$ 140,395 | \$ 85,507 | \$ 87,570 |
| Unearned sales revenue | <u>67,344</u> | <u>48,634</u> | <u>46,328</u> |
| | <u>\$ 207,739</u> | <u>\$ 134,141</u> | <u>\$ 133,898</u> |

Changes in contract assets and contract liabilities resulted mainly from the point of time when performance obligations were satisfied and the difference between the points of time when customers made payments.

Performance obligations from the contract liabilities at the beginning of the year that had been satisfied were recognized as revenue for the current year as follows:

| | <u>2025</u> | <u>2024</u> |
|--|------------------|------------------|
| <u>Contract liabilities at beginning of the year</u> | | |
| Unearned sales revenue | \$ 10,863 | \$ 9,689 |
| Customer loyalty program | <u>38,012</u> | <u>48,580</u> |
| | <u>\$ 48,875</u> | <u>\$ 58,269</u> |

(III) Itemized Revenue from Contracts with Customers

| | <u>2025</u> | <u>2024</u> |
|------------------------------|--------------------|--------------------|
| <u>Main regional markets</u> | | |
| Asia | \$3,468,247 | \$3,033,791 |
| America | 783,852 | 589,050 |
| Others | <u>90,442</u> | <u>180,977</u> |
| | <u>\$4,342,541</u> | <u>\$3,803,818</u> |

(IV) Contracts with Customers Not Performed Completely

Transaction prices amortized based on the performance obligations not satisfied completely and the points of time when such prices were recognized as revenue are as follows:

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|--|----------------------|----------------------|
| Customer loyalty program | | |
| — Performed in 2025 | \$ - | \$ 85,507 |
| — Performed in 2026 | <u>140,395</u> | <u>-</u> |
| | <u>\$140,395</u> | <u>\$ 85,507</u> |
| Unearned sales revenue | | |
| — Performed in 2025 | \$ - | \$ 48,634 |
| — Performed in 2026 | <u>67,344</u> | <u>-</u> |
| | <u>\$ 67,344</u> | <u>\$ 48,634</u> |
| XXIII. <u>Net Profit of Continuing Operations</u> | | |
| (I) Interest Income | | |
| | <u>2025</u> | <u>2024</u> |
| Bank deposits | \$ 2,788 | \$ 2,477 |
| Net investment in the lease | 713 | 1,024 |
| Others | <u>253</u> | <u>302</u> |
| | <u>\$ 3,754</u> | <u>\$ 3,803</u> |
| (II) Other Income | | |
| | <u>2025</u> | <u>2024</u> |
| Income from operating lease | \$ 61,906 | \$ 65,367 |
| Profit from lease modification | - | 2,037 |
| Government subsidy income | 3,676 | 1,161 |
| Dividend Income | 794 | - |
| Others | <u>14,013</u> | <u>14,627</u> |
| | <u>\$ 80,389</u> | <u>\$ 83,192</u> |
| (III) Other Gains and Losses | | |
| | <u>2025</u> | <u>2024</u> |
| Gain of financial assets and financial liabilities | | |
| Financial assets at fair value through profit or loss | \$ 1,167 | \$ 2,161 |
| Financial liabilities at fair value through profit or loss | 4 | 122 |
| Gains on disposals of property, plant and equipment | \$ 31,656 | \$ - |
| Depreciation expenses | (72,086) | (76,658) |
| Net foreign exchange gain | 5,506 | 13,787 |
| Gains on disposal of investments accounted for using equity method | <u>-</u> | <u>99,181</u> |
| | <u>(\$ 33,753)</u> | <u>\$ 38,593</u> |

(IV) Financial Cost

| | <u>2025</u> | <u>2024</u> |
|--|-------------------|------------------|
| Interest on bank loans | \$ 56,681 | \$ 54,379 |
| Interest on lease liabilities | 7,837 | 8,471 |
| Computed interest on security deposits | 280 | 212 |
| Amortization of the expenses incurred by the organizer of syndicated loans | - | 1,000 |
| Less: Amounts listed in cost of qualifying assets | <u>(12,659)</u> | <u>(9,981)</u> |
| | <u>\$ 52,139</u> | <u>\$ 54,081</u> |

Information relevant to capitalization of interest is as follows:

| | <u>2025</u> | <u>2024</u> |
|--|-------------|-------------|
| Capitalized interest | \$ 12,659 | \$ 9,981 |
| Interest rate for capitalization of interest | 1.81%~2.28% | 2.05%~2.32% |

(V) Depreciation and Amortization

| | <u>2025</u> | <u>2024</u> |
|-------------------------------------|------------------|------------------|
| Depreciation expenses by functions: | | |
| Operating cost | \$559,518 | \$475,288 |
| Operating expenses | 143,159 | 132,820 |
| Non-operating expenses | <u>72,086</u> | <u>76,658</u> |
| | <u>\$774,763</u> | <u>\$684,766</u> |
| Amortization expenses by function: | | |
| Operating cost | \$ 9,091 | \$ 3,238 |
| Operating expenses | <u>3,396</u> | <u>2,171</u> |
| | <u>\$ 12,487</u> | <u>\$ 5,409</u> |

For information of the amortization expenses for intangible assets allocated to respective items, please see Note 15.

(VI) Employee Benefit Expenses

| | <u>2025</u> | <u>2024</u> |
|---------------------------------|--------------------|--------------------|
| Short-term employee benefits | \$1,581,850 | \$1,377,321 |
| Post-employment benefits | | |
| Defined contribution plan | 46,609 | 41,458 |
| Defined benefit plan (Note 20) | (416) | (245) |
| Share-based payment | | |
| Equity settlement | <u>595</u> | <u>3,147</u> |
| Total employee benefit expenses | <u>\$1,628,638</u> | <u>\$1,421,681</u> |
| Compiled by functions | | |
| Operating cost | \$1,197,012 | \$1,044,580 |
| Operating expenses | <u>431,626</u> | <u>377,101</u> |
| | <u>\$1,628,638</u> | <u>\$1,421,681</u> |

(VII) Employees' Remuneration and Directors' Remuneration

The company 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 and 2024 were resolved at the board meeting on Mar. 23, 2026 and Mar. 7, 2025 as follows:

Estimated Percentage

| | <u>2025</u> | <u>2024</u> |
|-------------------------|-------------|-------------|
| Employees' remuneration | 5% | 5% |
| Directors' remuneration | 2% | 2% |

Amount

| | <u>2025</u> | <u>2024</u> |
|-------------------------|-------------|-------------|
| | <u>Cash</u> | <u>Cash</u> |
| Employees' remuneration | \$ 23,550 | \$ 28,660 |
| Directors' remuneration | 9,400 | 11,460 |

If any amount is changed after the date when the annual parent-company-only 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.

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 parent-company-only financial statements of 2024 and 2023.

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

XXIV. Income Tax

(I) Income Tax Recognized in Profit or Loss

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

| | <u>2025</u> | <u>2024</u> |
|---|-------------------|-------------------|
| Current income tax | | |
| Incurred for the current year | \$100,677 | \$ 68,798 |
| Adjustments for previous years | (<u>19,418</u>) | (<u>12,719</u>) |
| | 81,259 | 56,079 |
| Deferred income tax | | |
| Incurred for the current year | (<u>189</u>) | (<u>1,351</u>) |
| Income tax expense recognized in profit or loss | <u>\$ 81,070</u> | <u>\$ 54,728</u> |

The accounting income and the income tax expense are reconciled as follows:

| | <u>2025</u> | <u>2024</u> |
|--|------------------|------------------|
| Net profit before tax | <u>\$448,149</u> | <u>\$536,467</u> |
| Income tax computed based on the net profit before tax at the legal tax rate | \$ 89,630 | \$107,293 |
| Temporary differences | 10,858 | (39,846) |
| Current adjustment of the current income tax expense of the previous year | (19,418) | (12,719) |
| Income tax expense recognized in profit or loss | <u>\$ 81,070</u> | <u>\$ 54,728</u> |

(II) Current Tax Assets and Liabilities

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|-------------------------|----------------------|----------------------|
| Current tax liabilities | | |
| Income tax payable | <u>\$ 65,749</u> | <u>\$ 28,192</u> |

(III) Deferred Income Tax Assets and Liabilities

Changes in deferred income tax assets and liabilities are as follows:

2025

| | <u>Beginning balance</u> | <u>Recognized in profit (loss)</u> | <u>Ending balance</u> |
|----------------------------|--------------------------|------------------------------------|-----------------------|
| Deferred income tax assets | | | |
| Temporary difference | <u>\$ 883</u> | <u>\$ 189</u> | <u>\$ 1,072</u> |

2024

| | <u>Beginning balance</u> | <u>Recognized in profit (loss)</u> | <u>Ending balance</u> |
|---------------------------------|--------------------------|------------------------------------|-----------------------|
| Deferred income tax assets | | | |
| Temporary difference | <u>\$ -</u> | <u>\$ 883</u> | <u>\$ 883</u> |
| Deferred income tax liabilities | | | |
| Temporary difference | <u>(\$ 468)</u> | <u>\$ 468</u> | <u>\$ -</u> |

(IV) Deductible Temporary Difference from Deferred Income Tax Assets Not Recognized in Parent Company Only Balance Sheet, and Amount of Loss Carryforwards Not Used

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|---------------------------------|----------------------|----------------------|
| Deductible Temporary difference | <u>\$160,029</u> | <u>\$102,254</u> |

(V) Income Tax Assessment

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

XXV. Earnings Per Share

Unit : NTD per share

| | <u>2025</u> | <u>2024</u> |
|----------------------------|----------------|----------------|
| Basic earnings per share | <u>\$ 4.81</u> | <u>\$ 6.50</u> |
| Diluted earnings per share | <u>\$ 4.77</u> | <u>\$ 6.44</u> |

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 Year

| | <u>2025</u> | <u>2024</u> |
|---|------------------|------------------|
| Net profit used to calculate basic and diluted earnings per share | <u>\$367,079</u> | <u>\$481,739</u> |

Number of Shares

Unit: In Thousands of Shares

| | <u>2025</u> | <u>2024</u> |
|---|---------------|---------------|
| Number of weighted average ordinary shares used to calculate basic earnings per share | 76,368 | 74,146 |
| Impact of the ordinary shares with dilution effect: | | |
| Employee stock options | 275 | 398 |
| Employees' remuneration | <u>244</u> | <u>241</u> |
| Number of weighted average ordinary shares used to calculate diluted earnings per share | <u>76,887</u> | <u>74,785</u> |

If the company 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, the company shall continue to consider dilutive effect of the potential ordinary shares.

XXVI. Share-based Payment Arrangement

Employee Stock Options

The company resolved at the board meeting of Mar. 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 the company. 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:

| | 2025 | | 2024 | |
|--|------------------------|-------------------------|------------------------|-------------------------|
| | Unit (In thousands) | Exercise price (NTD) | Unit (In thousands) | Exercise price (NTD) |
| Employee stock options | | | | |
| Outstanding at the beginning of the year | 846 | \$ 50.60 | 1,234 | \$ 52.14 |
| Issued this year | (463) | 47.78~50.60 | (388) | 50.87~52.14 |
| Outstanding at the end of the year | <u>383</u> | 47.78 | <u>846</u> | 50.60 |
| Exercisable at the end of the year | <u>284</u> | | <u>231</u> | |

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

| | |
|-------------------------------|----------------------|
| | <u>Apr. 29, 2021</u> |
| 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 the company for 2025 and 2024 was NTD 595 thousand and NTD 3,147 thousand respectively.

XXVII. 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.

The company 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.

XXVIII. Capital Risk Management

The company conducts capital management to ensure that the company is able to maximize the shareholder return by optimizing debt and equity balances on the premise that the company operates 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 and other equity items).

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.

XXIX. Financial Instruments

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

1. Hierarchy of Fair Value

Dec. 31, 2025

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|---|-------------------|----------------|------------------|-------------------|
| <u>Financial assets at fair value through profit or loss</u> | | | | |
| – Beneficiary certificates of funds | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 23,440</u> | <u>\$ 23,440</u> |
| <u>Financial liabilities at fair value through profit or loss</u> | | | | |
| Derivatives | <u>\$ -</u> | <u>\$ 110</u> | <u>\$ -</u> | <u>\$ 110</u> |
| <u>Financial assets measured at fair value through other comprehensive income</u> | | | | |
| Investments in equity instruments – Domestically listed (OTC) stocks | <u>\$ 133,285</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 133,285</u> |

Dec. 31, 2024

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

There was no transfer between level 1 and level 2 fair value measurements in 2025 and 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

| | | |
|---|---|------------------|
| | Measured at fair value through profit or loss -- Beneficiary certificates of funds | |
| Financial assets | 2025 | 2024 |
| Beginning balance | \$ 23,769 | \$ 27,692 |
| Recognized in profit (loss) | 1,167 | 2,161 |
| Disposals | (1,496) | (6,084) |
| Ending balance | <u>\$ 23,440</u> | <u>\$ 23,769</u> |
| Changes in the current unrealized profit or loss that are relevant to the assets held at the end of the year and recognized in profit or loss | <u>\$ 1,167</u> | <u>\$ 2,161</u> |

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

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.

| | | |
|--------------------|---------------|---------------|
| | Dec. 31, 2025 | Dec. 31, 2024 |
| Liquidity discount | 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:

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|--|----------------------|----------------------|
| Liquidity discount | | |
| Increased by 1% | (<u>\$ 293</u>) | (<u>\$ 297</u>) |
| Decreased by 1% | <u>\$ 293</u> | <u>\$ 297</u> |
| (II) Type of Financial Instrument | | |
| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
| <u>Financial assets</u> | | |
| Measured at fair value through profit or loss | | |
| Measured at fair value through profit or loss compulsorily | \$ 23,440 | \$ 23,769 |
| Financial assets measured at fair value through other comprehensive income | | |
| Equity instruments | 133,285 | 142,494 |
| Financial assets at amortized cost | | |
| Cash and cash equivalents | 438,437 | 584,824 |
| Financial assets measured at amortized cost | 15,000 | 15,000 |
| Notes and accounts receivable, net | 1,992,863 | 1,375,839 |
| Accounts receivable due from related parties | 33,497 | 24,197 |
| Other receivables | 27,646 | 19 |
| Other receivables due from related parties | 49,060 | 44,937 |
| Guarantee deposits paid | 18,358 | 17,683 |
| <u>Financial liabilities</u> | | |
| Measured at fair value through profit or loss | | |
| Held for trading | 110 | 114 |
| Financial liabilities at amortized cost | | |
| Current borrowings | 358,918 | 579,669 |
| Notes and accounts payable | 268,741 | 277,771 |
| Accounts payable to related parties | 6,026 | 15,504 |
| Payable on machinery and equipment | 200,352 | 342,547 |
| Other payables to related parties (listed as other current liabilities in the books) | \$ 345 | \$ 360 |
| Long-term borrowings (including the current portion thereof) | 1,573,389 | 1,826,056 |
| Guarantee deposits received | 14,761 | 13,232 |

(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 the company 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 and book amounts of derivatives exposed to exchange rate risk in non-functional currencies on the balance sheet date, please refer to Note 34.

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 NT Dollar (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 year is adjusted by 5% exchange rate fluctuation. The table below shows the increase or decrease in the pretax net profit when the NT Dollar against each foreign currency depreciates/appreciates by 5%.

| | Impact of USD | | Impact of JPY | | Impact of CNY | |
|-------------|-----------------|-----------------|-------------------|-----------------|---------------|---------------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Gain (loss) | <u>\$12,650</u> | <u>\$ 4,663</u> | <u>(\$ 1,141)</u> | <u>(\$ 919)</u> | <u>\$ 344</u> | <u>\$ 139</u> |

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

(2) Interest Rate Risk

Since the company borrows 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>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|------------------------------------|----------------------|----------------------|
| With fair value interest rate risk | | |
| — Financial assets | \$ 15,000 | \$ 15,000 |
| — Financial liabilities | 394,369 | 392,773 |
| With cash flow interest rate risk | | |
| — Financial assets | 436,642 | 579,650 |
| — Financial liabilities | 1,823,389 | 2,346,056 |

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 2025 and 2024 would be decreased/increased by NTD 13,867 thousand and NTD 17,664 thousand respectively.

2. Credit Risk

Credit risk refers to the risk incurred when the counterparty to the transaction delays contractual obligations and This causes a loss to the company. 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 parent-company-only 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 Dec. 31, 2025 and Dec. 31, 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.

Dec. 31, 2025

| | 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 | \$ 217,352 | \$ 280,275 | \$ 170,342 | \$ - | \$ - |
| Lease liabilities | 6,178 | 13,089 | 58,262 | 98,200 | 180,240 |
| Floating rate instruments | 151,389 | 109,778 | 110,274 | 1,448,948 | 3,000 |
| Fixed rate instruments | <u>26,779</u> | <u>29,418</u> | <u>52,721</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 401,698</u> | <u>\$ 432,560</u> | <u>\$ 391,599</u> | <u>\$1,547,148</u> | <u>\$ 183,240</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 | <u>\$ 77,529</u> | <u>\$ 98,200</u> | <u>\$ 38,368</u> | <u>\$ 38,368</u> | <u>\$ 38,368</u> | <u>\$ 65,135</u> |
| Floating rate instruments | <u>\$ 371,441</u> | <u>\$1,448,948</u> | <u>\$ 3,000</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Fixed rate instruments | <u>\$ 108,918</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Dec. 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 | \$ 445,989 | \$ 227,898 | \$ 132,883 | \$ - | \$ - |
| Lease liabilities | 6,777 | 13,436 | 58,857 | 145,966 | 188,249 |
| Floating rate instruments | 71,389 | 159,778 | 333,500 | 1,621,004 | 160,385 |
| Fixed rate instruments | <u>18,360</u> | <u>31,474</u> | <u>9,835</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 542,515</u> | <u>\$ 432,586</u> | <u>\$ 535,075</u> | <u>\$1,766,970</u> | <u>\$ 348,634</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 | <u>\$ 79,070</u> | <u>\$ 145,966</u> | <u>\$ 38,043</u> | <u>\$ 38,043</u> | <u>\$ 38,043</u> | <u>\$ 74,120</u> |
| Floating rate instruments | <u>\$ 564,667</u> | <u>\$1,621,004</u> | <u>\$ 160,385</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Fixed rate instruments | <u>\$ 59,669</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

(2) Line of Credit

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|--|----------------------|----------------------|
| Unsecured bank loan commitment, reviewed regularly | | |
| – Used within the credit line | \$1,612,307 | \$2,234,725 |
| – Unused within the credit line | <u>2,300,025</u> | <u>1,937,863</u> |
| | <u>\$3,912,332</u> | <u>\$4,172,588</u> |
| Secured bank loan commitment | | |
| – Used within the credit line | \$ 320,000 | \$ 171,000 |
| – Unused within the credit line | <u>-</u> | <u>-</u> |
| | <u>\$ 320,000</u> | <u>\$ 171,000</u> |

XXX. Transactions with Related Parties

Transactions between the company and related parties are as follows:

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

| <u>Name of Related Party</u> | <u>Relationship with the company</u> |
|---|---|
| ITS Company | A subsidiary |
| PPT Company | A subsidiary |
| Samoa IST | A subsidiary |
| Integrated Service Technology USA Inc. (Integrated USA) | A subsidiary |
| System Integration Professional Technology (SIP KS Company) | A subsidiary |
| Integrated Service Technology (Kunshan) Co., Ltd. (IST KS Company) | A subsidiary |
| He Chou Technology Inc. (He Chou Company) | A subsidiary |
| Dekra Company | An associate |
| Dekra IST Reliability Services Limited (Dekra IST KS Company) | An associate |
| Motor Semiconductor Co., Ltd. (MS Company) | An associate |
| BTL Inc. | An associate (which became a non-related party after June 2024) |

(II) Service Income

| <u>Item listed in the Books</u> | <u>Type / Name of Related Party</u> | <u>2025</u> | <u>2024</u> |
|-------------------------------------|---|-------------------|-------------------|
| Service income | Associates | \$ 61,257 | \$ 61,360 |
| | Subsidiaries | <u>67,459</u> | <u>62,323</u> |
| | | <u>\$ 128,716</u> | <u>\$ 123,683</u> |

Prices of the services for which the Company obtains income 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 | Dec. 31, 2025 | Dec. 31, 2024 |
|---|---------------------------------|------------------|------------------|
| Accounts receivable due from related parties | Associates | | |
| | Dekra Company | \$ 14,586 | \$ 18,058 |
| | MS Company | 30 | - |
| | Dekra IST KS Company | - | 99 |
| | Subsidiaries | | |
| | Integrated USA | 11,026 | 2,858 |
| | IST KS Company | 6,856 | 2,746 |
| | PPT Company | 999 | 436 |
| | | <u>\$ 33,497</u> | <u>\$ 24,197</u> |
| Other receivables due from related parties | Associates | | |
| | Dekra Company | \$ 26,415 | \$ 23,843 |
| | Subsidiaries | | |
| | PPT Company | 19,690 | 18,580 |
| | IST KS Company | 2,955 | 2,514 |
| | | <u>\$ 49,060</u> | <u>\$ 44,937</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 2025 and 2024 respectively.

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

(IV) Accounts Payable to Related Parties

| Item listed in the Books | Type / Name of Related Party | Dec. 31, 2025 | Dec. 31, 2024 |
|-------------------------------------|------------------------------|-----------------|------------------|
| Accounts payable to related parties | Associates | | |
| | Dekra Company | \$ 4,843 | \$ 15,182 |
| | Subsidiaries | | |
| | PPT Company | <u>1,183</u> | <u>322</u> |
| | | <u>\$ 6,026</u> | <u>\$ 15,504</u> |
| Payables on equipment | Associates | | |
| | Dekra Company | \$ - | \$ 186 |
| | Subsidiaries | | |
| | Integrated USA | <u>7,469</u> | <u>7,791</u> |
| | | <u>\$ 7,469</u> | <u>\$ 7,977</u> |
| Other payable to related parties | Subsidiaries | <u>\$ 345</u> | <u>\$ 360</u> |

(V) Acquisition of Property, Plant and Equipment

| Type / Name of Related Party | Amount acquired | |
|------------------------------|-----------------|-----------------|
| | 2025 | 2024 |
| Subsidiaries | <u>\$ 390</u> | <u>\$ 1,257</u> |

The price and payment terms based on which a related party acquires property, plant and equipment are determined in the manner agreed by both sides.

(VI) Lease / Sublease Agreement

Renting Out and Subleasing under Operating Lease

The company 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 quarterly. The total lease payments to be collected as of Dec. 31, 2025 and 2024 were NTD 16,608 thousand and NTD 26,688 thousand respectively. Lease income recognized for 2025 and 2024 were NTD 11,433 thousand and NTD 11,516 thousand respectively.

The company rented out building and structure as well as mechanical equipment under operating leases to PPT Company, and the lease periods were 3.5 to 5.75 years. The total lease payments to be collected as of Dec. 31, 2025 and 2024 were NTD 77,205 thousand and NTD 83,468 thousand respectively. Rents were determined based on the rents for similar assets, and fixed lease payments were collected pursuant to lease agreements monthly. Lease income recognized for 2025 and 2024 were NTD 47,150 thousand and NTD 50,260 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 2025 and 2024. The net investment in the lease at the lease commencement date was NTD 62,081 thousand and the lease period was 3~5 years. The balance of finance leases receivable as of Dec. 31, 2025 and Dec. 31, 2024 was NTD 29,578 thousand and NTD 45,071 thousand respectively.

(VII) Refundable Deposits

| <u>Item listed in the Books</u> | <u>Type / Name of Related Party</u> | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|-------------------------------------|---|----------------------|----------------------|
| Refundable deposits | Associates Dekra Company | <u>\$ 179</u> | <u>\$ -</u> |

(VIII) Guarantee Deposits Received

| <u>Item listed in the Books</u> | <u>Type / Name of Related Party</u> | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|-------------------------------------|---|----------------------|----------------------|
| Guarantee Deposits Received | Associates Dekra Company | \$ 3,534 | \$ 2,005 |
| | Subsidiaries PPT Company | <u>11,227</u> | <u>11,227</u> |
| | | <u>\$ 14,761</u> | <u>\$ 13,232</u> |

(IX) Manufacturing Expenses and Operating Expenses

| <u>Item listed in the Books</u> | <u>Type / Name of Related Party</u> | <u>2025</u> | <u>2024</u> |
|-------------------------------------|---|------------------|------------------|
| Manufacturing expenses | Associates | \$ 28,850 | \$ 32,000 |
| | Subsidiaries | <u>14,620</u> | <u>7,382</u> |
| | | <u>\$ 43,470</u> | <u>\$ 39,382</u> |
| Operating expenses | Associates | <u>\$ 581</u> | <u>\$ 443</u> |

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.

(X) Non-operating Income and Expenses

| <u>Item listed in the Books</u> | <u>Type / Name of Related Party</u> | <u>2025</u> | <u>2024</u> |
|-------------------------------------|---|------------------|------------------|
| Interest Revenue | Associates Dekra Company | <u>\$ 2</u> | <u>\$ -</u> |
| Lease income | Associates Dekra Company | \$ 11,433 | \$ 11,516 |
| | Subsidiaries PPT Company | 47,150 | 44,836 |
| | ITS Company | <u>-</u> | <u>5,424</u> |
| | | <u>\$ 58,583</u> | <u>\$ 61,776</u> |
| Other income | Associates Dekra Company | \$ 8,440 | \$ 8,186 |
| | Subsidiaries | <u>4,727</u> | <u>5,553</u> |
| | | <u>\$ 13,167</u> | <u>\$ 13,739</u> |
| Interest expenses | Associates | \$ 85 | \$ 32 |
| | Subsidiaries | <u>194</u> | <u>179</u> |
| | | <u>\$ 279</u> | <u>\$ 211</u> |

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 income and the collection conditions between the company and its related parties are negotiated and agreed by both sides.

Interest on a security deposit incurred from the lease between the company and its related parties is determined based on lease contracts.

(XI) Remunerations to Main Managements

| | <u>2025</u> | <u>2024</u> |
|--------------------------|------------------|------------------|
| Short-term benefits | \$ 56,250 | \$ 57,148 |
| Post-employment benefits | 367 | 400 |
| Share-based payment | <u>45</u> | <u>236</u> |
| | <u>\$ 56,662</u> | <u>\$ 57,784</u> |

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

XXXI. Pledged Assets

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

| | <u>Dec. 31, 2025</u> | <u>Dec. 31, 2024</u> |
|-------------------------------|----------------------|----------------------|
| Property, plant and equipment | <u>\$642,086</u> | <u>\$663,515</u> |

XXXII. Material Contingent Liabilities and Unrecognized Contractual Commitments

Contingencies

Contingencies

Phoenix Silicon International Corporation ("Phoenix Silicon") accused an employee of the company of misappropriating the trade secrets of Phoenix Silicon. After the investigation concluded, the company received on Feb. 24, 2021 the indictment from Taiwan Hsinchu District Prosecutors Office against the employee and his/her employer the company, 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 the company 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 the company 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, the company has appointed a lawyer to file an appeal the company believed that the aforementioned lawsuit did not have significant effect on its financial conditions. Relevant operating activates were conducted normally.

XXXIII. Significant Subsequent Event

The company sold 7,000 thousand shares of PPT Company in March 2026. In March 2026, PPT Company carried out a cash capital increase of 13,000 thousand shares, and the company chose not to subscribe any of the shares. This the company's shareholding in PPT Company fell to 32.62%, which resulted in the company losing the right of control. The company expects to recognize a gain on disposal of the subsidiary, NTD 150,000–250,000 thousand.

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

The following information presents foreign currencies, rather than the functional currency, used by 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:

| | Dec. 31, 2025 | | | Dec. 31, 2024 | | |
|--|------------------|-----------------------|-------------------|------------------|-----------------------|-------------------|
| | Foreign currency | Exchange rate | Book amount | Foreign currency | Exchange rate | Book amount |
| <u>Foreign currency assets</u> | | | | | | |
| <u>Monetary item</u> | | | | | | |
| USD | \$ 14,093 | 31.430 (USD : NTD) | \$ 442,946 | \$ 10,391 | 32.785 (USD : NTD) | \$ 340,669 |
| CNY | 1,537 | 4.4716 (CNY : NTD) | 6,874 | 608 | 4.5608 (CNY : NTD) | 2,773 |
| JPY | 48,550 | 0.2008 (JPY : NTD) | <u>9,749</u> | 50,147 | 0.2099 (JPY : NTD) | <u>10,526</u> |
| | | | <u>\$ 459,569</u> | | | <u>\$ 353,968</u> |
| <u>Investments accounted for using the equity method</u> | | | | | | |
| USD | 8,007 | 31.430 (USD : NTD) | <u>\$ 251,660</u> | 7,580 | 32.785 (USD : NTD) | <u>\$ 248,522</u> |
| <u>Foreign currency liabilities</u> | | | | | | |
| <u>Monetary item</u> | | | | | | |
| USD | 6,044 | 31.430 (USD : NTD) | \$ 189,951 | 7,546 | 32.785 (USD : NTD) | \$ 247,396 |
| JPY | 162,185 | 0.2008 (JPY : NTD) | <u>32,567</u> | 137,669 | 0.2099 (JPY : NTD) | <u>28,897</u> |
| | | | <u>\$ 222,518</u> | | | <u>\$ 276,293</u> |
| <u>Non-monetary item</u> | | | | | | |
| JPY | 566 | 0.2008 (JPY : NTD) | <u>\$ 110</u> | 542 | 0.2099 (JPY : NTD) | <u>\$ 114</u> |

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

| Foreign currency | 2025 | | Net foreign exchange gain (loss) | 2024 | | Net foreign exchange gain (loss) |
|------------------|--------------------|-----------------|----------------------------------|-----------------|--|----------------------------------|
| | Exchange rate | | | Exchange rate | | |
| USD | 31.430 (USD : NTD) | \$ 5,044 | 32.785 (USD : NTD) | \$ 3,989 | | |
| JPY | 0.2008 (JPY : NTD) | 472 | 0.2099 (JPY : NTD) | 305 | | |
| CNY | 4.4716 (CNY : NTD) | <u>117</u> | 4.5608 (CNY : NTD) | <u>41</u> | | |
| | | <u>\$ 5,633</u> | | <u>\$ 4,335</u> | | |

XXXV. Disclosures in the Notes

(I) Information Relevant to Material Transactions

1. Funds lent to others (None)
2. Enforcement and guarantee for others (None)
3. Negotiable securities held at the end of the period (not including investments in subsidiaries and 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)

(II) Information Relevant to Reinvestments (Schedule 2)

(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 3)
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.

Integrated Service Technology Inc.
 Marketable Securities Held at the End of the Period
 Dec. 31, 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 year | | | | Remarks |
|-----------------|--|---|--|------------------|-------------|-----------------------|------------|---------|
| | | | | Number of shares | Book amount | Ratio of shareholding | Fair value | |
| The company | <u>Funds</u> TIEF FUND,L.P. | — | Non-current financial assets at fair value through profit or loss | - | \$ 23,440 | 4.35% | \$ 23,440 | Note |
| | <u>Stocks</u> BTL Inc. | — | Non-current financial assets measured at fair value through other comprehensive income | 2,185,000 | 133,285 | 7.11% | 133,285 | Note |
| Samoa IST | <u>Stocks</u> Hunet Plus Co., Ltd. | — | Non-current financial assets measured at fair value through other comprehensive income | 108,272 | 32,598 | 2.45% | 32,598 | Note |

Note: It was calculated at fair value on Dec. 31, 2025.

Integrated Service Technology Inc.
Information of Investee Companies (Not Including Investee Companies in Mainland China), their Locations, etc.
2025

Schedule 2

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 year | | | Profit (loss) of the investee company for the year | Investment gain (loss) recognized for the year | Remarks |
|---------------------------|--------------------------|--------------|---|-------------------------------|------------------|------------------------------------|-----------|-------------|--|--|-------------------------------|
| | | | | End of the year | End of last year | Number of shares | Ratio (%) | Book amount | | | |
| The company | Samoa IST | Samoa | Investment | USD 10,500 | USD 9,500 | 5,416,770 | 100 | \$ 248,465 | (\$ 21,555) | (\$ 21,555) | A subsidiary (Note 1) |
| | Dekra Company | Hsinchu City | Product testing and relevant business | \$ 192,624 | \$ 192,624 | 19,262,390 | 49 | 757,483 | 89,060 | 43,639 | An associate (Note 2) |
| | Pin Wen Company | Hsinchu City | Investment | 237,000 | 237,000 | 9,841,258 | 100 | 52,387 | (17,614) | (17,614) | A subsidiary (Note 1) |
| | Supreme Corp. | Belize | Investment | USD 125 | USD 125 | 125,000 | 100 | 3,195 | (475) | (475) | A subsidiary (Note 1) |
| | PPT Company | Hsinchu City | Manufacturing and sale of various integrated circuits (wafers), thinning, metal deposition and relevant business | \$ 776,543 | \$ 776,543 | 21,427,971 | 69 | 62,650 | (146,324) | (106,622) | A subsidiary (Note 1) |
| | Malaysia IST | Malaysia | Sale of electronic components | MYR 800 | - | 800,355 | 100 | 4,968 | (954) | (954) | A subsidiary (Notes 1 and 4) |
| Samoa IST | Seychelles IST | Seychelles | Investment | USD 7,159 | USD 7,159 | 7,158,575 | 100 | USD 5,780 | (USD 693) | (USD 693) | A sub-sub-subsidiary (Note 1) |
| | 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 413 | (USD 16) | (USD 16) | A sub-sub-subsidiary (Note 1) |
| Supreme Corp. | Hot Light Co., Ltd. | Seychelles | Investment | USD 125 | USD 125 | 125,000 | 100 | USD 102 | (USD 15) | (USD 15) | A sub-sub-subsidiary (Note 1) |
| Pin Wen Company | PPT Company | Hsinchu City | Manufacturing and sale of various integrated circuits (wafers), thinning, metal deposition and relevant business | \$ 235,538 | \$ 235,538 | 1,859,203 | 6 | \$ 4,589 | (\$ 146,324) | (\$ 8,757) | A subsidiary (Note 1) |
| | EFUN Company | Hsinchu City | Information software service | 3,700 | 3,700 | 370,000 | 26 | 620 | (278) | (74) | An associate (Note 3) |
| | Huan Ying Company | Hsinchu City | Information software management service and relevant business | 5,100 | 5,100 | 510,000 | 22 | 3,954 | (1,602) | (591) | An associate (Note 3) |
| | MS Company | Hsinchu City | IC design | 39,974 | 39,974 | 2,954,600 | 14 | 23,801 | (41,437) | (8,089) | An associate (Note 2) |
| Hot Light Co., Ltd. | He Chou Company | Hsinchu City | Circuit design service | USD 125 | USD 125 | 400,000 | 100 | USD 39 | (USD 12) | (USD 12) | A sub-sub-subsidiary (Note 1) |

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 audited by other CPAs.

Note 3: It was calculated based on the financial statements of the same accounting period that were not reviewed by CPAs.

Note 4: 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.
Information of Investments in Mainland China
2025

Schedule 3

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 year | Investment amount remitted or recovered in the year | | Accumulated investment amount remitted from Taiwan as of the end of the year | Investee company's profit (loss) of the year | Ratio of shares held by the company through direct or indirect investment | Investment gain (loss) recognized for the year | Ending book value of investment | Investment gain remitted back to Taiwan as of the end of the year | Remarks |
|--|--|---------------------------|-------------------|--|---|-----------|--|--|---|--|---------------------------------|---|---------|
| | | | | | Remitted | Recovered | | | | | | | |
| IST KS Company | Product testing and relevant business | \$ 116,291 (USD 3,700) | Note 1 | \$ 285,164 (USD 9,073) (Note 4) | \$ - | \$ - | (\$ 285,164) (USD 9,073) (Note 4) | (\$ 14,468) (USD (464)) | 100% | (\$ 14,468) (USD (464)) | \$ 165,730 (USD 5,273) | \$ - | Note 2 |
| SIP KS Company | Circuit design service | 50,917 (USD 1,620) | Note 1 | - (Note 5) | - | - | - (Note 5) | (1,403) (USD (45)) | 100% | (1,403) (USD (45)) | 15,212 (USD 484) | - | Note 2 |
| IST-trade KS Company | Purchase and sale of electric testing and relevant equipment, and conduction of sale and trading as an agent | 11,179 (CNY 2,500) | Note 1 | - (Note 5) | - | - | - (Note 5) | 48 (CNY 11) | 100% | 48 (CNY 11) | 11,970 (CNY 2,677) | - | Note 2 |
| Xinchuang IST Shanghai | Inspection and testing services | 8,943 (CNY 2,000) | Note 1 | - (Note 5) | - | - | - (Note 5) | (4,229) (CNY (969)) | 100% | (4,229) (CNY (969)) | 1,968 (CNY 440) | - | Note 2 |

| Accumulated investment amount remitted from Taiwan to Mainland China as of the end of the year | Investment amount approved by Investment Commission, Ministry of Economic Affairs | Limit of investment provided by Investment Commission, Ministry of Economic Affairs |
|--|---|---|
| \$ 285,164 (USD9,073) | \$ 366,348 (USD 11,656) | \$2,800,887 |

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 audited 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.

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Integrated Service Technology Inc.
Schedule of Cash and Cash Equivalents

Dec. 31, 2025

Table 1

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

| <u>Item</u> | <u>Description</u> | <u>Amount</u> |
|----------------------------------|---|------------------|
| Bank deposits | | |
| Checking and demand deposits | — | \$409,551 |
| Foreign currency demand deposits | i.e. USD 460 thousand (exchange rate USD 1 : NTD 31.43); JPY 40,349 thousand (exchange rate JPY 1 : NTD 0.2008); CNY 4 thousand (exchange rate CNY 1 : NTD 4.4716) ; EUR 168 thousand (exchange rate EUR 1 : NTD 36.90) | <u>28,761</u> |
| | | 438,312 |
| Petty cash | — | <u>125</u> |
| | | <u>\$438,437</u> |

Integrated Service Technology Inc.
Schedule of Notes and Accounts Receivable

Dec. 31, 2025

Table 2

Unit: In Thousands of New Taiwan Dollars

| Customer name | Amount |
|-----------------|--------------------|
| Customer A | \$ 411,610 |
| Customer B | 223,593 |
| Customer C | 207,007 |
| Customer D | 141,545 |
| Others (Note 1) | <u>1,025,904</u> |
| | 2,009,659 |
| Loss allowance | (<u>16,796</u>) |
| | <u>\$1,992,863</u> |

Note 1: The balance of each customer in the "Others" item does not exceed 5% of the total balance of the item.

Note 2: The amount of the accounts receivables due for over a year was NTD 2,761 thousand. the company has allocated a proper loss allowance for the amount that cannot be collected successfully.

Integrated Service Technology Inc.
Schedule of Changes in Non-current Financial Assets at Fair Value through Profit or Loss
For the year ended Dec. 31, 2025

Table 3

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

| Name of investee company | Beginning balance | | Decrease in the year | | Gains from measurement at fair value | Ending balance | | |
|--------------------------|-------------------|------------------|----------------------|-------------------|--------------------------------------|------------------|-------------------------|------------------|
| | Number of shares | Fair value | Number of shares | Amount | | Number of shares | Ratio of shareholding % | Fair value |
| Funds | | | | | | | | |
| TIEF FUND,L.P | - | <u>\$ 23,769</u> | - | <u>(\$ 1,496)</u> | <u>\$ 1,167</u> | - | 4.35 | <u>\$ 23,440</u> |

Integrated Service Technology Inc.
Schedule of Changes in Non-current Financial Assets at Fair Value through Other Comprehensive Income
For the year ended Dec. 31, 2025

Table 4

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

| Name of investee company | Beginning balance | | Decrease in the year | | Gains from measurement at fair value | Ending balance | | |
|-------------------------------|-------------------|-------------------|----------------------|--------------------|--------------------------------------|------------------|-------------------------|-------------------|
| | Number of shares | Fair value | Number of shares | Amount | | Number of shares | Ratio of shareholding % | Fair value |
| Equity investment BTL Inc. | 2,805,000 | <u>\$ 142,494</u> | (620,000) | <u>(\$ 35,063)</u> | <u>\$ 25,854</u> | 2,185,000 | 7.11 | <u>\$ 133,285</u> |

Integrated Service Technology Inc.
Schedule of Changes in Investments Accounted for Using the Equity Method
For the year ended Dec. 31, 2025

Table 5

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

| Name of investee company | Beginning balance | | Increase in the year | | Decrease in the year | | Changes in the owned equity of subsidiaries and associates | Investment gain (loss) recognized by using the equity method | Exchange differences on translation of foreign financial statements of foreign operations | Ending balance | | | Remarks | |
|--------------------------|-------------------|--------------------|----------------------|------------------|----------------------|-------------|--|--|---|------------------|---------------------------|--------------------|-------------------|------------|
| | Number of shares | Amount | Number of shares | Amount | Number of shares | Amount | | | | Number of shares | Ratio of shareholding (%) | Amount | | Net equity |
| Samoa IST | 4,416,770 | \$ 244,762 | 1,000,000 | \$ 30,730 | - | \$ - | \$ - | (\$ 21,555) | (\$ 5,472) | 5,416,770 | 100 | \$ 248,465 | \$ 248,465 | Note 1 |
| Dekra Company | 19,262,390 | 712,875 | - | - | - | - | - | 43,639 | 969 | 19,262,390 | 49 | 757,483 | 539,788 | Note 2 |
| Pin Wen Company | 9,841,258 | 58,670 | - | - | - | - | 11,331 | (17,614) | - | 9,841,258 | 100 | 52,387 | 52,387 | Note 1 |
| Supreme Corp. | 125,000 | 3,760 | - | - | - | - | - | (475) | (90) | 125,000 | 100 | 3,195 | 3,195 | Note 1 |
| PPT Company | 32,842,807 | 163,250 | - | - | (11,414,836) | - | 6,022 | (106,622) | - | 21,427,971 | 69 | 62,650 | 55,143 | Note 1 |
| Malaysia IST | - | - | 800,355 | <u>5,586</u> | - | - | - | (<u>954</u>) | <u>336</u> | 800,355 | 100 | <u>4,968</u> | <u>4,968</u> | Note 1 |
| | | <u>\$1,183,317</u> | | <u>\$ 36,316</u> | | <u>\$ -</u> | <u>\$ 17,353</u> | <u>(\$ 103,581)</u> | <u>(\$ 4,257)</u> | | | <u>\$1,129,148</u> | <u>\$ 903,946</u> | |

Note 1 : It was calculated based on the investee company's financial statements of the same accounting period audited by CPAs.

Note 2 : It was calculated based on the investee company's financial statements of the same accounting period audited by other CPAs.

Integrated Service Technology Inc.

Schedule of Changes in Right-of-Use Assets and Changes in Accumulated Depreciation of Right-of-Use Assets

For the year ended Dec. 31, 2025

Table 6

Unit: In Thousands of New Taiwan Dollars

| | Land | Building | Transportation equipment | Office equipment | Total |
|-----------------------------|-------------------|------------------|-----------------------------|---------------------|-------------------|
| Cost | | | | | |
| Balance at Jan. 1, 2025 | \$ 172,965 | \$ 219,945 | \$ 17,118 | \$ 666 | \$ 410,694 |
| Additions | 6,958 | 19,805 | 11,115 | 199 | 38,077 |
| Decrease | (5,975) | (17,164) | (8,990) | - | (32,129) |
| Balance at Dec. 31, 2025 | <u>173,948</u> | <u>222,586</u> | <u>19,243</u> | <u>865</u> | <u>416,642</u> |
| Accumulated depreciation | | | | | |
| Balance at Jan. 1, 2025 | 29,113 | 94,936 | 10,993 | 262 | 135,304 |
| Depreciation | 4,832 | 53,068 | 6,046 | 246 | 64,192 |
| Decrease | - | (15,720) | (8,990) | - | (24,710) |
| Balance at Dec. 31, 2025 | <u>33,945</u> | <u>132,284</u> | <u>8,049</u> | <u>508</u> | <u>174,786</u> |
| Net at Dec. 31, 2025 | <u>\$ 140,003</u> | <u>\$ 90,302</u> | <u>\$ 11,194</u> | <u>\$ 357</u> | <u>\$ 241,856</u> |

Integrated Service Technology Inc.
Schedule of Short-term Borrowings
Dec. 31, 2025

Table 7

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

| Creditor | Loan period | Annual interest rate (%) | Balance | Line of credit (Note) | Mortgage or guarantee |
|------------------------------------|-----------------------|--------------------------|-------------------|-----------------------|-----------------------|
| Total short-term borrowings | | | | | |
| Taipei Fubon Commercial Bank | 2025/11/25~2026/01/23 | 2.04 | \$ 50,000 | \$ 250,000 | None |
| First Bank | 2025/07/17~2026/01/13 | 5.35 | 19,801 | - | None |
| Chang Hwa Commercial Bank | 2025/11/20~2026/05/19 | 4.76 | 35,202 | 164,798 | None |
| Hua Nan Bank | 2025/07/31~2026/01/27 | 5.32 | 6,978 | 38,085 | None |
| Hua Nan Bank | 2025/08/14~2026/02/10 | 5.30 | 29,418 | 38,085 | None |
| Hua Nan Bank | 2025/10/23~2026/04/21 | 4.90 | 7,053 | 38,085 | None |
| Hua Nan Bank | 2025/12/11~2026/06/09 | 4.88 | 10,466 | 38,085 | None |
| Shin Kong Bank | 2025/12/05~2026/02/05 | 2.07 | 100,000 | - | None |
| Taishin Bank | 2025/11/07~2026/01/07 | 2.02 | <u>100,000</u> | - | None |
| | | | <u>\$ 358,918</u> | | |

Note: As of the end of 2025, the amount unused within the line of credit was NTD 452,883 thousand.

Integrated Service Technology Inc.
Schedule of Notes and Accounts Payable

Dec. 31, 2025

Table 8

Unit: In Thousands of New Taiwan Dollars

| <u>Name of Supplier</u> | <u>Amount</u> |
|-------------------------|------------------|
| Supplier A | \$ 83,802 |
| Supplier B | 19,063 |
| Supplier C | 16,103 |
| Supplier D | 14,950 |
| Others (Note) | <u>134,823</u> |
| | <u>\$268,741</u> |

Note: The amount of each supplier in the "Others" item does not exceed 5% of the total amount of the item.

Integrated Service Technology Inc.
Schedule of Long-term Borrowings
Dec. 31, 2025

Table 9

Unit In Thousands of New Taiwan Dollars

| Creditor | Term of contract | Repayment terms | Annual interest rate (%) | Borrowed amount | Mortgage or guarantee | Remarks |
|---|---------------------------------------|--|--------------------------|---------------------|-----------------------|----------------------------------|
| Credit loans | | | | | | |
| Bank SinoPac | March 24, 2017 to March 24, 2032 | From March 24, 2017, interest shall be paid during the credit period. The grace period is 2 years. After that, NTD 7 million shall be repaid every quarter before full repayment by March 2032. | 1.825 | \$ 143,000 | None | To purchase plant |
| Agricultural Bank of Taiwan | November 28, 2025 to January 28, 2026 | From November 28, 2025, interest shall be paid during the credit period. A principal shall be repaid upon maturity. The loan shall be completely repaid by July 2028. | 2.000 | 200,000 | None | To supplement working capital |
| Chang Hwa Bank | July 28, 2023 to July 15, 2030 | From July 28, 2023, interest shall be paid during the credit period. The grace period is 1 years. After that, NTD 1,389 thousand shall be repaid every day before full repayment by July 2030. | 1.650 | 76,389 | None | To purchase mechanical equipment |
| Chang Hwa Bank | January 16, 2025 to January 16, 2030 | From January 16, 2025, interest shall be paid during the credit period. The grace period is 2 years. After that, NTD 3,200 thousand shall be repaid every day before full repayment by January 2030. | 2.000 | 320,000 | Note | To purchase plant |
| First Bank | August 2, 2023 to July 15, 2030 | From August 2, 2023, interest shall be paid during the credit period. The grace period is 3 years. After that, NTD 3,854 thousand shall be repaid every day before full repayment by July 2030. | 1.670 | 185,000 | None | To purchase mechanical equipment |
| First Bank | March 8, 2024 to July 15, 2030 | From March 8, 2024, interest shall be paid during the credit period. The grace period is 2 years. After that, NTD 2,188 thousand shall be repaid every day before full repayment by July 2030. | 1.670 | 105,000 | None | To purchase mechanical equipment |
| First Bank | August 19, 2024 to July 15, 2030 | From August 19, 2024, interest shall be paid during the credit period. The grace period is 2 years. After that, NTD 1,354 thousand shall be repaid every day before full repayment by July 2030. | 1.670 | 65,000 | None | To purchase mechanical equipment |
| First Bank | December 23, 2024 to July 15, 2030 | From December 23, 2024, interest shall be paid during the credit period. The grace period is 2 years. After that, NTD 1,104 thousand shall be repaid every day before full repayment by July 2030. | 1.670 | 53,000 | None | To purchase mechanical equipment |
| Hua Nan Bank | August 21, 2023 to August 15, 2030 | From August 21, 2023, interest shall be paid during the credit period. The grace period is 3 years. After that, NTD 2,083 thousand shall be repaid every day before full repayment by August 2030. | 1.645 | 100,000 | None | To purchase mechanical equipment |
| Hua Nan Bank | March 29, 2024 to August 15, 2030 | From March 29, 2024, interest shall be paid during the credit period. The grace period is 2 years. After that, NTD 2,208 thousand shall be repaid every day before full repayment by August 2030. | 1.645 | 106,000 | None | To purchase mechanical equipment |
| Hua Nan Bank | November 22, 2024 to August 15, 2030 | From November 19, 2024, interest shall be paid during the credit period. The grace period is 2 years. After that, NTD 833 thousand shall be repaid every day before full repayment by August 2030. | 1.645 | 40,000 | None | To purchase mechanical equipment |
| Mega International Commercial Bank | September 8, 2023 to August 15, 2030 | From September 8, 2023, interest shall be paid during the credit period. The grace period is 3 years. After that, NTD 653 thousand shall be repaid every day before full repayment by August 2030. | 1.670 | 32,000 | None | To supplement working capital |
| Mega International Commercial Bank | June 7, 2024 to August 15, 2030 | From June 7, 2024, interest shall be paid during the credit period. The grace period is 2 years. After that, NTD 1,041 thousand shall be repaid every day before full repayment by August 2030. | 1.670 | 51,000 | None | To supplement working capital |
| Mega International Commercial Bank | April 15, 2025 to August 15, 2030 | From April 15, 2025, interest shall be paid during the credit period. The grace period is 1 years. After that, NTD 449 thousand shall be repaid every day before full repayment by August 2030. | 1.670 | 22,000 | None | To supplement working capital |
| Mega International Commercial Bank | April 15, 2025 to November 15, 2030 | From April 15, 2025, interest shall be paid during the credit period. The grace period is 1 years. After that, NTD 776 thousand shall be repaid every day before full repayment by November 2030. | 1.670 | 38,000 | None | To purchase mechanical equipment |
| Mega International Commercial Bank | June 19, 2025 to November 15, 2030 | From June 19, 2025, interest shall be paid during the credit period. The grace period is 1 years. After that, NTD 775 thousand shall be repaid every day before full repayment by November 2030. | 1.670 | <u>37,000</u> | None | To purchase mechanical equipment |
| | | | | 1,573,389 | | |
| Current portion of long-term borrowings | | | | (<u>121,442</u>) | | |
| | | | | <u>\$ 1,451,947</u> | | |

Note 1: The building and structure of a net amount NTD 284,974 thousand have been provided for the bank as security for the long-term loan.

Integrated Service Technology Inc.

Schedule of Lease Liabilities

Dec. 31, 2025

Table 10

Unit: In Thousands of New Taiwan Dollars

| Item | Lease period | Discount rate | Amount |
|-----------------------------------|-------------------------------|---------------|------------|
| Land | October 2017 ~ September 2057 | 2.16%~2.76% | \$ 151,898 |
| Building | March 2007 ~ December 2028 | 1.67%~2.76% | 121,736 |
| Transportation equipment | May 2023 ~ September 2028 | 5.78%~5.91% | 11,469 |
| Office equipment | September 2023 ~ August 2030 | 5.78% | 348 |
| Total | | | 285,451 |
| Less: Lease liabilities — Current | | | (71,134) |
| Lease liabilities — Non-current | | | \$ 214,317 |

Integrated Service Technology Inc.
Schedule of Operating Revenue
For the year ended Dec. 31, 2025

Table 11

Unit: In Thousands of New Taiwan Dollars

| Item | Quantity | Amount |
|---------------------------------------|----------|--------------------|
| Service of integrated circuit testing | Note | \$4,351,819 |
| Sales discount | — | (<u>9,278</u>) |
| | | <u>\$4,342,541</u> |

Note: Not all the prices are calculated based on quantity, so the quantity cannot be estimated reasonably.

Integrated Service Technology Inc.
Schedule of Operating Cost
For the year ended Dec. 31, 2025

Table 12

Unit: In Thousands of New Taiwan
Dollars

| Item | Operating cost |
|-------------------------|---------------------------|
| Salary expense | \$1,000,605 |
| Miscellaneous purchases | 574,546 |
| Depreciation expense | 559,518 |
| Utilities | 208,851 |
| Consumables | 181,145 |
| Others (Note) | <u>493,350</u> |
| | <u>\$3,018,015</u> |

Note: The amount of each component in the "Others" item does not exceed 5% of the total amount of the item.

Integrated Service Technology Inc.
Schedule of Operating Expenses
For the year ended Dec. 31, 2025

Table 13

Unit: In Thousands of New Taiwan Dollars

| Item | Selling expense | Management expense | R&D expense |
|------------------------|-------------------|--------------------|-------------------|
| Salary expense | \$ 69,940 | \$ 190,768 | \$ 97,125 |
| Insurance premium | 6,000 | 15,617 | 7,912 |
| Depreciation expense | 1,318 | 78,192 | 63,649 |
| Service expense | - | 29,924 | - |
| Miscellaneous expenses | 3,866 | 41,171 | 2,037 |
| Others (Note) | <u>29,862</u> | <u>107,779</u> | <u>24,482</u> |
| | <u>\$ 110,986</u> | <u>\$ 463,451</u> | <u>\$ 195,205</u> |

Note: The amount of each component in the “Others” item does not exceed 5% of the total amount of the item.

Integrated Service Technology Inc.
Summary Statement of the Year's Employee Benefits, Depreciation and Amortization Expenses Classified by Functions
For the years ended Dec. 31, 2025 and 2024

Table 14

Unit: In Thousands of New Taiwan Dollars

| | 2025 | | | 2024 | | |
|---|--------------------|-----------------------|--------------------|--------------------|-----------------------|--------------------|
| | In operating cost | In operating expenses | Total | In operating cost | In operating expenses | Total |
| Employee benefit expenses | | | | | | |
| Salary expense | \$1,000,605 | \$ 357,833 | \$1,358,438 | \$ 875,059 | \$ 306,410 | \$1,181,469 |
| Labor and national health insurance premium expense | 83,184 | 27,155 | 110,339 | 71,575 | 23,694 | 95,269 |
| Retirement pension expense | 33,763 | 12,430 | 46,193 | 30,108 | 11,105 | 41,213 |
| Remuneration to directors | - | 9,400 | 9,400 | - | 11,460 | 11,460 |
| Other employee benefit expenses | <u>79,460</u> | <u>24,808</u> | <u>104,268</u> | <u>67,838</u> | <u>24,432</u> | <u>92,270</u> |
| | <u>\$1,197,012</u> | <u>\$ 431,626</u> | <u>\$1,628,638</u> | <u>\$1,044,580</u> | <u>\$ 377,101</u> | <u>\$1,421,681</u> |
| Depreciation expenses | <u>\$ 559,518</u> | <u>\$ 143,159</u> | <u>\$ 702,677</u> | <u>\$ 475,288</u> | <u>\$ 132,820</u> | <u>\$ 608,108</u> |
| Amortization expense | <u>\$ 9,091</u> | <u>\$ 3,396</u> | <u>\$ 12,487</u> | <u>\$ 3,238</u> | <u>\$ 2,171</u> | <u>\$ 5,409</u> |

Note 1: The average number of the company employees per month in 2025 and 2024 was 1,322 and 1,183 respectively and there were 10 and 9 directors that were not employees in 2025 and 2024.

Note 2: Exchange-listed and OTC-listed companies are required to disclose the following information:

- (1) Average employee benefit expenses of the current year NTD 1,233 thousand: (Total employee benefit expenses of the current year – Total remuneration to directors) / (Number of employees for the current year – Number of directors who are not employees)

Average employee benefit expenses of the previous year NTD 1,201 thousand: (Total employee benefit expenses of the previous year – Total remuneration to directors for the previous year) / (Number of employees for the previous year – Number of directors who were not employees for the previous year)

- (2) Average employee salary expenses of the year NTD 1,035 thousand: Total employee salary expenses of the current year / (Number of employees for the current year – Number of directors who are not employees)

Average employee salary expenses of the previous year NTD 1,006 thousand: Total employee salary expenses of the previous year / (Number of employees for the previous year – Number of directors who were not employees for the previous year)

- (3) Adjustment or change of average employee salary expenses 3%: (Average employee salary expenses of the year – Average employee salary expenses of the previous year) / Average employee salary expenses of the previous year

- (4) The remuneration to independent directors for 2025 and 2024 has been included into the remuneration to directors for the purpose of disclosure.

- (5) Please specify the remuneration policy of the company (including remunerations to directors, supervisors, managers and employees).

- A. Remunerations to directors, remuneration committee members and managers are allocated pursuant to the the company Policy of Remunerations to Directors, Remuneration Committee Members and Managers. When the company has earnings, remunerations are allocated in compliance with its articles of incorporation. Allocated remunerations shall be resolved by the board of directors and reported at the shareholders' meeting.
- B. With respect to remunerations to managers, the fixed salary is determined based on length of service, job value and salary structure while a variable pay is provided reasonably based on performance, the competitive environment where managers in relevant fields are paid, and standards of salaries paid in the same industry after personal performance, corporate performance and correlation to future risks are taken into account. Such remunerations shall be reviewed and approved by the remuneration committee and approved by the board of directors.
- C. The salary structure used by the company includes the fixed salary, variable bonuses and a bonus from earnings. The fixed salary is approved based on relevant work experience, job structure, and salary level in the industry. Variable bonuses and the bonus from earnings are subject to the status of the company's profitability, and departmental and personal performance. The company shares business results with employees.