

# IEI Integration Corp.

## 2024 Annual Shareholders' Meeting Minutes

(Translation)

Date & Time: 18 June 2024 (Tuesday), 9:00 a.m.

Type of Meeting: Physical Meeting

Location: 6F, No. 29, Zhongxing Rd, Xizhi District, New Taipei City, Taiwan (IEI Education and Training Center)

Present: The total shares represented by shareholders present in person or by proxy was 102,731,823 shares (among them, 29,737,049 shares voted electronically), or 58.17% of the total 176,597,790 outstanding shares

Directors Present: Ming-Chih Chang (Chairman, representative of QNAP Systems, Inc.), Jonq-Liang Jiang (Director), Wen-Yi Liou (Director), Ying-Yin Li (Director), In-Chyuan Ho (Independent Director) and Jia-Lien Hsu (Independent Director)

In Attendance: Chung-Che Chen (CPA, KPMG), Ti-Szu Wei (Finance and Accounting Supervisor)

Chairperson: Ming-Chih Chang, Chairman

Minutes Taker: Hui-Chi Chou

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

### I. Chairman's Address (omitted)

### II. Report Items:

1. 2023 Business Report (refer to the Attachment)
2. Audit Committee's Review Report on the 2023 Financial Statements (refer to the Attachment)
3. 2023 Employees' and Directors' Remuneration Proposal (refer to the Meeting Handbook)

### III. Acknowledgement Items:

1. Adoption of 2023 Business Report and Financial Statements

Explanation:

1. The company's 2023 Business Report and Consolidated Financial Statements (including Parent-company-only Financial Statements) have been reviewed by the Audit Committee and approved by the Board of Directors.
2. The above-mentioned Consolidated Financial Statements (including Parent-company-only Financial Statements) were audited by independent auditors, Chung-Che Chen and Li-Chen Lai of KPMG.
3. Please refer to the Attachment for 2023 Business Report and Consolidated Financial Statements (including Parent-company-only Financial Statements).

Voting Results:

Shares represent at the time of voting: 102,731,823

| Voting Results   | % of the total represented share present |
|--|--|
| Votes in favor: 95,383,266 votes<br>(including 22,388,492 shares voted electronically) | 92.84%                                   |
| Votes against: 88,937 votes<br>(including 88,937 shares voted electronically)          | 0.08%                                    |

| Voting Results  | % of the total represented share present |
|---|--|
| Votes invalid: 0 votes<br>(including 0 share voted electronically)                    | 0%                                       |
| Votes abstained: 7,259,620 votes<br>(including 7,259,620 shares voted electronically) | 7.06%                                    |

The proposal was adopted without revision after voting.

## 2. Adoption of the Proposal for Distribution of 2023 profits

### Explanation:

1. Please refer to Attachment for 2023 profit distribution statement.
2. For the fiscal year 2023, the net profit after tax was NT\$1,382,155,584. To this, added NT\$405,225, representing the actuarial gains/losses adjusted into retained earnings, and NT\$7,298, which are the actuarial gains/losses recognized from associates accounted for using the equity method. After deducting the legal reserve of NT\$138,256,811 and adding the reversal of special reserve of NT\$68,288,553 and the beginning undistributed earnings of NT\$4,125,205,552, the total distributable earnings for the year are NT\$5,437,805,401.
3. It is proposed to distribute cash dividends in the amount of NT\$618,092,265 to shareholders at NT\$3.5 per share. Rounded down to the nearest New Taiwan Dollar. The total amount of the odd-lot dividend will be recognized as other income of the Company.
4. After this proposal is approved by the Shareholders' Meeting, the Chairman is authorized to set the ex-dividend date, payment date, and manage all matters related to the distribution of cash dividends. However, if there is any change in the payout ratio of shareholders because of any change in the Company's outstanding shares, the Chairman is proposed to be granted authority by the shareholders' meeting to manage all related adjustments.

### Voting Results:

Shares represent at the time of voting: 102,731,823

| Voting Results   | % of the total represented share present |
|--|--|
| Votes in favor: 95,469,826 votes<br>(including 22,475,052 shares voted electronically) | 92.93%                                   |
| Votes against: 99,997 votes<br>(including 99,997 shares voted electronically)          | 0.09%                                    |
| Votes invalid: 0 votes<br>(including 0 share voted electronically)                     | 0%                                       |
| Votes abstained: 7,162,000 votes<br>(including 7,162,000 shares voted electronically)  | 6.97%                                    |

The proposal was adopted without revision after voting.

## **IV. Questions and Motion: None.**

## **V. Adjournment: the meeting was adjourned at 09:15 a.m.**

No questions were raised by shareholders during this general meeting of shareholders.

(Please note that the minutes of the Annual Shareholders' Meeting include only key highlights.

For more detailed content, please refer to the video and audio recordings of the meeting.)

## Business Report

With the collective efforts of all colleagues of IEI Integration Corp., the consolidated operating revenue for fiscal year 2023 reached NT\$7,577,793 thousand, representing a 5% decline compared with last year. The consolidated net profit after tax was NT\$1,382,156 thousand, and the earnings per share after tax were NT\$7.83. The following is the Company's 2023 business and financial status:

### 1. Results of business plan implementation :

#### Financial status and profitability analysis

Unit : NT\$1,000

| Items               |  | 2022      | 2023      | Increase<br>(decrease) | Increase<br>(decrease)% |
|---------------------|--|-----------|-----------|------------------------|-------------------------|
| Financial<br>status | Consolidated operating revenue             | 7,942,415 | 7,577,793 | (364,622)              | (5)%                    |
|                     | Consolidated operating margin              | 2,878,511 | 2,804,406 | (74,105)               | (3)%                    |
|                     | Consolidated net profit after tax          | 1,491,332 | 1,382,156 | (109,176)              | (7)%                    |
| Profitability       | Consolidated return on assets ratio        | 11.98%    | 10.06%    | (1.92)%                | (16)%                   |
|                     | Consolidated return on equity ratio        | 17.27%    | 14.30%    | (2.97)%                | (17)%                   |
|                     | Consolidated EBIT to paid-in capital ratio | 107.73%   | 98.80%    | (8.93)%                | (8)%                    |
|                     | Consolidated net profit ratio              | 18.78%    | 18.24%    | (0.54)%                | (3)%                    |
|                     | EPS (NT\$)                                 | 8.45      | 7.83      | (0.62)                 | (7)%                    |

### 2. Research and development results:

Since the establishment, the company has been actively engaged in research and development. In fiscal year of 2023, the total research and development expenses of the Group amounted to NT\$548,010 thousand. We specialize in various system products, including industrial computers, factory automation, network communication equipment, network storage and monitoring, intelligent medical and image surveillance equipment, and intelligent transportation. In the future, the Company will continue to uphold the spirit of active research and development innovation and invest in the development of new products.

## Percentage of R&amp;D expenses in operating revenue in recent two years

Unit : NT\$1,000

| Items \ Year                                    | 2022      | 2023      |
|---|-----------|-----------|
| Research and Development expenses               | 554,961   | 548,010   |
| Operating revenue                               | 7,942,415 | 7,577,793 |
| Percentage of R&D expenses in operating revenue | 6.99%     | 7.23%     |

Facing various unknown and potentially unpredictable global situations, such as climate environment change, political instability, and economic turbulence, the Company expects to devote itself to the three main market areas of edge computing, networking communication, and healthcare, with more systematic and real-time strategy adjustments and response capabilities. While facing severe challenges, we aim to move steadily towards the dual goals of revenue and profit with a solid and steady pace.

Last but not least, we are grateful to every shareholder for the consistent support and guide. Thank you all!

Wish you all good health and all the best!

Chairman: Ming-Chih Chang

General Manager: Jonq-Liang Jiang

Account Officer: Ti-Szu Wei

## **Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2023 Business Report, Consolidated Financial Statements, Parent-company-only Financial Statements and Proposal of Earnings Distribution. The CPA of KPMG was retained to audit Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements and Proposal of Earnings Distribution have been reviewed and determined to be correct and accurate by the Audit Committee. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To

IEI Integration Corp.  
2024 Annual Shareholders' Meeting

Convener of Audit Committee: In-Chyuan Ho

March 8, 2024

## FINANCIAL STATEMENTS OF 2023

### INDEPENDENT AUDITORS' REPORT

To the Board of Directors of IEI Integration Corp.:

#### **Opinion**

We have audited the consolidated financial statements of IEI Integration Corp. and its subsidiaries (the Group), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2023 and 2022, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), Interpretations developed by the International Financial Reporting Interpretations Committee as well as related guidance endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

#### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial

statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### 1. Revenue Recognition

Please refer to note 4(16) for details of the accounting policies of the recognition of revenue and note 6(19) of the consolidated financial statement.

##### Description of key audit matter

The Group transacts sales by directly shipping the final products to the customers from the overseas manufacturing plant in mainland China. The Group recognizes revenue after the control of the goods transfer to the buyers. If the delivery conditions are different due to contractual agreements (meaning the control of that goods will be transferred at different points), it will have a risk where the revenue close to the ending period is unrecorded at the appropriate period. Therefore, the timing of revenue recognition for the sale of goods by the Group is one of the key judgmental areas for our audit.

##### Audit procedures performed in response:

- Testing the effectiveness of the design and implementing the internal control system of sales and collection operation.
- Testing the samples of sales transaction before and after the balance sheet date to ensure the correctness of sales revenue.
- Inspecting the related documents to ensure the adequacy and the reasonableness of revenue recognition.

#### 2. Inventory Valuation

Please refer to Notes 4(8), 5(1) and 6(5) of the consolidated financial statements for accounting principles on the inventory valuation, significant accounting assumptions and judgments, and major sources of estimates uncertainty, and explanation of inventory.

##### Description of key audit matter

Inventory is measured by lower of cost or net realizable value in the consolidated financial statements. Since there is a fast frequency in product updates and intense industry competition, there is a risk that the cost of inventory may exceed the net realizable value.

##### Audit procedures performed in response:

- Overlooking the stock aging list, analyzing the movement of stock aging by period.
- Obtaining the certificate documents to verify the correctness of stock's expiry date.
- Sampling the replacement cost and market price of the material, and recalculating the net realizable value by marketing expense ratio to ensure

the reasonableness of net realizable values adopted by the Group.

### **Other Matter**

IEI Integration Corp. has prepared its parent-company-only financial statements for the years ended December 31, 2023 and 2022, on which we have issued an unqualified opinion.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair representation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, Interpretations as well as related guidance endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Group's financial reporting process.

### **Auditors' Responsibilities in Auditing the Consolidated Financial Statements**

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated



financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be

thought to bear on our independence, and where applicable, related safeguards.

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

The engagement partners on the audit resulting in this independent auditors' report are Chung-Che Chen and Li-Chen Lai

KPMG

Taipei, Taiwan (Republic of China)

March 8, 2024

***Notes to Readers***

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China. The independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*



**IEI Integration Corp. and Subsidiaries**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**From January 1 to December 31, 2023 and 2022**

|      |   | In thousands of NT\$ |                     |           |                     |           |
|------|---|----------------------|---------------------|-----------|---------------------|-----------|
|      |   | 2023                 |                     | 2022      |                     |           |
|      |   | Amount               | %                   | Amount    | %                   |           |
|      |   | Notes                |                     |           |                     |           |
| 4110 | <b>Sales revenue</b>  |                      | \$ 7,613,543        | 100       | 7,975,814           | 99        |
| 4170 | Less: Sales returns and discounts   |                      | 35,750              | -         | 33,399              | 1         |
|      | <b>Net sales revenue</b>  | 6(19)&7              | <u>7,577,793</u>    | 100       | <u>7,942,415</u>    | 100       |
| 5110 | <b>Cost of sales</b>  | 6(5)(14)&7&12        | <u>4,772,467</u>    | 64        | <u>5,062,708</u>    | 64        |
|      | <b>Gross profit</b>   |                      | 2,805,326           | 36        | 2,879,707           | 36        |
| 5910 | Unrealized profit (loss) from sales   |                      | (2,446)             | -         | (1,526)             | -         |
| 5920 | Realized profit (loss) from sales   |                      | 1,526               | -         | 330                 | -         |
|      | <b>Gross profit from operations</b>   |                      | <u>2,804,406</u>    | 36        | <u>2,878,511</u>    | 36        |
|      | <b>Operating expenses</b>   | 6(4)(14)(20)&7&12    |                     |           |                     |           |
| 6100 | Selling expenses  |                      | 543,309             | 7         | 527,140             | 7         |
| 6200 | Administrative expenses   |                      | 548,958             | 7         | 464,882             | 6         |
| 6300 | Research and development expenses   |                      | 548,010             | 7         | 554,961             | 7         |
| 6450 | Expected credit impairment loss   |                      | 8,300               | -         | 13,829              | -         |
|      | <b>Total operating expenses</b>   |                      | <u>1,648,577</u>    | 21        | <u>1,560,812</u>    | 20        |
|      | <b>Net operating income</b>   |                      | <u>1,155,829</u>    | 15        | <u>1,317,699</u>    | 16        |
|      | <b>Non-operating income and expenses</b>  | 6(21)&7              |                     |           |                     |           |
| 7100 | Interest income   |                      | 209,278             | 3         | 76,942              | 1         |
| 7010 | Other income  |                      | 110,717             | 1         | 92,269              | 1         |
| 7020 | Other gains and losses, net   |                      | (9,389)             | -         | 296,319             | 4         |
| 7050 | Financial costs   |                      | (14,438)            | -         | (5,293)             | -         |
| 7060 | Share of profit of associates and joint ventures accounted for using equity method, net   |                      | 292,718             | 4         | 124,475             | 2         |
|      | <b>Total non-operating income and expenses</b>  |                      | <u>588,886</u>      | 8         | <u>584,712</u>      | 8         |
|      | <b>Profit (loss) from continuing operations before tax</b>  |                      | 1,744,715           | 23        | 1,902,411           | 24        |
| 7950 | Less: Income tax expense  | 6(15)                | 362,559             | 5         | 411,079             | 4         |
|      | <b>Profit (loss)</b>  |                      | <u>1,382,156</u>    | 18        | <u>1,491,332</u>    | 20        |
| 8300 | <b>Other comprehensive income:</b>  |                      |                     |           |                     |           |
| 8310 | <b>Components of other comprehensive income that will not be reclassified to profit or loss</b>   |                      |                     |           |                     |           |
| 8311 | Re-measurements from defined benefit plans  |                      | 506                 | -         | (1,394)             | -         |
| 8316 | Unrealized gain (loss) from investments in equity instruments measured at fair value through other comprehensive income   |                      | 16,204              | -         | (10,114)            | -         |
| 8320 | Share of other comprehensive gain (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss |                      | 77,093              | 1         | 140,853             | 2         |
| 8349 | Income tax related to components of other comprehensive income that will not be reclassified to profit or loss  |                      | (101)               | -         | 279                 | -         |
|      | <b>Total components of other comprehensive income that will not be reclassified to profit or loss</b>   |                      | <u>93,702</u>       | 1         | <u>129,624</u>      | 2         |
| 8360 | <b>Components of other comprehensive income that will be reclassified to profit or loss</b>   |                      |                     |           |                     |           |
| 8361 | Exchange differences on translation of foreign financial statements   |                      | (25,972)            | -         | 80,917              | 1         |
| 8370 | Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss.         |                      | 971                 | -         | 22,657              | -         |
| 8399 | Income tax related to components of other comprehensive income that will be reclassified to profit or loss  |                      | -                   | -         | -                   | -         |
|      | <b>Total components of other comprehensive income that will be reclassified to profit or loss</b>   |                      | <u>(25,001)</u>     | -         | <u>103,574</u>      | 1         |
| 8300 | <b>Other comprehensive income, net of income tax</b>  |                      | <u>68,701</u>       | 1         | <u>233,198</u>      | 3         |
|      | <b>Total comprehensive income</b>   |                      | <u>\$ 1,450,857</u> | <u>19</u> | <u>\$ 1,724,530</u> | <u>23</u> |
|      | <b>Profit (loss) attributable to:</b>   |                      |                     |           |                     |           |
| 8610 | Owners of parent  |                      | 1,382,156           | 18        | 1,492,189           | 20        |
| 8620 | Non-controlling Interests   |                      | -                   | -         | (857)               | -         |
|      |   |                      | <u>1,382,156</u>    | <u>18</u> | <u>1,491,332</u>    | <u>20</u> |
|      | <b>Comprehensive income attributable to:</b>  |                      |                     |           |                     |           |
| 8710 | Owners of parent  |                      | 1,450,857           | 19        | 1,725,387           | 23        |
| 8720 | Non-controlling Interests   |                      | -                   | -         | (857)               | -         |
|      |   |                      | <u>\$ 1,450,857</u> | <u>19</u> | <u>\$ 1,724,530</u> | <u>23</u> |
|      | <b>Earnings per share (NT\$)</b>  |                      |                     |           |                     |           |
|      | <b>Basic earnings per share (NT\$)</b>  | 6(18)                | <u>\$ 7.83</u>      |           | <u>8.45</u>         |           |
|      | <b>Diluted earnings per share (NT\$)</b>  | 6(18)                | <u>\$ 7.77</u>      |           | <u>8.38</u>         |           |

(See accompanying notes to consolidated financial statements)

Chairman: Ming-Chih Chang

Manager: Jonq-Liang Jiang

Account Officer: Ti-Szu Wei

**IEI Integration Corp. and Subsidiaries**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**From January 1 to December 31, 2023 and 2022**

In thousands of NT\$

|  | Equity attributable to owners of parent |                 |                   |                 |                                  |                         | Total other equity interest   |   |                             |   |                           | Total Equity      |
|--|---|-----------------|-------------------|-----------------|----------------------------------|-------------------------|---|---|-----------------------------|---|---------------------------|-------------------|
|  | Share Capital                           |                 | Retained earnings |                 |                                  |                         | Exchange differences on translation of foreign financial statements | Unrealized gain (loss) on financial assets at fair value through other comprehensive income | Total other equity interest | Total equity attributable to owners of parent | Non-controlling Interests |                   |
|  | Ordinary Shares                         | Capital surplus | Legal reserve     | Special reserve | Unappropriated retained earnings | Total retained earnings |   |   |                             |   |                           |                   |
| <b>A1 Balance at January 1, 2022</b>                                 | <u>\$ 1,765,978</u>                     | <u>820,325</u>  | <u>1,665,388</u>  | <u>604,488</u>  | <u>3,868,090</u>                 | <u>6,137,966</u>        | <u>(513,750)</u>  | <u>(174,142)</u>  | <u>(687,892)</u>            | <u>8,036,377</u>                              | <u>1,072</u>              | <u>8,037,449</u>  |
| D1 Profit (loss)   | -                                       | -               | -                 | -               | 1,492,189                        | 1,492,189               | -   | -   | -                           | 1,492,189                                     | (857)                     | 1,491,332         |
| D3 Other comprehensive income (loss)                                 | -                                       | -               | -                 | -               | (1,115)                          | (1,115)                 | 103,574   | 130,739   | 234,313                     | 233,198                                       | -                         | 233,198           |
| D5 Total comprehensive income (loss)                                 | -                                       | -               | -                 | -               | 1,491,074                        | 1,491,074               | 103,574   | 130,739   | 234,313                     | 1,725,387                                     | (857)                     | 1,724,530         |
| Appropriation and distribution of retained earnings:                 |   |                 |                   |                 |                                  |                         |   |   |                             |   |                           |                   |
| B1 Legal reserve   | -                                       | -               | 87,874            | -               | (87,874)                         | -                       | -   | -   | -                           | -   | -                         | -                 |
| B3 Special reserve   | -                                       | -               | -                 | 83,404          | (83,404)                         | -                       | -   | -   | -                           | -   | -                         | -                 |
| B5 Cash dividends of ordinary share                                  | -                                       | -               | -                 | -               | (529,793)                        | (529,793)               | -   | -   | -                           | (529,793)                                     | -                         | (529,793)         |
| Others changes in capital surplus:                                   |   |                 |                   |                 |                                  |                         |   |   |                             |   |                           |                   |
| C7 Changes in equity of associates accounted for using equity method | -                                       | (134)           | -                 | -               | -                                | -                       | -   | -   | -                           | (134)   | -                         | (134)             |
| C17 Other changes in capital surplus                                 | -                                       | 246             | -                 | -               | -                                | -                       | -   | -   | -                           | 246   | -                         | 246               |
| <b>Balance at December 31, 2022</b>                                  | <u>1,765,978</u>                        | <u>820,437</u>  | <u>1,753,262</u>  | <u>687,892</u>  | <u>4,658,093</u>                 | <u>7,099,247</u>        | <u>(410,176)</u>  | <u>(43,403)</u>   | <u>(453,579)</u>            | <u>9,232,083</u>                              | <u>215</u>                | <u>9,232,298</u>  |
| D1 Profit (loss)   | -                                       | -               | -                 | -               | 1,382,156                        | 1,382,156               | -   | -   | -                           | 1,382,156                                     | -                         | 1,382,156         |
| D3 Other comprehensive income (loss)                                 | -                                       | -               | -                 | -               | 412                              | 412                     | (25,001)  | 93,290  | 68,289                      | 68,701  | -                         | 68,701            |
| D5 Total comprehensive income (loss)                                 | -                                       | -               | -                 | -               | 1,382,568                        | 1,382,568               | (25,001)  | 93,290  | 68,289                      | 1,450,857                                     | -                         | 1,450,857         |
| Appropriation and distribution of retained earnings:                 |   |                 |                   |                 |                                  |                         |   |   |                             |   |                           |                   |
| B1 Legal reserve   | -                                       | -               | 149,107           | -               | (149,107)                        | -                       | -   | -   | -                           | -   | -                         | -                 |
| B3 Special reserve   | -                                       | -               | -                 | (234,313)       | 234,313                          | -                       | -   | -   | -                           | -   | -                         | -                 |
| B5 Cash dividends of ordinary share                                  | -                                       | -               | -                 | -               | (618,092)                        | (618,092)               | -   | -   | -                           | (618,092)                                     | -                         | (618,092)         |
| Others changes in capital surplus:                                   |   |                 |                   |                 |                                  |                         |   |   |                             |   |                           |                   |
| C7 Changes in equity of associates accounted for using equity method | -                                       | 24,764          | -                 | -               | -                                | -                       | -   | -   | -                           | 24,764  | -                         | 24,764            |
| C17 Other changes in capital surplus                                 | -                                       | 320             | -                 | -               | -                                | -                       | -   | -   | -                           | 320   | -                         | 320               |
| M3 Disposal of subsidiaries  | -                                       | -               | -                 | -               | -                                | -                       | -   | -   | -                           | -   | (215)                     | (215)             |
| N1 Share-based payment   | -                                       | -               | -                 | -               | -                                | -                       | -   | -   | -                           | -   | 8,782                     | 8,782             |
| <b>Z1 Balance at December 31, 2023</b>                               | <u>\$ 1,765,978</u>                     | <u>845,521</u>  | <u>1,902,369</u>  | <u>453,579</u>  | <u>5,507,775</u>                 | <u>7,863,723</u>        | <u>(435,177)</u>  | <u>49,887</u>   | <u>(385,290)</u>            | <u>10,089,932</u>                             | <u>8,782</u>              | <u>10,098,714</u> |

(See accompanying notes to consolidated financial statements)

Chairman: Ming-Chih Chang

Manager: Jonq-Liang Jiang

Account Officer: Ti-Szu Wei

**IEI Integration Corp. and Subsidiaries**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**From January 1 to December 31, 2023 and 2022**

|        |  | In thousands of NT\$ |                  |
|--------|--|----------------------|------------------|
|        |  | 2023                 | 2022             |
| AAAA   | Cash flows from (used in) operating activities:  |                      |                  |
| A10000 | Profit (loss) from continuing operations before tax  | \$ 1,744,715         | \$ 1,902,411     |
| A20000 | Adjustments:   |                      |                  |
| A20010 | Adjustments to reconcile profit (loss):  |                      |                  |
| A20100 | Depreciation expense   | 142,899              | 112,661          |
| A20200 | Amortization expense   | 23,017               | 22,613           |
| A20300 | Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense                             | 8,300                | 13,829           |
| A20400 | Net loss (gain) on financial assets or liabilities at fair value through profit or loss                          | (8,603)              | (2,587)          |
| A20900 | Interest expense   | 14,438               | 5,293            |
| A21200 | Interest income  | (209,278)            | (76,942)         |
| A21300 | Dividend income  | (6,497)              | (647)            |
| A21900 | Share-based payments   | 8,782                | -                |
| A22300 | Share of loss (profit) of associates and joint ventures accounted for using equity method                        | (292,718)            | (124,475)        |
| A22500 | Loss (gain) on disposal of property, plant and equipment   | 1,424                | 25,936           |
| A23700 | Impairment loss on non-financial assets  | 50,589               | 155,547          |
| A24000 | Unrealized profit (loss) from sales  | 919                  | 1,196            |
| A24100 | Unrealized foreign exchange loss (gain)  | 70,722               | (59,982)         |
| A20010 | Total adjustments to reconcile profit (loss)   | <u>(196,006)</u>     | <u>72,442</u>    |
| A30000 | Changes in operating assets and liabilities:   |                      |                  |
| A31115 | Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value | (333,625)            | (378,413)        |
| A31150 | Decrease (increase) in accounts receivable   | (22,429)             | (22,579)         |
| A31160 | Decrease (increase) in accounts receivable due from related parties  | (23,570)             | 63,222           |
| A31190 | Decrease (increase) in other receivable due from related parties   | (89,093)             | 188,365          |
| A31200 | Decrease (increase) in inventories   | 436,062              | (390,428)        |
| A31240 | Decrease (increase) in other current assets  | (141,593)            | (14,695)         |
| A31990 | Decrease (increase) in defined benefit assets  | 21                   | (676)            |
| A32000 | Changes in operating assets and liabilities:   |                      |                  |
| A32125 | Increase (decrease) in contract liabilities  | (9,012)              | 31,805           |
| A32150 | Increase (decrease) in accounts payable  | (146,050)            | 227,589          |
| A32160 | Increase (decrease) in accounts payable to related parties   | (43,561)             | 19,791           |
| A32180 | Increase (decrease) in other payable   | 54,799               | 121,828          |
| A32190 | Increase (decrease) in other payable to related parties  | 89,134               | (146,553)        |
| A32200 | Increase (decrease) in provisions  | 91                   | 4,155            |
| A32230 | Increase (decrease) in other current liabilities   | 8,711                | 293              |
| A30000 | Total changes in operating assets and liabilities  | <u>(220,115)</u>     | <u>(296,296)</u> |
| A20000 | Total adjustments  | <u>(416,121)</u>     | <u>(223,854)</u> |
| A33000 | Cash inflow (outflow) generated from operations  | 1,328,594            | 1,678,557        |
| A33100 | Interest received  | 279,502              | 40,358           |
| A33200 | Dividends received   | 280,155              | 69,779           |
| A33300 | Interest paid  | (14,438)             | (5,293)          |
| A33500 | Income taxes refund (paid)   | (369,562)            | (178,599)        |
| AAAA   | Net cash flows from (used in) operating activities   | <u>1,504,251</u>     | <u>1,604,802</u> |
| BBBB   | Cash flows from (used in) investing activities   |                      |                  |
| B00010 | Acquisition of financial assets at fair value through other comprehensive income                                 | (15,000)             | (6,000)          |
| B00030 | Proceeds from capital reduction of financial assets at fair value through other comprehensive income             | 3,500                | 500              |
| B02700 | Acquisition of property, plant and equipment   | (94,584)             | (194,171)        |
| B02800 | Proceeds from disposal of property, plant and equipment  | 436                  | 4,225            |
| B04500 | Acquisition of intangible assets   | (21,119)             | (25,523)         |
| B06500 | Increase in other financial assets   | (277,264)            | (232,291)        |
| B06700 | Increase in other non-current assets   | (4,497)              | 8,845            |
| BBBB   | Net cash flows from (used in) investing activities   | <u>(408,528)</u>     | <u>(444,415)</u> |
| CCCC   | Cash flows from (used in) financing activities   |                      |                  |
| C00100 | Increase in short-term loans   | 176,959              | -                |
| C03000 | Decrease in guarantee deposits received  | -                    | (151)            |
| C04020 | Payments of lease liabilities  | (11,191)             | (11,413)         |
| C04500 | Cash dividends paid  | (618,092)            | (529,793)        |
| C05800 | Change in non-controlling interests  | (215)                | -                |
| C09900 | Other financing activities   | 320                  | 32               |
| CCCC   | Net cash flows from (used in) financing activities   | <u>(452,219)</u>     | <u>(541,325)</u> |
| DDDD   | Effect of exchange rate changes on cash and cash equivalents   | (23,176)             | (20,991)         |
| EEEE   | Net increase (decrease) in cash and cash equivalents   | 620,328              | 598,071          |
| E00100 | Cash and cash equivalents at beginning of period   | 4,137,537            | 3,539,466        |
| E00200 | Cash and cash equivalents at end of period   | <u>\$ 4,757,865</u>  | <u>4,137,537</u> |

See accompanying notes to consolidated financial statements)

Chairman: Ming-Chih Chang

Manager: Jonq-Liang Jiang

Account Officer: Ti-Szu Wei

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of IEI Integration Corp.:

### **Opinion**

We have audited the parent-company-only financial statements of IEI Integration Corp., which comprise the balance sheets as of December 31, 2023 and 2022, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended December 31, 2023 and 2022, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. 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 the current period. 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.

#### **1. Revenue Recognition**

Please refer to note 4(16) for details of the accounting policies of the recognition of revenue and note 6(17) of the parent-company-only financial statement.

#### **Description of key audit matter**

The Company transacts sales by directly shipping the final products to the customers from the overseas manufacturing plant in mainland China. The Company recognizes revenue after the control of the goods transfer to the buyers. If the delivery conditions are different due to contractual agreements

(meaning the control of that goods will be transferred at different points), it will have a risk where the revenue close to the ending period is unrecorded at the appropriate period. Therefore, the timing of revenue recognition for the sale of goods by the Company is one of the key judgmental areas for our audit.

Audit procedures performed in response:

- Testing the effectiveness of the design and implementing the internal control system of sales and collection operation.
- Testing the samples of sales transaction before and after the balance sheet date to ensure the correctness of sales revenue.
- Inspecting the related documents to ensure the adequacy and the reasonableness of revenue recognition.

2. Inventory Valuation

Please refer to Notes 4(7), 5(1) and 6(5) of the parent-company-only financial statements for accounting principles on the inventory valuation, significant accounting assumptions and judgments, and major sources of estimates uncertainty, and explanation of inventory.

Description of key audit matter

Inventory is measured by lower of cost or net realizable value in the consolidated financial statements. Since there is a fast frequency in product updates and intense industry competition, there is a risk that the cost of inventory may exceed the net realizable value.

Audit procedures performed in response:

- Overviewing the stock aging list, analyzing the movement of stock aging by period.
- Obtaining the certificate documents to verify the correctness of stock's expiry date.
- Sampling the replacement cost and market price of the material, and recalculating the net realizable value by marketing expenses ratio to ensure the reasonableness of net realizable values adopted by the Company.

**Responsibilities of Management and Those Charged with Governance for the parent-company-only Financial Statements**

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

In preparing the parent-company-only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going



concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities in Auditing 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent-company-only financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

5. Evaluate the overall presentation, structure, and content of the parent-company-only financial statements, including the disclosures, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment accounted for using equity method to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Chung-Che Chen and Li-Chen Lai

KPMG

Taipei, Taiwan (Republic of China)

March 8, 2024

***Notes to Readers***

*The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China. The independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.*

**IEI Integration Corp.**  
**BALANCE SHEETS**  
**December 31, 2023 and 2022**

In thousands of NT\$

| Assets                     |  | Notes        | Dec. 31, 2023        |            | Dec. 31, 2022     |            | Liabilities and Equity |  | Notes        | Dec. 31, 2023        |            | Dec. 31, 2022     |            |
|----------------------------|--|--------------|----------------------|------------|-------------------|------------|------------------------|--|--------------|----------------------|------------|-------------------|------------|
|                            |  |              | Amount               | %          | Amount            | %          |                        |  |              | Amount               | %          | Amount            | %          |
| <b>Current assets:</b>     |  |              |                      |            |                   |            |                        |  |              |                      |            |                   |            |
| 1100                       | Cash and cash equivalents  | 6(1)(20)     | \$ 1,047,602         | 8          | 1,255,603         | 11         | 2130                   | Current contract liabilities                   | 17&7         | \$ 148,509           | 1          | 184,035           | 2          |
| 1110                       | Financial assets at fair value through profit and loss - current               | 6(2)(20)     | 602,150              | 5          | 381,000           | 3          | 2170                   | Accounts payable                               | 6(20)        | 462,385              | 4          | 435,215           | 4          |
| 1170                       | Notes & accounts receivable, net   | 6(4)(17)(20) | 470,838              | 4          | 413,272           | 4          | 2180                   | Accounts payable - related parties             | 6(20)&7      | 258,062              | 2          | 382,180           | 3          |
| 1180                       | Accounts receivable - related parties, net                                     | 6(20)&7      | 266,409              | 2          | 257,607           | 2          | 2219                   | Other payables, others                         | 6(20)        | 287,402              | 2          | 259,777           | 2          |
| 1210                       | Other receivable - related parties   | 6(20)&7      | 12,013               | -          | 11,694            | -          | 2220                   | Other payables - related parties               | 6(20)&7      | 23,218               | -          | 16,476            | -          |
| 130X                       | Inventories  | 6(5)         | 522,157              | 4          | 519,544           | 4          | 2230                   | Current tax liabilities                        |              | 245,458              | 2          | 272,685           | 2          |
| 1476                       | Other financial assets, current  | 6(6)(20)&8   | 239,791              | 2          | 7,260             | -          | 2280                   | Current lease liabilities                      | 6(11)(20)&7  | 6,931                | -          | 6,931             | -          |
| 1479                       | Other current assets, others   | 7            | <u>47,035</u>        | -          | <u>75,906</u>     | <u>1</u>   | 2399                   | Other current liabilities                      |              | <u>26,902</u>        | -          | <u>23,066</u>     | -          |
|                            |  |              | <u>3,207,995</u>     | <u>25</u>  | <u>2,921,886</u>  | <u>25</u>  |                        |  |              | <u>1,458,867</u>     | <u>11</u>  | <u>1,580,365</u>  | <u>13</u>  |
| <b>Non-current assets:</b> |  |              |                      |            |                   |            |                        |  |              |                      |            |                   |            |
| 1517                       | Financial assets at fair value through other comprehensive income, non-current | 6(3)(20)     | 59,729               | -          | 32,025            | -          | 2570                   | Deferred tax liabilities                       | 6(14)        | 995,039              | 8          | 921,131           | 8          |
| 1550                       | Investments accounted for using equity method                                  | 6(7)         | 8,410,491            | 67         | 7,900,757         | 67         | 2580                   | Non-current lease liabilities                  | 6(11)(20)&7  | 2,951                | -          | 10,298            | -          |
| 1600                       | Property, plant and equipment  | 6(8)&7       | 506,780              | 5          | 532,060           | 5          | 2670                   | Other non-current liabilities, others          |              | <u>96,599</u>        | <u>1</u>   | <u>105,843</u>    | <u>1</u>   |
| 1755                       | Right-of-use assets  | 6(9)         | 9,732                | -          | 16,526            | -          |                        | <b>Total liabilities</b>                       |              | <u>1,094,589</u>     | <u>9</u>   | <u>1,037,272</u>  | <u>9</u>   |
| 1760                       | Investment property, net   | 6(10)        | 382,465              | 3          | 388,694           | 3          |                        | <b>Equity attributable to owners of parent</b> | <b>6(15)</b> |                      |            |                   |            |
| 1821                       | Other intangible assets, net   |              | 13,948               | -          | 15,123            | -          | 3100                   | Share Capital                                  |              | 1,765,978            | 14         | 1,765,978         | 15         |
| 1840                       | Deferred tax assets  | 6(14)        | 43,475               | -          | 34,361            | -          | 3200                   | Capital surplus                                |              | 845,521              | 7          | 820,437           | 7          |
| 1975                       | Net defined benefit assets, non-current  | 6(13)        | 8,578                | -          | 8,093             | -          |                        | Retained earnings:                             |              |                      |            |                   |            |
| 1990                       | Other non-current assets, others   |              | <u>195</u>           | -          | <u>195</u>        | -          | 3310                   | Legal reserve                                  |              | 1,902,369            | 15         | 1,753,262         | 15         |
|                            |  |              | <u>9,435,393</u>     | <u>75</u>  | <u>8,927,834</u>  | <u>75</u>  | 3320                   | Special reserve                                |              | 453,579              | 4          | 687,892           | 6          |
|                            |  |              |                      |            |                   |            | 3350                   | Unappropriated retained earnings               |              | <u>5,507,775</u>     | <u>44</u>  | <u>4,658,093</u>  | <u>39</u>  |
|                            |  |              |                      |            |                   |            |                        |  |              | <u>7,863,723</u>     | <u>63</u>  | <u>7,099,247</u>  | <u>60</u>  |
|                            |  |              |                      |            |                   |            | 3400                   | Other equity                                   |              | <u>(385,290)</u>     | <u>(4)</u> | <u>(453,579)</u>  | <u>(4)</u> |
|                            |  |              |                      |            |                   |            |                        | <b>Total equity</b>                            |              | <u>10,089,932</u>    | <u>80</u>  | <u>9,232,083</u>  | <u>78</u>  |
| <b>Total Assets</b>        |  |              | <u>\$ 12,643,388</u> | <u>100</u> | <u>11,849,720</u> | <u>100</u> |                        | <b>Total Liabilities and Equity</b>            |              | <u>\$ 12,643,388</u> | <u>100</u> | <u>11,849,720</u> | <u>100</u> |

(See accompanying notes to parent-company-only financial statements)

Chairman: Ming-Chih Chang

Manager: Jonq-Liang Jiang

Account Officer: Ti-Szu Wei



**IEI Integration Corp.**  
**STATEMENT OF CHANGES IN EQUITY**  
**From January 1 to December 31, 2023 and 2022**

In thousands of NT\$

|  | Share Capital   |                 | Retained earnings |                 |                                  |                         | Total other equity interest   |   |                         |              |
|--|-----------------|-----------------|-------------------|-----------------|----------------------------------|-------------------------|---|---|-------------------------|--------------|
|  | Ordinary Shares | Capital surplus | Legal reserve     | Special reserve | Unappropriated retained earnings | Total retained earnings | Exchange differences on translation of foreign financial statements | Unrealized gain (loss) on financial assets at fair value through other comprehensive income | Total retained earnings | Total equity |
|  |                 |                 |                   |                 |                                  |                         |   |   |                         |              |
| A1 <b>Balance at January 1, 2022</b>                                 | \$ 1,765,978    | 820,325         | 1,665,388         | 604,488         | 3,868,090                        | 6,137,966               | (513,750)   | (174,142)   | (687,892)               | 8,036,377    |
| D1 Profit (loss)   | -               | -               | -                 | -               | 1,492,189                        | 1,492,189               | -   | -   | -                       | 1,492,189    |
| D3 Other comprehensive income, net of income tax                     | -               | -               | -                 | -               | (1,115)                          | (1,115)                 | 103,574   | 130,739   | 234,313                 | 233,198      |
| D5 Total comprehensive income  | -               | -               | -                 | -               | 1,491,074                        | 1,491,074               | 103,574   | 130,739   | 234,313                 | 1,725,387    |
| Appropriation and distribution of retained earnings:                 |                 |                 |                   |                 |                                  |                         |   |   |                         |              |
| B1 Legal reserve   | -               | -               | 87,874            | -               | (87,874)                         | -                       | -   | -   | -                       | -            |
| B3 Special reserve   | -               | -               | -                 | 83,404          | (83,404)                         | -                       | -   | -   | -                       | -            |
| B5 Cash dividends of ordinary share                                  | -               | -               | -                 | -               | (529,793)                        | (529,793)               | -   | -   | -                       | (529,793)    |
| Others changes in capital surplus:                                   |                 |                 |                   |                 |                                  |                         |   |   |                         |              |
| C7 Changes in equity of associates accounted for using equity method | -               | (134)           | -                 | -               | -                                | -                       | -   | -   | -                       | (134)        |
| C17 Other changes in capital surplus                                 | -               | 246             | -                 | -               | -                                | -                       | -   | -   | -                       | 246          |
| Balance at December 31, 2022   | 1,765,978       | 820,437         | 1,753,262         | 687,892         | 4,658,093                        | 7,099,247               | (410,176)   | (43,403)  | (453,579)               | 9,232,083    |
| D1 Profit (loss)   | -               | -               | -                 | -               | 1,382,156                        | 1,382,156               | -   | -   | -                       | 1,382,156    |
| D3 Other comprehensive income, net of income tax                     | -               | -               | -                 | -               | 412                              | 412                     | (25,001)  | 93,290  | 68,289                  | 68,701       |
| D5 Total comprehensive income  | -               | -               | -                 | -               | 1,382,568                        | 1,382,568               | (25,001)  | 93,290  | 68,289                  | 1,450,857    |
| Appropriation and distribution of retained earnings:                 |                 |                 |                   |                 |                                  |                         |   |   |                         |              |
| B1 Legal reserve   | -               | -               | 149,107           | -               | (149,107)                        | -                       | -   | -   | -                       | -            |
| B3 Special reserve   | -               | -               | -                 | (234,313)       | 234,313                          | -                       | -   | -   | -                       | -            |
| B5 Cash dividends of ordinary share                                  | -               | -               | -                 | -               | (618,092)                        | (618,092)               | -   | -   | -                       | (618,092)    |
| Others changes in capital surplus:                                   |                 |                 |                   |                 |                                  |                         |   |   |                         |              |
| C7 Changes in equity of associates accounted for using equity method | -               | 24,764          | -                 | -               | -                                | -                       | -   | -   | -                       | 24,764       |
| C17 Other changes in capital surplus                                 | -               | 320             | -                 | -               | -                                | -                       | -   | -   | -                       | 320          |
| Z1 <b>Balance at December 31, 2023</b>                               | \$ 1,765,978    | 845,521         | 1,902,369         | 453,579         | 5,507,775                        | 7,863,723               | (435,177)   | 49,887  | (385,290)               | 10,089,932   |

(See accompanying notes to parent-company-only financial statements)

Chairman: Ming-Chih Chang

Manager: Jonq-Liang Jiang

Account Officer: Ti-Szu Wei

**IEI Integration Corp.**  
**STATEMENT OF CASH FLOWS**  
**From January 1 to December 31, 2023 and 2022**

In thousands of NT\$

|   | 2023                | 2022               |
|---|---------------------|--------------------|
| AAAA Cash flows from (used in) operating activities:  |                     |                    |
| A10000 Profit (loss) from continuing operations before tax  | \$ 1,637,942        | \$ 1,744,453       |
| A20000 Adjustments:   |                     |                    |
| A20010 Adjustments to reconcile profit (loss):  |                     |                    |
| A20100 Depreciation expense   | 52,311              | 51,989             |
| A20200 Amortization expense   | 20,473              | 19,069             |
| A20300 Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense                             | 8,486               | 14,442             |
| A20400 Net loss (gain) on financial assets or liabilities at fair value through profit or loss                          | (5,840)             | (1,335)            |
| A20900 Interest expense   | 259                 | 218                |
| A21200 Interest income  | (50,040)            | (11,027)           |
| A21300 Dividend income  | (6,497)             | (647)              |
| A22400 Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using the equity method      | (826,862)           | (800,204)          |
| A22500 Loss (gain) on disposal of property, plan and equipment  | (375)               | (1,384)            |
| A23700 Impairment loss on non-financial assets  | 24,789              | 11,864             |
| A24000 Unrealized profit (loss) from sales  | (8,869)             | 36,878             |
| A24100 Unrealized foreign exchange loss (gain)  | 2,549               | (1,239)            |
| A20010 Adjustments to reconcile profit (loss)   | <u>(789,616)</u>    | <u>(681,376)</u>   |
| A30000 Changes in operating assets and liabilities:   |                     |                    |
| A31115 Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value | (215,310)           | (379,665)          |
| A31150 Decrease (increase) in accounts receivable   | (84,156)            | (53,543)           |
| A31160 Decrease (increase) in accounts receivable due from related parties  | (8,802)             | (99,139)           |
| A31190 Decrease (increase) in other receivable due from related parties   | (731)               | 1,140              |
| A31200 Decrease (increase) in inventories   | (27,402)            | (286,282)          |
| A31240 Decrease (increase) in other current assets  | 33,583              | (26,211)           |
| A31990 Decrease (increase) in defined benefit assets  | 21                  | (676)              |
| A32000 Changes in operating assets and liabilities:   |                     |                    |
| A32125 Increase (decrease) in contract liabilities  | (35,526)            | (72,452)           |
| A32150 Increase (decrease) in accounts payable  | 42,516              | 260,770            |
| A32160 Increase (decrease) in accounts payable to related parties   | (124,118)           | (32,796)           |
| A32180 Increase (decrease) in other payable   | 37,800              | 8,174              |
| A32190 Increase (decrease) in other payable to related parties  | 6,742               | 12,230             |
| A32230 Increase (decrease) in other current liabilities   | 3,836               | 6,253              |
| A30000 Changes in operating assets and liabilities:   | <u>(371,547)</u>    | <u>(662,197)</u>   |
| A20000 Adjustments:   | <u>(1,161,163)</u>  | <u>(1,343,573)</u> |
| A33000 Cash inflow (outflow) generated from operations  | 476,779             | 400,880            |
| A33100 Interest received  | 45,327              | 9,656              |
| A33200 Dividends received   | 400,217             | 607,899            |
| A33300 Interest paid  | (259)               | (218)              |
| A33500 Income taxes refund (paid)   | <u>(218,320)</u>    | <u>(57,612)</u>    |
| AAAA Cash flows from (used in) operating activities:  | <u>703,744</u>      | <u>960,605</u>     |
| BBBB Cash flows from (used in) investing activities   |                     |                    |
| B00010 Acquisition of financial assets at fair value through other comprehensive income                                 | (15,000)            | (6,000)            |
| B00030 Proceeds from capital reduction of financial assets at fair value through other comprehensive income             | 3,500               | 500                |
| B02300 Return of capital from subsidiary liquidation  | 264                 | -                  |
| B02400 Decrease in capital returned from the investment accounted for using equity method                               | -                   | 177,900            |
| B02700 Acquisition of property, plant and equipment   | (23,561)            | (16,052)           |
| B02800 Proceeds from disposal of property, plant and equipment  | -                   | 1,471              |
| B04500 Acquisition of intangible assets   | (19,298)            | (22,544)           |
| B06600 Increase in other financial assets   | (232,531)           | (34)               |
| B06800 Increase in other non-current assets   | -                   | (1,394)            |
| BBBB Cash flows from (used in) investing activities   | <u>(286,626)</u>    | <u>133,847</u>     |
| CCCC Cash flows from (used in) financing activities   |                     |                    |
| C04020 Payments of lease liabilities  | (7,347)             | (6,165)            |
| C04400 Decrease in other non-current liabilities  | -                   | (70)               |
| C04500 Cash dividends paid  | (618,092)           | (529,793)          |
| C09900 Other financing activities   | 320                 | 32                 |
| CCCC Cash flows from (used in) financing activities   | <u>(625,119)</u>    | <u>(535,996)</u>   |
| EEEE Net increase (decrease) in cash and cash equivalents   | (208,001)           | 558,456            |
| E00100 Cash and cash equivalents at beginning of period   | 1,255,603           | 697,147            |
| E00200 Cash and cash equivalents at end of period   | <u>\$ 1,047,602</u> | <u>1,255,603</u>   |

(See accompanying notes to parent-company-only financial statements)

Chairman: Ming-Chih Chang

Manager: Jonq-Liang Jiang

Account Officer: Ti-Szu Wei

**IEI Integration Corp.**  
**2023 Profit Distribution Statement**

(Unit: NT\$)

| Items  | Total                |
|--|----------------------|
| Beginning unappropriated retained earnings   | 4,125,205,552        |
| Add : Net profit after tax   | 1,382,155,584        |
| Add : Actuarial gains and losses adjusted into retained earnings                                   | 405,225              |
| Add: The recognition of actuarial gains and losses of Associates accounted for Using Equity Method | 7,298                |
| Less : Legal reserve   | (138,256,811)        |
| Add : Reversal of special reserve  | 68,288,553           |
| <b>Total distributable earnings</b>  | <b>5,437,805,401</b> |
| Distribution :   |                      |
| Cash dividend of common stock (NT\$3.5 per share)  | (618,092,265)        |
| <b>Ending unappropriated retained earnings</b>   | <b>4,819,713,136</b> |

Chairman:  
Ming-Chih Chang

Manager:  
Jonq-Liang Jiang

Account Officer:  
Ti-Szu Wei