

**IEI INTEGRATION CORP.  
AND SUBSIDIARIES**

**Consolidated Financial Statements  
With Independent Auditors' Review Report  
For the Nine Months Ended September 30, 2024 and 2023**

Address: No. 29, Zhongxing Rd., Xizhi Dist., New Taipei City  
Tel : (02)2690-2098

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

## Table of Contents

<b>Contents</b>	<b>Page</b>
I. Cover page	1
II. Table of Contents	2
III. Independent Auditors' Review Report	3
IV. Consolidated Balance Sheets	4
V. Consolidated Statement of Comprehensive Income	5
VI. Consolidated Statement of Changes in Equity	6
VII. Consolidated Statement of Cash Flows	7
VIII. Notes to the Consolidated Financial Statements	
1. Company history	8
2. Approval date and procedures of the consolidated financial statements	8
3. New standards, amendments and interpretations adopted	8~9
4. Summary of significant accounting policies	10~11
5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty	12
6. Explanation of significant accounts	12~36
7. Related-party transactions	37~40
8. Pledged assets	40
9. Commitments and contingencies	40
10. Losses due to major disasters	40
11. Subsequent events	40
12. Other	40~41
13. Other disclosures	
(1) Information on significant transactions	41~44
(2) Information on investees	44~45
(3) Information on investment in Mainland China	45~46
(4) Major shareholders	46
14. Segments information	46~47

## Independent Auditors' Review Report

To the Board of Directors of IEI Integration Corp.:

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of IEI Integration Corp. (the "Company") and its subsidiaries (together referred to as the "Group") as of September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and the nine months ended September 30, 2024 and 2023, as well as changes in equity and cash flows for the nine months ended September 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards ("IASs") 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

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

### **Basis for Qualified Conclusion**

As stated in note 4(2), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$1,544,402 thousand and \$3,251,627 thousand, constituting 10.68% and 22.78% of the total consolidated assets as of September 30, 2024 and 2023, respectively, total liabilities amounting to \$424,018 thousand and \$665,513 thousand, constituting 10.95% and 15.55% of the total consolidated liabilities as of September 30, 2024 and 2023, respectively. Also, the total comprehensive income amounting to \$29,235 thousand, \$76,013 thousand, \$82,352 thousand and \$267,381 thousand, constituting 13.25%, 14.36%, 7.94% and 19.75% of the total consolidated comprehensive income for the three months ended September 30, 2024 and 2023 and nine months ended September 30, 2024 and 2023, respectively.

Furthermore, as stated in Note 6(7) to the consolidated financial statements, the investments accounted for using equity method of IEI Integration Corp. and its subsidiaries amounted to \$2,496,032 thousand and \$2,471,556 thousand as of September 30, 2024 and 2023, and the share of profit of associates under the equity method amounted to \$98,172 thousand, \$57,542 thousand, \$199,482 thousand and \$251,308 thousand for the three months ended September 30, 2024 and 2023 and nine months ended September 30, 2024 and 2023, respectively. These amounts were recognized based on financial statements of the investees for the same period and were not reviewed by independent auditors.

### **Qualified Conclusion**

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months and nine months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Chung-Che Chen and Li-Chen Lai.

KPMG

Taipei, Taiwan (Republic of China)

November 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 review such consolidated financial statements are those generally applied in the Republic of China.

The independent auditors’ review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors’ review report and consolidated financial statements, the Chinese version shall prevail.

**IEI INTEGRATION CORP. AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**September 30, 2024 , December 31, 2023 and September 30, 2023**

**(Expressed in Thousands of New Taiwan Dollar)**

Assets		September 30, 2024		December 31, 2023		September 30, 2023		Liabilities and Equity		September 30, 2024		December 31, 2023		September 30, 2023	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
<b>Current assets:</b>								<b>Current liabilities:</b>							
1100	Cash and cash equivalents (note 6(1)(23))	\$ 3,129,288	22	4,757,865	33	4,229,886	29	2100	Current borrowings (note 6(12))	\$ -	-	173,408	1	179,782	1
1110	Financial assets at fair value through profit and loss – current (note 6(2)(23))	948,006	7	722,917	5	731,156	5	2130	Current contract liabilities (note 6(20) and 7)	403,776	3	521,853	4	429,347	3
1170	Notes & accounts receivable, net (note 6(4)(20)(23))	1,080,556	7	962,531	7	1,039,873	7	2170	Notes and Accounts payable (note 6(23))	1,315,423	9	1,088,257	8	1,199,663	9
1180	Accounts receivable - related parties, net (note 6(23) and 7)	85,970	1	35,513	-	45,639	-	2180	Accounts payable - related parties (note 6(23) and 7)	33,120	-	98,047	1	91,999	1
1210	Other receivable - related parties (note 6(23) and 7)	466,722	3	184,645	1	529,950	4	2219	Other payables, others (note 6(23))	686,997	5	676,151	5	687,358	5
130X	Inventories (note 6(5))	1,318,782	9	1,305,085	9	1,336,729	10	2220	Other payables - related parties (note 6(23) and 7)	69,036	-	198,816	1	159,641	1
1476	Other financial assets, current (note 6(6)(23) and 8)	2,927,018	20	1,745,373	12	1,819,330	13	2230	Current tax liabilities	219,864	2	359,472	3	403,515	3
1479	Other current assets	241,713	2	312,755	2	306,303	2	2280	Current lease liabilities (note 6(13)(23) and 7)	5,821	-	11,419	-	8,031	-
		<u>10,198,055</u>	<u>71</u>	<u>10,026,684</u>	<u>69</u>	<u>10,038,866</u>	<u>70</u>	2399	Other current liabilities	43,817	-	40,484	-	56,639	-
										<u>2,777,854</u>	<u>19</u>	<u>3,167,907</u>	<u>23</u>	<u>3,215,975</u>	<u>23</u>
<b>Non-current assets:</b>								<b>Non-current liabilities:</b>							
1510	Financial assets at fair value through profit or loss, non-current (note 2 and 23)	31,267	-	-	-	-	-	2570	Deferred tax liabilities	1,039,390	7	995,039	7	999,755	7
1517	Financial assets at fair value through other comprehensive income, non-current (note 6(3)(23))	57,665	-	59,729	-	42,429	-	2580	Non-current lease liabilities (note 6(13)(23) and 7)	-	-	2,951	-	5,260	-
1550	Investments accounted for using equity method (note 6(7))	2,496,032	17	2,525,069	18	2,471,556	18	2640	Net defined benefit liability, non-current	3	-	-	-	-	-
1600	Property, plant and equipment (note 6(9))	1,248,770	9	1,260,982	10	1,288,542	9	2670	Other non-current liabilities, others	55,491	1	57,700	1	59,124	-
1755	Right-of-use assets (note 6(10))	5,702	-	13,870	-	12,483	-			<u>1,094,884</u>	<u>8</u>	<u>1,055,690</u>	<u>8</u>	<u>1,064,139</u>	<u>7</u>
1760	Investment property, net (note 6(11))	267,236	2	271,537	2	273,111	2	<b>Total liabilities</b>		<u>3,872,738</u>	<u>27</u>	<u>4,223,597</u>	<u>31</u>	<u>4,280,114</u>	<u>30</u>
1821	Other intangible assets, net	17,981	-	19,051	-	18,478	-	<b>Equity attributable to owners of parent (note 6(8)(17))</b>							
1840	Deferred tax assets	111,576	1	112,068	1	98,022	1	3100	Share Capital	1,765,978	12	1,765,978	12	1,765,978	12
1975	Net defined benefit assets, non-current	8,585	-	8,578	-	8,093	-	3200	Capital surplus	842,357	6	845,521	6	845,186	6
1990	Other non-current assets, others	20,820	-	24,743	-	23,240	-		Retained earnings:						
		<u>4,265,634</u>	<u>29</u>	<u>4,295,627</u>	<u>31</u>	<u>4,235,954</u>	<u>30</u>	3310	Legal reserve	2,040,627	14	1,902,369	13	1,902,369	13
								3320	Special reserve	385,290	3	453,579	3	453,579	3
								3350	Unappropriated retained earnings	5,789,989	40	5,507,775	38	5,336,737	38
										<u>8,215,906</u>	<u>57</u>	<u>7,863,723</u>	<u>54</u>	<u>7,692,685</u>	<u>54</u>
								3400	Other equity	(371,764)	(3)	(385,290)	(3)	(311,419)	(2)
									Equity attributable to owners of parent	10,452,477	72	10,089,932	69	9,992,430	70
								36XX	Non-controlling interests	138,474	1	8,782	-	2,276	-
									Total equity	<u>10,590,951</u>	<u>73</u>	<u>10,098,714</u>	<u>69</u>	<u>9,994,706</u>	<u>70</u>
<b>Total Assets</b>		<u>\$ 14,463,689</u>	<u>100</u>	<u>14,322,311</u>	<u>100</u>	<u>14,274,820</u>	<u>100</u>	<b>Total Liabilities and Equity</b>		<u>\$ 14,463,689</u>	<u>100</u>	<u>14,322,311</u>	<u>100</u>	<u>14,274,820</u>	<u>100</u>

(See accompanying notes to the consolidated financial statements)

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Consolidated Statement of Comprehensive Income**  
**For the three months and nine months ended September 30, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollar, Except for Earnings per share)**

	For the three months ended September 30				For the nine months ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
4110 Sales revenue	\$ 1,869,890	100	1,873,209	101	5,209,137	100	5,958,192	101
4170 Less: Sales returns and discounts	2,478	-	14,027	1	6,513	-	31,446	1
<b>Net sales revenue</b> (note 6(20) and 7)	<b>1,867,412</b>	<b>100</b>	<b>1,859,182</b>	<b>100</b>	<b>5,202,624</b>	<b>100</b>	<b>5,926,746</b>	<b>100</b>
5110 <b>Cost of sales</b> (note 6(5)(15), 7 and 12)	1,206,774	65	1,126,339	61	3,349,663	64	3,789,501	64
<b>Gross profit</b>	<b>660,638</b>	<b>35</b>	<b>732,843</b>	<b>39</b>	<b>1,852,961</b>	<b>36</b>	<b>2,137,245</b>	<b>36</b>
5910 Unrealized profit (loss) from sales	406	-	(1,787)	-	(517)	-	(3,774)	-
5920 Realized profit (loss) from sales	-	-	-	-	2,446	-	1,526	-
<b>Gross profit from operations</b>	<b>661,044</b>	<b>35</b>	<b>731,056</b>	<b>39</b>	<b>1,854,890</b>	<b>36</b>	<b>2,134,997</b>	<b>36</b>
<b>Operating expenses</b> (note 6(4)(15)(18)(21), 7 and 12)								
6100 Selling expenses	123,804	7	136,648	7	383,862	7	400,856	7
6200 Administrative expenses	120,766	6	134,071	7	352,257	7	384,511	6
6300 Research and development expenses	138,439	7	137,354	7	426,041	8	403,810	7
6450 Expected credit impairment loss (reversal gain)	-	-	14,991	1	(23,018)	-	10,233	-
<b>Total operating expenses</b>	<b>383,009</b>	<b>20</b>	<b>423,064</b>	<b>22</b>	<b>1,139,142</b>	<b>22</b>	<b>1,199,410</b>	<b>20</b>
<b>Net operating income</b>	<b>278,035</b>	<b>15</b>	<b>307,992</b>	<b>17</b>	<b>715,748</b>	<b>14</b>	<b>935,587</b>	<b>16</b>
<b>Non-operating income and expenses</b> (note 6(22) and 7)								
7100 Interest income	66,384	3	55,491	3	200,860	4	152,276	3
7010 Other income	32,401	2	27,219	1	62,999	1	75,065	1
7020 Other gains and losses, net	(112,616)	(6)	174,617	9	142,324	3	215,442	4
7050 Financial costs	(3,005)	-	(3,221)	-	(8,894)	-	(9,184)	-
7060 Share of profit of associates and joint ventures accounted for using equity method, net	98,172	5	57,542	3	199,482	4	251,308	4
<b>Total non-operating income and expenses</b>	<b>81,336</b>	<b>4</b>	<b>311,648</b>	<b>16</b>	<b>596,771</b>	<b>12</b>	<b>684,907</b>	<b>12</b>
<b>Profit (loss) from continuing operations before tax</b>	<b>359,371</b>	<b>19</b>	<b>619,640</b>	<b>33</b>	<b>1,312,519</b>	<b>26</b>	<b>1,620,494</b>	<b>28</b>
7950 Less: Income tax expense (note 6(16))	61,724	3	131,551	7	288,521	6	408,964	7
<b>Profit (loss)</b>	<b>297,647</b>	<b>16</b>	<b>488,089</b>	<b>26</b>	<b>1,023,998</b>	<b>20</b>	<b>1,211,530</b>	<b>21</b>
8300 <b>Other comprehensive income:</b>								
8310 <b>Components of other comprehensive income that will not be reclassified to profit or loss</b>								
8316 Unrealized gain (loss) from investments in equity instruments measured at fair value through other comprehensive income	(824)	-	1,690	-	(34,564)	(1)	(1,096)	-
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	(32,788)	(2)	(64,044)	(3)	(47,404)	(1)	50,274	1
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
<b>Total components of other comprehensive income that will not be reclassified to profit or loss</b>	<b>(33,612)</b>	<b>(2)</b>	<b>(62,354)</b>	<b>(3)</b>	<b>(81,968)</b>	<b>(2)</b>	<b>49,178</b>	<b>1</b>
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	(38,930)	(2)	90,299	4	80,512	2	76,959	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.	(4,476)	-	13,452	1	14,982	-	16,023	-
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>	<b>(43,406)</b>	<b>(2)</b>	<b>103,751</b>	<b>5</b>	<b>95,494</b>	<b>2</b>	<b>92,982</b>	<b>1</b>
8300 <b>Other comprehensive income, net of income tax</b>	<b>(77,018)</b>	<b>(4)</b>	<b>41,397</b>	<b>2</b>	<b>13,526</b>	<b>-</b>	<b>142,160</b>	<b>2</b>
<b>Total comprehensive income</b>	<b>\$ 220,629</b>	<b>12</b>	<b>529,486</b>	<b>28</b>	<b>1,037,524</b>	<b>20</b>	<b>1,353,690</b>	<b>23</b>
<b>Profit (loss) attributable to:</b>								
8610 Owners of parent	\$ 294,389	16	488,089	26	1,018,294	20	1,211,530	21
8620 Non-controlling Interests	3,258	-	-	-	5,704	-	-	-
	<b>\$ 297,647</b>	<b>16</b>	<b>488,089</b>	<b>26</b>	<b>1,023,998</b>	<b>20</b>	<b>1,211,530</b>	<b>21</b>
<b>Comprehensive income attributable to:</b>								
8710 Owners of parent	\$ 217,371	12	529,486	28	1,031,820	20	1,353,690	23
8720 Non-controlling Interests	3,258	-	-	-	5,704	-	-	-
	<b>\$ 220,629</b>	<b>12</b>	<b>529,486</b>	<b>28</b>	<b>1,037,524</b>	<b>20</b>	<b>1,353,690</b>	<b>23</b>
<b>Earnings per share (NT\$)</b>								
<b>Basic earnings per share (NT\$)</b>	<b>\$ 1.67</b>		<b>2.76</b>		<b>5.77</b>		<b>6.86</b>	
<b>Diluted earnings per share (NT\$)</b>	<b>\$ 1.66</b>		<b>2.75</b>		<b>5.73</b>		<b>6.81</b>	

(See accompanying notes to the consolidated financial statements)

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Consolidated Statement of Changes in Equity**  
**For the nine months ended September 30, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollar)**

Equity attributable to owners of parent												
	Share Capital		Retained earnings				Other equity interest			Total equity attributable to owners of parent	Non-controlling Interests	Total Equity
	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 other equity interest			
<b>A1 Balance at January 1, 2023</b>	\$ 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	215	9,232,298
D1 Profit (loss)	-	-	-	-	1,211,530	1,211,530	-	-	-	1,211,530	-	1,211,530
D3 Other comprehensive income (loss)	-	-	-	-	-	-	92,982	49,178	142,160	142,160	-	142,160
D5 Total comprehensive income (loss)	-	-	-	-	1,211,530	1,211,530	92,982	49,178	142,160	1,353,690	-	1,353,690
Appropriation and distribution of retained earnings:												
B1 Legal reserve	-	-	149,107	-	(149,107)	-	-	-	-	-	-	-
B5 Cash dividends of ordinary share	-	-	-	-	(618,092)	(618,092)	-	-	-	(618,092)	-	(618,092)
B17 Reversal of special reserve	-	-	-	(234,313)	234,313	-	-	-	-	-	-	-
Others changes in capital surplus:												
M3 Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	(215)	(215)
N1 Share-based payment	-	-	-	-	-	-	-	-	-	-	2,276	2,276
C7 Changes in equity of associates accounted for using equity method	-	24,429	-	-	-	-	-	-	-	24,429	-	24,429
C17 Other changes in capital surplus	-	320	-	-	-	-	-	-	-	320	-	320
<b>Z1 Balance at September 30, 2023</b>	<b>\$ 1,765,978</b>	<b>845,186</b>	<b>1,902,369</b>	<b>453,579</b>	<b>5,336,737</b>	<b>7,692,685</b>	<b>(317,194)</b>	<b>5,775</b>	<b>(311,419)</b>	<b>9,992,430</b>	<b>2,276</b>	<b>9,994,706</b>
<b>A1 Balance at January 1, 2024</b>	<b>\$ 1,765,978</b>	<b>845,521</b>	<b>1,902,369</b>	<b>453,579</b>	<b>5,507,775</b>	<b>7,863,723</b>	<b>(435,177)</b>	<b>49,887</b>	<b>(385,290)</b>	<b>10,089,932</b>	<b>8,782</b>	<b>10,098,714</b>
D1 Profit (loss)	-	-	-	-	1,018,294	1,018,294	-	-	-	1,018,294	5,704	1,023,998
D3 Other comprehensive income (loss)	-	-	-	-	-	-	95,494	(81,968)	13,526	13,526	-	13,526
D5 Total comprehensive income (loss)	-	-	-	-	1,018,294	1,018,294	95,494	(81,968)	13,526	1,031,820	5,704	1,037,524
B1 Legal reserve	-	-	138,258	-	(138,258)	-	-	-	-	-	-	-
B5 Cash dividends of ordinary share	-	-	-	-	(618,092)	(618,092)	-	-	-	(618,092)	-	(618,092)
B17 Reversal of special reserve	-	-	-	(68,289)	68,289	-	-	-	-	-	-	-
C7 Changes in equity of associates accounted for using equity method	-	(3,226)	-	-	-	-	-	-	-	(3,226)	-	(3,226)
C17 Other changes in capital surplus	-	62	-	-	-	-	-	-	-	62	-	62
M7 Change in ownership of subsidiaries	-	-	-	-	(48,019)	(48,019)	-	-	-	(48,019)	103,031	55,012
N1 Share-based payment	-	-	-	-	-	-	-	-	-	-	20,957	20,957
<b>Z1 Balance at September 30, 2024</b>	<b>\$ 1,765,978</b>	<b>842,357</b>	<b>2,040,627</b>	<b>385,290</b>	<b>5,789,989</b>	<b>8,215,906</b>	<b>(339,683)</b>	<b>(32,081)</b>	<b>(371,764)</b>	<b>10,452,477</b>	<b>138,474</b>	<b>10,590,951</b>

(See accompanying notes to the consolidated financial statements)

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Consolidated Statement of Cash Flows**  
**For the nine months ended September 30, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollar)**

		For the nine months ended September 30	
		2024	2023
AAAA	Cash flows from (used in) operating activities:		
A10000	Profit (loss) from continuing operations before tax	\$ 1,312,519	1,620,494
A20000	Adjustments:		
A20010	Adjustments to reconcile profit (loss):		
A20100	Depreciation expense	107,340	106,437
A20200	Amortization expense	18,036	15,905
A20300	Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	(23,018)	10,233
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(10,950)	(4,942)
A20900	Interest expense	8,894	9,184
A21200	Interest income	(200,860)	(152,276)
A21300	Dividend income	(2,047)	(6,497)
A21900	Share-based payments	20,957	2,276
A22300	Share of loss (profit) of associates and joint ventures accounted for using equity method	(199,482)	(251,308)
A22500	Loss (gain) on disposal of property, plant and equipment	506	1,553
A23700	Impairment loss on non-financial assets	1,341	37,164
A24000	Realized (unrealized) profit from sales	(1,929)	2,248
A24100	Unrealized foreign exchange loss (gain)	(17,095)	16,827
A20010	Total adjustments to reconcile profit (loss)	(298,307)	(213,196)
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	(214,695)	(341,148)
A31150	Decrease (increase) in notes and accounts receivable	(75,375)	(33,257)
A31160	Decrease (increase) in accounts receivable due from related parties	(19,051)	(995)
A31190	Decrease (increase) in other receivables due from related parties	54,955	(83,792)
A31200	Decrease (increase) in inventories	13,539	444,640
A31240	Decrease (increase) in other current assets	85,812	(144,009)
A31990	Decrease (increase) in other operating assets	(4)	-
A32000	Changes in operating liabilities:		
A32125	Increase (decrease) in contract liabilities	(118,077)	(101,518)
A32150	Increase (decrease) in accounts payable	195,524	(77,471)
A32160	Increase (decrease) in accounts payable to related parties	(88,386)	(82,760)
A32180	Increase (decrease) in other payable	4,494	58,194
A32190	Increase (decrease) in other payable to related parties	(194,084)	(18,079)
A32200	Increase (decrease) in provisions	(2,118)	1,885
A32230	Increase (decrease) in other current liabilities	(11,051)	7,942
A30000	Total changes in operating assets and liabilities	(368,517)	(370,368)
A20000	Total adjustments	(666,824)	(583,564)
A33000	Cash inflow (outflow) generated from operations	645,695	1,036,930
A33100	Interest received	201,621	220,416
A33200	Dividends received	5,043	8,637
A33300	Interest paid	(8,894)	(9,184)
A33500	Income taxes refund (paid)	(382,253)	(354,466)
AAAA	Net cash flows from (used in) operating activities	461,212	902,333



**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Consolidated Statement of Cash Flows (continued)**  
**For the nine months ended September 30, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollar)**

		<b>For the nine months ended</b>	
		<b>September 30</b>	
		<b>2024</b>	<b>2023</b>
BBBB	Cash flows from (used in) investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(32,500)	(15,000)
B00030	Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	3,500
B00100	Acquisition of financial assets at fair value through profit or loss	(31,197)	-
B01800	Acquisition of investments accounted for using equity method	(78,689)	-
B02700	Acquisition of property, plant and equipment	(59,908)	(65,410)
B02800	Proceeds from disposal of property, plant and equipment	247	208
B04300	Increase in other receivables due from related parties	-	(27,835)
B04500	Acquisition of intangible assets	(16,251)	(13,457)
B06500	Increase in other financial assets	(1,179,884)	(297,478)
B06700	(Increase) Decrease in other non-current assets	4,453	(1,883)
BBBB	Net cash flows from (used in) investing activities	<u>(1,393,729)</u>	<u>(417,355)</u>
CCCC	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	-	176,535
C00200	Decrease in short-term loans	(180,257)	-
C03100	Decrease in guarantee deposits received	(48)	(78)
C04020	Payments of lease liabilities	(8,730)	(8,152)
C04500	Cash dividends paid	(618,092)	(618,092)
C05800	Change in non-controlling interests	55,012	(215)
C09900	Other financing activities	62	320
CCCC	Net cash flows from (used in) financing activities	<u>(752,053)</u>	<u>(449,682)</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	55,993	57,053
EEEE	Net increase (decrease) in cash and cash equivalents	(1,628,577)	92,349
E00100	Cash and cash equivalents at beginning of period	<u>4,757,865</u>	<u>4,137,537</u>
E00200	Cash and cash equivalents at end of period	<u><b>\$ 3,129,288</b></u>	<u><b>4,229,886</b></u>

(See accompanying notes to the consolidated financial statements)

# IEI INTEGRATION CORP. AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

For the nine months ended September 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar, Unless Otherwise Specified)

### 1. Company history

IEI INTEGRATION CORP. (the “Company”) was incorporated with the approval of the Ministry of Economic Affairs on April 17, 1997. The main business activities of the Company and its subsidiaries (the “Group”) are manufacturing and sales of computers, computer peripherals and related import and export trade.

### 2. Approval date and procedures of the consolidated financial statements

The consolidated financial statements were authorized for issuance by the Board of Directors on November 8, 2024.

### 3. New standards, amendments and interpretations adopted

(1) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. (“FSC”) which have already been adopted  
The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liabilities in a Sale and Leaseback”

(2) The impact of IFRSs endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 21 “Lack of Exchangeability”

(3) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.	January 1, 2027

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
	<ul style="list-style-type: none"> <li>• A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined "operating profit" subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities.</li> <li>• Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.</li> <li>• Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in a single note.</li> </ul>	

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on the consolidated financial statements

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”
- IFRS 17, “Insurance Contracts” and amendments to IFRS 17
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements of IFRS Accounting Standards

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

**4. Summary of significant accounting policies**

(1) Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and IAS 34 “Interim Financial Reporting” endorsed and issued into effect by the FSC. These consolidated financial statements do not include all disclosures required for annual financial statements under the Regulations and IFRSs, IASs, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to as IFRS endorsed by the FSC).

Except as described below, the significant accounting policies adopted in the consolidated financial statements are the same as those adopted in the consolidated financial statements for the year ended December 31, 2023. For related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2023.

(2) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

The subsidiaries included in the consolidated financial statements were as follows:

Name of investor	Name of subsidiary	Principal activity	Shareholding ratio			Note
			September 30, 2024	December 31, 2023	September 30, 2023	
The Company	ICP Electronics Limited	Investing and selling computers	100%	100%	100%	
The Company	Internet Application Technology Ltd.	Investing and selling computers	100%	100%	100%	Note 1, 3
The Company	Britemed Technology Inc.	Manufacturing and selling electronic components	100%	100%	100%	Note 1
ICP Electronics Limited	Fortunetec International Corp.	Investing and selling computers	100%	100%	100%	
ICP Electronics Limited	Fortune Name Holdings Limited	Investing and selling computers	100%	- %	- %	Note 1, 4
Fortunetec International Corp.	Armorlink SH Corp.	Manufacturing and selling computers	90.70%	100%	100%	Note 2
Internet Application Technology Ltd.	Rich Excel Corporation Holdings Limited	Investing and selling computers	100%	100%	100%	Note 1, 3
Rich Excel Corporation Holdings Limited	Equilico Inc.	Leasing property	100%	100%	100%	Note 1
Rich Excel Corporation Holdings Limited	Potency Inc.	Investing and selling computers	100%	100%	100%	Note 1, 3
Equilico Inc.	Suntend LLC	Leasing property	100%	100%	100%	Note 1
Armorlink SH Corp.	IEI Technology (Shanghai) Co., Ltd	Logistics center, selling computers	100%	100%	100%	
Armorlink SH Corp.	Weibotong Technology (Shanghai) Co., Ltd.	Logistics center, selling computers	100%	100%	100%	Note 1
Armorlink SH Corp.	Ailean Technologies Corp.	Manufacturing and selling computers	100%	100%	100%	Note 1
Armorlink SH Corp.	SYNCDA International Limited.	Logistics center, selling computers	100%	100%	- %	Note 1
Ailean Technologies Corp.	Ash Energy Group Limited	Managing supply chain	100%	100%	100%	Note 1
Potency Inc.	IEI Technology USA Corporation	Selling computers	100%	100%	100%	Note 1, 3

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

Note 1: These are non-significant subsidiaries whose financial statements for the nine months ended September 30, 2024 and 2023 were not reviewed.

Note 2: The shareholding ratio of Armorlink SH Corp. dropped from 100% to 90.70% due to its issuance of restricted new stock to employees.

Note 3: Internet Application Technology Ltd., Rich Excel Corporation Holdings Limited, Potency Inc. and IEI Technology USA Corporation meet the conditions and are listed as significant subsidiaries starting from 2024.

Note 4: Fortune Name Holdings Limited was incorporated on May 6, 2024.

(ii) The subsidiaries are not included in the consolidated financial statements: None.

(3) Employee benefits

The pension cost for an interim period is calculated on a year to date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant onetime events.

(4) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current:

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as noncurrent:

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

(5) Income taxes

The Group evaluates and discloses interim period income tax expense in accordance with paragraph B12 of IAS 34 “Interim Financial Reporting”.

Income tax expenses for an interim period are best estimated by multiplying pretax income for the interim reporting period by the effective annual tax rate as forecasted by the management.

When income tax expenses are recognized directly in equity or other comprehensive income in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, the related amounts shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled.

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

**5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty**

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 “Interim Financial Reporting” endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, critical judgments and estimation uncertainties made by management are in conformity with note 5 of the consolidated financial statements for the year ended December 31, 2023.

Information about judgments made in applying accounting policies that have significant effects on the amount recognized in the consolidated financial statements is as follows:

(1) Judgment of whether the Group have substantive control over its investees

The Group held a 24.23% voting interest in QNAP Systems, Inc., making it the single largest shareholder. Although the remaining 75.77% of the shares in QNAP Systems, Inc. were not concentrated in any specific shareholder, the Group was still unable to obtain a majority of the board seats in QNAP Systems, Inc., nor did it have the voting power of a majority of the shareholders attending the shareholders' meeting. Therefore, it was determined that the Group had significant influence over QNAP Systems, Inc.

The Group held a 24.49% voting interest in SHEN FONG INC., making it the single largest shareholder. Although the remaining 75.51% of the shares in SHEN FONG INC. were not concentrated in any specific shareholder, the Group was still unable to obtain a majority of the board seats in SHEN FONG INC., nor did it have the voting power of a majority of the shareholders attending the shareholders' meeting. Therefore, it was determined that the Group had significant influence over SHEN FONG INC.

**6. Explanation of significant accounts**

Except as described below, the explanation of significant accounts in the accompanying consolidated financial statements is not materially different from those in the consolidated financial statements for the year ended December 31, 2023. Please refer to note 6 of the consolidated financial statements for the year ended December 31, 2023, for more details.

(1) Cash and cash equivalents

	<b>September 30,</b>	<b>December 31,</b>	<b>September 30,</b>
	<b>2024</b>	<b>2023</b>	<b>2023</b>
Cash on hand	\$ 4,345	5,221	6,743
Bank deposits	1,748,485	1,279,519	2,041,691
Cash equivalents	1,376,458	3,473,125	2,181,452
Cash and cash equivalents in the consolidated statement of cash flows	<b><u>\$ 3,129,288</u></b>	<b><u>4,757,865</u></b>	<b><u>4,229,886</u></b>

- (i) There is no pledge guarantee for cash and cash equivalents.
- (ii) Cash equivalents that do not meet the definition of cash have been transferred to other financial assets, please refer to note 6(6).
- (iii) Please refer to note 6(23) for the interest rate risk and sensitivity analysis of the financial assets and liabilities of the Group.

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

(2) Financial assets at fair value through profit or loss

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Financial assets at fair value through profit or loss, mandatorily measured at fair value :			
Current:			
Fund beneficiary certificate	\$ 821,586	722,917	506,084
Open-end Financial Products	126,420	-	225,072
	<b>\$ 948,006</b>	<b>722,917</b>	<b>731,156</b>
Non-current:			
Secondary Markets Foreign Bond	<b>\$ 31,267</b>	-	-

(i) For the amount recognized in profit or loss upon remeasurement at fair value, please refer to Note 6(22).

(ii) The above financial assets were not pledged as collateral.

(3) Financial assets at fair value through other comprehensive income

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Equity investments at fair value through other comprehensive income:			
Domestic unlisted stocks	<b>\$ 57,665</b>	<b>59,729</b>	<b>42,429</b>

(i) The Group designated the investments shown above as at fair value through other comprehensive income because these equity investments represent those investments that the Group intends to hold for long-term strategic purposes.

(ii) Please refer to note 6(23) for credit risk and market risk information.

(iii) The above financial assets were not pledged as collateral.

(4) Notes and accounts receivable

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Notes receivable	\$ 33,840	170,959	138,059
Accounts receivable	1,047,908	815,740	927,966
Less: Loss allowance	(1,192)	(24,168)	(26,152)
	<b>\$ 1,080,556</b>	<b>962,531</b>	<b>1,039,873</b>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including the macroeconomic and related industrial information. The aging analysis of notes and accounts receivable of the Group was as follows:

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

Group 1:

	<b>September 30, 2024</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 841,410	0%	-
1 to 90 days past due	239,599	0%~0.31%	743
91 to 180 days past due	111	0%	-
More than 181 days past due	628	0%~100%	449
	<b>\$ 1,081,748</b>		<b>1,192</b>

	<b>December 31, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 701,376	0%	-
1 to 90 days past due	261,660	0%~0.01%	723
91 to 180 days past due	218	0%	-
More than 181 days past due	516	100%	516
	<b>\$ 963,770</b>		<b>1,239</b>

	<b>September 30, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 932,554	0%	-
1 to 90 days past due	107,998	0%~0.18%	679
More than 181 days past due	536	0%~100%	536
	<b>\$ 1,041,088</b>		<b>1,215</b>

Group 2:

	<b>December 31, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ -	0%	-
1 to 90 days past due	7,589	100%	7,589
91 to 180 days past due	15,340	100%	15,340
More than 181 days past due	-	0%	-
	<b>\$ 22,929</b>		<b>22,929</b>

	<b>September 30, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 2,655	100%	2,655
1 to 90 days past due	22,282	100%	22,282
More than 181 days past due	-	0%	-
	<b>\$ 24,937</b>		<b>24,937</b>



**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

The movements of the allowance for notes and accounts receivable of the Group were as follows:

	<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Beginning balance	\$ 24,168	15,876
Impairment losses recognized (reversed)	(23,018)	10,233
Foreign exchange gains/(losses)	42	43
Ending balance	<b><u>\$ 1,192</u></b>	<b><u>26,152</u></b>

None of notes and accounts receivable held by the Group were pledged as collateral as of September 30, 2024, and December 31, and September 30, 2023

(5) Inventories

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Finished goods	\$ 523,235	704,000	648,021
Work in progress	216,339	97,888	253,479
Raw materials	579,208	503,197	435,229
	<b><u>\$ 1,318,782</u></b>	<b><u>1,305,085</u></b>	<b><u>1,336,729</u></b>

- (i) The cost of inventory recognized as cost of goods sold and expenses for the three months ended September 30, 2024 and 2023, and for the nine months ended September 30, 2024 and 2023, amounted to \$1,206,774 thousand, \$1,126,339 thousand, \$3,349,663 thousand, and \$3,789,501 thousand, respectively. For the three months ended September 30, 2024 and for the nine months ended September 30, 2024 and 2023, the inventory impairment losses due to a reduction from costs to net realizable value were \$12,413 thousand, \$1,341 thousand and \$37,164 thousand, respectively. For the three months ended September 30, 2023, the net realizable value of inventory increased due to the liquidation of long-term inventory, resulting in a reduction of recognized cost of goods sold by \$20,127 thousand.
- (ii) As of September 30, 2024 and December 31, and September 30, 2023, the aforesaid inventories were not pledged as collateral.

(6) Other Financial Assets

Details of other financial assets of the Group were as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Current:			
Time Deposits and restricted assets	\$ 2,836,730	1,745,373	1,675,509
National debt reverse repurchase	90,288	-	143,821
	<b><u>\$ 2,927,018</u></b>	<b><u>1,745,373</u></b>	<b><u>1,819,330</u></b>

The information of other financial assets pledge guarantees of the Group, please refer to note 8.

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

(7) Investments accounted for using equity method

The details of the Group's investments accounted for using equity method at the reporting date were as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Associates	<b>\$ 2,496,032</b>	<b>2,525,069</b>	<b>2,471,556</b>

On May 8, 2024, due to a reorganization of QNAP Systems, Inc., QNAP Systems, Inc. transferred its independently operated investment business division to SHEN FONG INC. at book value. SHEN FONG INC. issued ordinary shares to the original shareholders of QNAP Systems, Inc. as consideration, and as a result, the Group acquired significant influence over SHEN FONG INC.

(i) Significant associates of the Group:

<b>Name of Associate</b>	<b>Nature of relationship with the Group</b>	<b>Main operating location/Registered Country of the Company</b>	<b>Proportion of shareholding and voting rights</b>		
			<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
QNAP Systems, Inc.	Selling network security monitoring and network storage communication related products	Taiwan	24.23%	24.45%	24.45%
SHEN FONG INC.	Leasing property	Taiwan	24.49%	- %	- %

The following was the summary of financial information about the Group's significant associates. In order to reflect the adjustments for fair value in acquisition of shares and differences in accounting policies, adjustment for the amounts presented on the financial statements of associates in accordance with IFRS has been made to such financial information:

The summarized financial information of QNAP Systems, Inc.:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Current assets	\$ 4,534,160	2,615,002	3,465,354
Noncurrent assets	4,080,670	8,179,667	8,089,528
Current liabilities	(2,963,731)	(1,680,874)	(2,764,859)
Noncurrent liabilities	(126,323)	(155,685)	(94,265)
Net assets	<b>\$ 5,524,776</b>	<b>8,958,110</b>	<b>8,695,758</b>

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Operating revenue	<b>\$ 1,243,189</b>	<b>1,170,217</b>	<b>3,832,480</b>	<b>3,669,645</b>
Profit from continuing operations	\$ 344,819	303,682	883,040	1,052,060
Other comprehensive income	(102,023)	(240,198)	(146,325)	251,494
Total comprehensive income	<b>\$ 242,796</b>	<b>63,484</b>	<b>736,715</b>	<b>1,303,554</b>
Comprehensive income attributable to the Group	<b>\$ 59,252</b>	<b>15,522</b>	<b>173,569</b>	<b>325,579</b>

	<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Net assets attributable to the Group at beginning of period	\$ 2,183,261	2,072,316
Comprehensive income attributable to the Group	173,569	325,579
Acquisition	78,689	-
Changes in equity of investment in associates	(3,226)	(324)
Spin-off	(825,002)	-
Dividends received from the associate during the period	(268,564)	(271,518)
Net assets attributable to the Group at end of period	<u>1,338,727</u>	<u>2,126,053</u>
Less: Unrealized gain from side-stream sales transactions offset	5,316	5,546
Unrealized gain from upstream sales transactions offset	<u>276</u>	<u>504</u>
Carrying amount of interests in associates at end of period	<b>\$ 1,333,135</b>	<b>2,120,003</b>

QNAP Systems Inc. held a total of 13,367 thousand shares of the Company as of September 30, 2024.

The summarized financial information of SHEN FONG INC.:

	<b>September 30, 2024</b>
Current assets	\$ 38,086
Noncurrent assets	3,328,273
Current liabilities	<u>(81)</u>
Net assets	<b>\$ 3,366,278</b>

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

	<b>For the three months ended September 30, 2024</b>	<b>For the nine months ended September 30, 2024</b>
Operating revenue	<u>\$ -</u>	<u>-</u>
Profit from continuing operations	\$ 30,595	26,268
Other comprehensive income	<u>(56,158)</u>	<u>(28,609)</u>
Total comprehensive income	<u>\$ (25,563)</u>	<u>(2,341)</u>
Comprehensive income attributable to the Group	<u>\$ (6,260)</u>	<u>(573)</u>

	<b>For the nine months ended September 30, 2024</b>
Net assets attributable to the Group at beginning of period	\$ -
Comprehensive income attributable to the Group	(573)
Changes in equity of investment in associates	-
Acquisition through Spin-off	825,002
Dividends received from the associate during the period	-
Net assets attributable to the Group at end of period	<u>824,429</u>
Less: Unrealized gain from side-stream sales transactions offset	-
Unrealized gain from upstream sales transactions offset	-
Carrying amount of interests in associates at end of period	<u>\$ 824,429</u>

SHEN FONG INC. held a total of 10,596 thousand shares of the Company as of September 30, 2024.

- (ii) The Group's financial information for investments accounted for using equity method that are individually insignificant was as follows: (The financial information is the amount included in the consolidated financial statements of the Group.)

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Carrying amount of individually insignificant associates	<u>\$ 338,468</u>	<u>341,808</u>	<u>351,553</u>

  

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Attributable to the Group:				
Profit (loss) from continuing operations	\$ 5,717	(16,154)	(11,105)	(6,785)
Other comprehensive income	1,200	8,135	10,761	4,862
Total comprehensive income	<u>\$ 6,917</u>	<u>(8,019)</u>	<u>(344)</u>	<u>(1,923)</u>

- (iii) Collateral

As of September 30, 2024 and December 31, and September 30, 2023, the investments accounted for using equity method of the Group were not pledged as collateral.

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

(8) Material non-controlling interests of subsidiaries

Subsidiary that has material non-controlling interests was as follows:

<u>Subsidiary</u>	<u>Main operating location/Registered Country of the Company</u>	<u>Proportion of shareholding and voting rights held by non-controlling interests</u>		
		<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Armorlink SH Corp.	China	9.30%	- %	- %

The shareholding ratio of Armorlink SH Corp. dropped from 100% to 90.70% due to its issuance of restricted new stock to employees. For details for share-based payment please refer to note 6(18). The following information of the aforementioned subsidiary was prepared in accordance with the IFRS endorsed by the FSC, which was included in the fair value adjustments and the adjustments of differences in accounting principles at the acquisition date. Intra-group transactions were not eliminated in this information.

The summarized financial information of Armorlink SH Corp.:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Current assets	\$ 2,954,880	2,762,220	3,726,209
Noncurrent assets	930,243	947,260	950,899
Current liabilities	(2,686,187)	(2,384,313)	(3,384,624)
Net assets	<u>\$ 1,198,936</u>	<u>1,325,167</u>	<u>1,292,484</u>
The carrying amount of non-controlling interests	<u>\$ 138,474</u>	<u>8,782</u>	<u>-</u>

	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Operating revenue	<u>\$ 728,876</u>	<u>743,574</u>	<u>1,952,007</u>	<u>2,488,020</u>
Net income	\$ 34,247	50,070	73,576	236,782
Other comprehensive income	(165)	-	(105)	-
Total comprehensive income	<u>\$ 34,082</u>	<u>50,070</u>	<u>73,471</u>	<u>236,782</u>
Net income attributable to non-controlling interests	<u>\$ 3,258</u>	<u>-</u>	<u>5,704</u>	<u>-</u>

	<u>For the nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>
Cash flow from operating activities	\$ 235,044	478,342
Cash flow from investing activities	18,739	487,192
Cash flow from financing activities	(128,008)	85,953
Net increase (decrease) in cash and cash equivalents	<u>\$ 125,775</u>	<u>1,051,487</u>

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

(9) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group were as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Other equipment</u>	<u>Total</u>
Cost or deemed cost:					
Balance at January 1, 2024	\$ 427,463	1,027,097	316,734	422,200	2,193,494
Additions	-	5,102	19,085	33,434	57,621
Disposals	-	-	(2,364)	(3,089)	(5,453)
Effect of exchange rate changes	2,410	27,012	13,349	4,998	47,769
Balance at September 30, 2024	<b>\$ 429,873</b>	<b>1,059,211</b>	<b>346,804</b>	<b>457,543</b>	<b>2,293,431</b>
Balance at January 1, 2023	\$ 427,476	1,036,619	289,824	391,591	2,145,510
Additions	-	-	36,750	17,830	54,580
Disposals	-	-	(15,841)	(1,964)	(17,805)
Effect of exchange rate changes	3,979	14,692	5,581	4,773	29,025
Balance at September 30, 2023	<b>\$ 431,455</b>	<b>1,051,311</b>	<b>316,314</b>	<b>412,230</b>	<b>2,211,310</b>
Depreciation and impairments loss:					
Balance at January 1, 2024	\$ -	504,282	114,882	313,348	932,512
Depreciation	-	29,968	37,071	27,551	94,590
Disposals	-	-	(1,368)	(3,051)	(4,419)
Effect of exchange rate changes	-	15,531	4,133	2,314	21,978
Balance at September 30, 2024	<b>\$ -</b>	<b>549,781</b>	<b>154,718</b>	<b>340,162</b>	<b>1,044,661</b>
Balance at January 1, 2023	\$ -	469,429	86,412	277,010	832,851
Depreciation	-	30,872	32,147	30,893	93,912
Disposals	-	-	(13,801)	(1,962)	(15,763)
Effect of exchange rate changes	-	7,804	1,672	2,292	11,768
Balance at September 30, 2023	<b>\$ -</b>	<b>508,105</b>	<b>106,430</b>	<b>308,233</b>	<b>922,768</b>
Carrying amounts:					
Balance at January 1, 2024	<b>\$ 427,463</b>	<b>522,815</b>	<b>201,852</b>	<b>108,852</b>	<b>1,260,982</b>
Balance at September 30, 2024	<b>\$ 429,873</b>	<b>509,430</b>	<b>192,086</b>	<b>117,381</b>	<b>1,248,770</b>
Balance at January 1, 2023	<b>\$ 427,476</b>	<b>567,190</b>	<b>203,412</b>	<b>114,581</b>	<b>1,312,659</b>
Balance at September 30, 2023	<b>\$ 431,455</b>	<b>543,206</b>	<b>209,884</b>	<b>103,997</b>	<b>1,288,542</b>

- (i) Net gain or loss on disposals of property, plant and equipment of the Group, please refer to note 6(22).
- (ii) As of September 30, 2024 and December 31 and September 30, 2023, the Group's property, plant and equipment were not pledged as collateral.

(10) Right-of-use assets

	<u>Buildings</u>
Carrying amounts:	
Balance at January 1, 2024	<b>\$ 13,870</b>
Balance at September 30, 2024	<b>\$ 5,702</b>
Balance at January 1, 2023	<b>\$ 20,534</b>
Balance at September 30, 2023	<b>\$ 12,483</b>

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

(11) Investment Property

	<u>Land and Improvements</u>	<u>Buildings</u>	<u>Total</u>
Carrying amounts:			
Balance at January 1, 2024	\$ 124,376	147,161	271,537
Balance at September 30, 2024	\$ 124,376	142,860	267,236
Balance at January 1, 2023	\$ 124,376	153,077	277,453
Balance at September 30, 2023	\$ 124,376	148,735	273,111

- (i) There were no significant additions, disposals, impairments, or reversals of investment properties of the Group for the nine months ended September 30, 2024 and 2023. Please refer to note 12 for depreciation information. For other relevant information, please refer to Note 6 (10) of the consolidated financial statements for the year ended December 31, 2023.
- (ii) There were no significant differences between the fair value of investment property of the Group and the information disclosed in note 6(10) of the consolidated financial report for the year ended December 31, 2023.

(12) Current borrowings

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Unsecured bank loans	\$ -	173,408	179,782
Unused limits	\$ 816,166	760,113	769,673
Range of interest rates	-	2.8%~2.9%	2.8%~2.9%

(13) Lease liabilities

The lease liabilities of the Group were as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Current	\$ 5,821	11,419	8,031
Noncurrent	\$ -	2,951	5,260

For the maturity analysis, please refer to note 6(23).

The amounts recognized in profit or loss were as follows:

	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Interest on lease liabilities	\$ 39	72	167	266
Expenses relating to short-term leases	\$ 2,252	3,104	6,890	5,998

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

The amounts recognized in the statements of cash flows were as follows:

	<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$ 15,787</b>	<b>14,416</b>
Total cash outflows for leases		

Real estate leases

The Group leased buildings as factories in April and September 2022. The lease term is typically one year, with an option to renew for the same period at the end of the lease term.

(14) Operating lease

The Group had no significant new operating lease contracts for the nine months ended September 30, 2024 and 2023. Please refer to note 6(13) of the consolidated financial statements for the year ended December 31, 2023, for more details.

(15) Employee benefits

(i) Defined benefit plans

As no material market volatility, significant curtailments, reimbursements, settlements, or other major one-time events occurred subsequent to the reporting dates of the prior year, the pension costs for the interim periods were measured and disclosed based on the actuarial valuations as of December 31, 2023, and December 31, 2022.

The expenses recognized for the Group were as follows:

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$ 4</b>	<b>9</b>	<b>14</b>	<b>28</b>
Selling expenses				
Research and development expenses	5	12	19	36
Total	<b>\$ 9</b>	<b>21</b>	<b>33</b>	<b>64</b>

(ii) Defined contribution plans

The pension costs that were contributed to Bureau of Labor Insurance were as follows:

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$ 435</b>	<b>435</b>	<b>1,310</b>	<b>1,313</b>
Operating costs				
Selling expenses	1,582	1,526	4,742	4,481
Administrative expense	628	666	1,869	2,023
Research and development expenses	2,696	2,567	7,996	7,448
Total	<b>\$ 5,341</b>	<b>5,194</b>	<b>15,917</b>	<b>15,265</b>



**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

(16) Income taxes

(i) The details of the Group's income tax expense were as follows:

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Current tax expense				
Current period	\$ 54,919	102,842	204,993	348,499
Tax on unappropriated earnings	-	-	34,725	47,909
Adjustment for prior periods	-	(19,923)	1,354	(68,413)
	<u>54,919</u>	<u>82,919</u>	<u>241,072</u>	<u>327,995</u>
Deferred tax expense				
Origination and reversal of temporary differences	6,805	48,632	47,449	80,969
Income tax expense	<u>\$ 61,724</u>	<u>131,551</u>	<u>288,521</u>	<u>408,964</u>

(ii) The year of income tax returns were assessed by the R.O.C. tax authority:

<b>Name of company</b>	<b>The year</b>
The Company	2021
Britemed Technology Inc.	2022

(17) Capital and other equity

Except for the following disclosure, there were no significant changes for capital and other equity for the nine months ended September 30, 2024 and 2023. For the related information, please refer to note 6 (16) of the consolidated financial statements for the year ended December 31, 2023.

(i) Capital surplus

The balances of capital surplus of the Company were as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Paid-in capital in excess of par value	\$ 46,223	46,223	46,223
Corporate bond conversion premium	730,821	730,821	730,821
Treasury stock transactions	13,187	13,187	13,187
Changes in equity of associates	33,802	37,028	36,693
accounted for using equity method			
Other	18,324	18,262	18,262
	<u>\$ 842,357</u>	<u>845,521</u>	<u>845,186</u>

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

(ii) Retained earnings

The Company's Article of Incorporation stipulate that company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors, and submitted to the stockholders' meeting for approval.

The Company is in the business growth period. In response to the needs of the overall industrial environment and business scale expansion, the future dividend distribution is to consider the medium and long-term financial capital budget planning, to balance the dividend policy and pursue the development of stable and sustainable operation. The shareholder bonus is determined by the Board of Directors to measure factors such as past issuance, peers and future operational capabilities. The total dividends paid by shareholders each year shall not exceed 90% of the accumulated distributable surplus, and the proportion of cash dividends shall not be less than 5% of the total dividends of shareholders.

(a) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

(b) Special reserve

According to the regulations of the FSC, when the Company distributes the distributable surplus, the net amount of other shareholders' equity incurred in the current year is deducted from the current profit and loss and the previous period. The surplus supplement includes the special surplus reserve; the amount of other shareholders' equity deducted from the previous period is not included in the special surplus reserve from the previous undistributed surplus. When the amount of other shareholders' equity reductions is reversed, the surplus may be distributed in the revolving part.

(c) Earnings distribution

The Company has resolved the profit distribution for the fiscal years 2023 and 2022, as approved by the shareholders' meetings held on June 18, 2024 and June 16, 2023, respectively. The dividend amounts are as follows:

	<b>For the year ended December 31</b>			
	<b>2023</b>		<b>2022</b>	
	<b>per share (in dollars)</b>	<b>Amount</b>	<b>per share (in dollars)</b>	<b>Amount</b>
Dividends distributed to ordinary shareholders:				
Cash dividends	\$ 3.50	<b>618,092</b>	3.50	<b>618,092</b>

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

(iii) Other equity (net of income tax)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2024	\$ (435,177)	49,887	(385,290)
Exchange differences on foreign operations	80,512	-	80,512
Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income	-	(34,564)	(34,564)
Share of unrealized gain (loss) on financial assets at fair value through other comprehensive income attributed to associates accounted for using equity method	-	(47,404)	(47,404)
Share of exchange differences on translation attributed to associates accounted for using equity method	14,982	-	14,982
Balance at September 30, 2024	<u>\$ (339,683)</u>	<u>(32,081)</u>	<u>(371,764)</u>
Balance at January 1, 2023	\$ (410,176)	(43,403)	(453,579)
Exchange differences on foreign operations	76,959	-	76,959
Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income	-	(1,096)	(1,096)
Share of unrealized gain (loss) on financial assets at fair value through other comprehensive income attributed to associates accounted for using equity method	-	50,274	50,274
Share of exchange differences on translation attributed to associates accounted for using equity method	16,023	-	16,023
Balance at September 30, 2023	<u>\$ (317,194)</u>	<u>5,775</u>	<u>(311,419)</u>

(18) Share-based Payment

Except as described below, there were no significant changes for share-based payment for the nine months ended September 30, 2024 and 2023. For the related information, please refer to note 6(17) of the consolidated financial statements for the year ended December 31, 2023.

(i) Employee expenses

Employee expenses of the subsidiary incurred due to share-based payments for the period from January 1, 2023, to September 30, 2024 were as follows:

	For the three months ended September 30, 2024	For the nine months ended September 30, 2024
Expenses incurred due to restricted new stock to employees	<u>\$ 6,678</u>	<u>20,957</u>

(ii) As of September 30, 2024, the unearned employee benefits compensation was \$107,518 thousand. (RMB\$ 23,805 thousand)

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

(19) Earnings per share

The basic earnings per share and diluted earnings per share were calculated as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
<b>Basic earnings per share</b>				
Profit attributable to ordinary shareholders of the Company	\$ 294,389	488,089	1,018,294	1,211,530
Weighted-average number of ordinary shares outstanding (in thousands of shares)	176,598	176,598	176,598	176,598
	<u>\$ 1.67</u>	<u>2.76</u>	<u>5.77</u>	<u>6.86</u>
<b>Diluted earnings per share</b>				
Profit attributable to ordinary shareholders of the Company (diluted)	\$ 294,389	488,089	1,018,294	1,211,530
Weighted-average number of ordinary shares outstanding (in thousands of shares)	176,598	176,598	176,598	176,598
Effect of dilutive potential ordinary shares				
Effect on employee's stock bonus (in thousands)	877	970	1,130	1,244
Weighted-average number of ordinary shares (diluted) (in thousands of shares)	177,475	177,568	177,728	177,842
	<u>\$ 1.66</u>	<u>2.75</u>	<u>5.73</u>	<u>6.81</u>

(20) Revenue from contracts with customers

(i) Details of revenue

	For the three months ended September 30, 2024				
	Orders, Design and Brand sales	Product manufacturing	China brand sales	Other operating departments	Total
Main markets					
Domestic sales	\$ 64,911	-	-	-	64,911
Asia	487,908	75,590	368,181	488	932,167
America	331,177	72	-	353,959	685,208
Europe	171,971	267	-	-	172,238
Others	12,846	42	-	-	12,888
	<u>\$ 1,068,813</u>	<u>75,971</u>	<u>368,181</u>	<u>354,447</u>	<u>1,867,412</u>

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

**For the three months ended September 30, 2023**

	<b>Orders, Design and Brand sales</b>	<b>Product manufacturing</b>	<b>China brand sales</b>	<b>Other operating departments</b>	<b>Total</b>
Main markets					
Domestic sales	\$ 92,074	-	-	-	92,074
Asia	388,180	40,048	462,597	7,355	898,180
America	188,262	-	-	513,415	701,677
Europe	161,581	632	-	-	162,213
Others	5,038	-	-	-	5,038
	<b>\$ 835,135</b>	<b>40,680</b>	<b>462,597</b>	<b>520,770</b>	<b>1,859,182</b>

**For the nine months ended September 30, 2024**

	<b>Orders, Design and Brand sales</b>	<b>Product manufacturing</b>	<b>China brand sales</b>	<b>Other operating departments</b>	<b>Total</b>
Main markets					
Domestic sales	\$ 208,189	-	-	-	208,189
Asia	1,232,550	240,971	950,890	5,225	2,429,636
America	969,534	235	-	1,075,290	2,045,059
Europe	491,242	309	-	-	491,551
Others	28,147	42	-	-	28,189
	<b>\$ 2,929,662</b>	<b>241,557</b>	<b>950,890</b>	<b>1,080,515</b>	<b>5,202,624</b>

**For the nine months ended September 30, 2023**

	<b>Orders, Design and Brand sales</b>	<b>Product manufacturing</b>	<b>China brand sales</b>	<b>Other operating departments</b>	<b>Total</b>
Main markets					
Domestic sales	\$ 276,798	-	-	-	276,798
Asia	1,351,930	74,822	1,349,760	13,917	2,790,429
America	782,282	256	-	1,473,383	2,255,921
Europe	584,186	1,150	-	-	585,336
Others	18,262	-	-	-	18,262
	<b>\$ 3,013,458</b>	<b>76,228</b>	<b>1,349,760</b>	<b>1,487,300</b>	<b>5,926,746</b>

(ii) Contract balances

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Notes and accounts receivable	\$ 1,081,748	986,699	1,066,025
Less: Loss allowance	(1,192)	(24,168)	(26,152)
Total	<b>\$ 1,080,556</b>	<b>962,531</b>	<b>1,039,873</b>
Contract liabilities -Advance Sales Receipts	<b>\$ 403,776</b>	<b>521,853</b>	<b>429,347</b>

For details on accounts receivable and allowance for impairment, please refer to note 6(4). The amounts of revenue recognized for the nine months ended September 30, 2024 and 2023 that were included in the contract liability balances at January 1, 2024 and 2023 were \$496,525 thousand and \$530,865 thousand, respectively.

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

(21) Employee compensation and directors' and supervisors' remuneration

In accordance with the Articles of Incorporation, of the Company, 5%~20% of the profit should contribute as employee compensation and less than 3% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the three months ended September 30, 2024 and 2023 and the nine months ended September 30, 2024 and 2023, the Company estimated its employee remuneration at \$19,331 thousand, \$30,114 thousand, \$66,847 thousand and \$76,800 thousand, respectively, and directors' remuneration at \$825 thousand, \$825 thousand, \$2,475 thousand and \$2,475 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's Articles. These remunerations were recognized under operating costs or operating expenses in the financial statements. If there would be any difference between accrued amount and the actual distributed amount in the following year, the difference shall be accounted for as changes in accounting estimates and recognizes as profit or loss in the following year.

For the years ended December 31, 2023 and 2022, the Company listed \$86,381 thousand and \$91,976 thousand, respectively, to its employee remuneration, and listed \$3,300 thousand for both year, to its directors' and supervisors' remuneration. There were no differences between the listed amount and the amount that was distributed. Related information would be available at the Market Observation Post System website.

(22) Non-operating income and expenses

(i) Interest income

The details of interest income of the Group were as follows:

	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest income from bank deposits	\$ <b>66,384</b>	<b>55,491</b>	<b>200,860</b>	<b>152,276</b>

(ii) Other income

The details of other income of the Group were as follows:

	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Rental income	\$ 2,671	3,140	8,147	9,194
Dividend income	2,047	6,497	2,047	6,497
Other income	27,683	17,582	52,805	59,374
Total	<b>\$ 32,401</b>	<b>27,219</b>	<b>62,999</b>	<b>75,065</b>

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

(iii) Other gains and losses

The details of other gains and losses of the Group were as follows:

	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Foreign exchange gains (losses)	\$ (115,995)	175,646	163,793	216,967
Gain on financial assets at fair value through profit or loss	4,868	2,082	10,950	4,942
Gains (Losses) on disposals of property, plant and equipment	156	(1,559)	(506)	(1,553)
Loss on Compensation	-	-	(27,018)	-
Others	(1,645)	(1,552)	(4,895)	(4,914)
<b>Total</b>	<b>\$ (112,616)</b>	<b>174,617</b>	<b>142,324</b>	<b>215,442</b>

(iv) Finance costs

The details of finance costs of the Group were as follows:

	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest expense				
Interest expense from bank loans	\$ 3	325	1,010	325
Other finance expenses	3,002	2,896	7,884	8,859
<b>Total</b>	<b>\$ 3,005</b>	<b>3,221</b>	<b>8,894</b>	<b>9,184</b>

(23) Financial instruments

Except for the content mentioned below, there were no significant changes in the fair value of the Group's financial instruments and the degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to note 6(22) of the consolidated financial statements for the year ended December 31, 2023.

(i) Credit risk

(a) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

(b) Concentration of credit risk

As the Group sells globally, there is no significant concentration of transactions with a single customer and the sales area is fragmented, so the credit risk of accounts receivable is not significantly concentrated. The policy adopted by the Group is to transact with reputable entities and also continuously monitor credit risk exposure and the credit ratings of customers.

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

(c) Credit risk of receivables

Please refer to note 6(4) for credit risk exposure of notes and accounts receivable.

Other financial assets measured at amortized cost include other receivables, and other financial assets, please refer to note 6(6) for the details. All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected credit losses. The time deposits and national debt reverse repurchase products, transaction partners and performance parties held by the Group were financial institutions with investment grade or above, so the credit risk was considered to be low.

The related information on loss allowance for the nine months ended September 30, 2024 and 2023, please refer to note 6(4).

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>
<b>September 30, 2024</b>						
Non-derivative financial liabilities						
Non-interest-bearing liabilities (including related parties)	\$ 2,104,576	2,104,576	2,035,254	2,475	66,847	-
Lease liabilities	5,821	5,855	4,580	1,275	-	-
	<u>\$ 2,110,397</u>	<u>2,110,431</u>	<u>2,039,834</u>	<u>3,750</u>	<u>66,847</u>	<u>-</u>
<b>December 31, 2023</b>						
Non-derivative financial liabilities						
Unsecured bank loans	\$ 173,408	176,703	-	176,703	-	-
Non-interest-bearing liabilities (including related parties)	2,061,271	2,061,271	1,974,890	86,381	-	-
Lease liabilities	14,370	14,568	5,947	5,597	3,024	-
	<u>\$ 2,249,049</u>	<u>2,252,542</u>	<u>1,980,837</u>	<u>268,681</u>	<u>3,024</u>	<u>-</u>
<b>September 30, 2023</b>						
Non-derivative financial liabilities						
Unsecured bank loans	\$ 179,782	183,198	-	183,198	-	-
Non-interest-bearing liabilities (including related parties)	2,138,661	2,138,661	2,059,386	2,475	76,800	-
Lease liabilities	13,291	13,453	5,184	3,497	4,772	-
	<u>\$ 2,331,734</u>	<u>2,335,312</u>	<u>2,064,570</u>	<u>189,170</u>	<u>81,572</u>	<u>-</u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.



**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

(iii) Exchange rate risk

(a) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk was as follows:

	September 30, 2024			December 31, 2023			September 30, 2023		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>									
<u>Monetary items</u>									
USD:NTD	\$ 125,303	31.650	3,965,838	115,520	30.705	3,547,032	100,623	32.270	3,247,110
RMB:NTD	377,405	4.5167	1,704,624	454,975	4.3352	1,972,407	491,655	4.4946	2,209,791
USD:RMB(note)	62,227	7.01	1,969,498	55,684	7.08	1,709,762	58,343	7.18	1,882,736
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD:NTD	24,417	31.650	772,794	23,446	30.705	719,924	27,290	32.270	880,647
USD:RMB(note)	9,295	7.01	294,187	9,549	7.08	293,213	10,024	7.18	323,481

Note: Given that the functional currency of some entities within the Group is not New Taiwan Dollar, this factor must also be considered in the disclosure. For example, if a subsidiary's functional currency is RMB, foreign currency positions in other currencies, such as the US dollar, must be taken into account.

(b) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable and other receivables, accounts payable and other payables that are denominated in foreign currency. A strengthening (weakening) of 5% of the NTD against the USD as of September 30, 2024 and 2023, would have increased (decreased) the net profit after tax by \$262,919 thousand and \$245,420 thousand, respectively. The analysis assumes that all other variables remain constant. The analysis was based on the same basis.

(c) Foreign exchange gain (loss) on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three months ended September 30, 2024 and 2023 and the nine months ended September 30, 2024 and 2023, foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$(115,995) thousand, \$175,646 thousand, \$163,793 thousand and \$216,967 thousand, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The rate of change is expressed as the interest rate increases or decreases by 5 basis points when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 5 basis points, the Group's net income would have increased / decreased by \$525 thousand and \$613 thousand for the nine months ended September 30, 2024 and 2023, respectively, with all other variable factors remaining constant.

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

(v) Other market price risk

If the prices of commodities or equity securities had changed as of the reporting date (assuming the same basis of comparison for both periods and all other variables remain unchanged), the impact on comprehensive income would be as follows:

<u>Prices of securities at reporting date</u>	<b>For the nine months ended September 30</b>			
	<b>2024</b>		<b>2023</b>	
	<b>Other comprehensive income, after tax</b>	<b>Net income</b>	<b>Other comprehensive income, after tax</b>	<b>Net income</b>
Increasing 5%	<b>\$ 2,883</b>	<b>48,964</b>	<b>2,121</b>	<b>36,557</b>
Decreasing 5%	<b>\$ (2,883)</b>	<b>(48,964)</b>	<b>(2,121)</b>	<b>(36,557)</b>

(vi) Fair value of financial instruments

(a) Categories and fair value of financial instruments

The Group measures its financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income on a recurring basis. The carrying amounts and fair values (including fair value hierarchy information, except for carrying amounts of financial assets not measured at fair value that are reasonable approximations of fair value, and lease liabilities, which are not required to be disclosed at fair value pursuant to the applicable standards) of the various financial assets and financial liabilities are as follow:

	<b>September 30, 2024</b>				
	<b>Carrying amount</b>	<b>Fair value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial assets at fair value through profit and loss					
Non-derivative mandatorily measured at fair value through profit or loss	\$ 979,273	979,273	-	-	979,273
Financial assets at fair value through other comprehensive income					
Domestic unlisted stocks	\$ 57,665	-	-	57,665	57,665
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 3,129,288	-	-	-	-
Notes and accounts receivable (including related parties)	1,166,526	-	-	-	-
Other receivables - related parties	466,722	-	-	-	-
Other financial assets (current and noncurrent)	2,927,018	-	-	-	-
Subtotal	7,689,554	-	-	-	-
Financial liabilities measured at amortized cost					
Notes and accounts-payable (including related parties)	\$ 1,348,543	-	-	-	-
Other payables (including related parties)	756,033	-	-	-	-
Lease liabilities	5,821	-	-	-	-
Subtotal	2,110,397	-	-	-	-

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

	December 31, 2023				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit and loss					
Non-derivative mandatorily measured at fair value through profit or loss	\$ 722,917	722,917	-	-	722,917
Financial assets at fair value through other comprehensive income					
Domestic unlisted stocks	\$ 59,729	-	-	59,729	59,729
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 4,757,865	-	-	-	-
Notes and accounts receivable (including related parties)	998,044	-	-	-	-
Other receivables - related parties	184,645	-	-	-	-
Other financial assets (current and noncurrent)	1,745,373	-	-	-	-
Subtotal	7,685,927	-	-	-	-
Financial liabilities measured at amortized cost					
Current borrowings	\$ 173,408	-	-	-	-
Notes and accounts-payable (including related parties)	1,186,304	-	-	-	-
Other payables (including related parties)	874,967	-	-	-	-
Lease liabilities	14,370	-	-	-	-
Subtotal	2,249,049	-	-	-	-
	September 30, 2023				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit and loss					
Non-derivative mandatorily measured at fair value through profit or loss	\$ 731,156	731,156	-	-	731,156
Financial assets at fair value through other comprehensive income					
Domestic unlisted stocks	\$ 44,239	-	-	44,239	44,239
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 4,229,886	-	-	-	-
Notes and accounts receivable (including related parties)	1,085,512	-	-	-	-
Other receivables - related parties	529,950	-	-	-	-
Other financial assets (current and noncurrent)	1,819,330	-	-	-	-
Subtotal	7,664,678	-	-	-	-
Financial liabilities measured at amortized cost					
Current borrowings	\$ 179,782	-	-	-	-
Notes and accounts-payable (including related parties)	1,291,662	-	-	-	-
Other payables (including related parties)	846,999	-	-	-	-
Lease liabilities	13,291	-	-	-	-
Subtotal	2,331,734	-	-	-	-

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

(b) Valuation techniques for financial instruments not measured at fair value

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

a) Financial assets measured at amortized cost and financial liabilities measured at amortized cost

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

(c) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

The fair value of financial instruments traded in an active market is based on the quoted market prices. The quotations, which are published by the main exchange center or that which was deemed to be a public bond by the Treasury Bureau of Central Bank, are included in the fair value of the listed securities instruments and the debt instruments in active market with open bid.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

(d) Transfers between Level 1 and Level 2: None.

(e) Reconciliation of Level 3 fair values

	At fair value through profit or loss	At fair value through other comprehensive income	
	Non-derivative mandatorily measured at fair value through profit or loss	Unquoted equity instruments	Total
Balance as of January 1, 2024	\$ -	59,729	59,729
Total gains and losses recognized:			
In other comprehensive income	-	(34,564)	(34,564)
Acquisition	-	32,500	32,500
Effect of movements in exchange rates	-	-	-
Balance as of September 30, 2024	<u>\$ -</u>	<u>57,665</u>	<u>57,665</u>

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

	At fair value through profit or loss	At fair value through other comprehensive income	
	Non-derivative mandatorily measured at fair value through profit or loss	Unquoted equity instruments	Total
Balance as of January 1, 2023	\$ -	32,025	32,025
Total gains and losses recognized:			
In other comprehensive income	-	(1,096)	(1,096)
Acquisition	-	15,000	15,000
Capital reduction	-	(3,500)	(3,500)
Effect of movements in exchange rates	-	-	-
Balance as of September 30, 2023	<u>\$ -</u>	<u>42,429</u>	<u>42,429</u>

The above total gains or losses were recognized in "Other gains and losses" and "Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income". Of these, the amounts related to assets still held as of September 30, 2024 and 2023 were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Total gains and losses recognized				
In other comprehensive income (recognized as "Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income)	\$ (824)	1,690	(34,564)	(1,096)

(f) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include "fair value through other comprehensive income— equity investments"

The majority of the Group's fair value is classified as a third level with only a single significant unobservable input value, and only an equity instrument investment without an active market has multiple significant unobservable inputs. The significant unobservable inputs of equity instrument investments in an inactive market are independent of each other and therefore are not interrelated.

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through other comprehensive income -equity investments without an active market	Discounted cash flow method Comparable listed companies method	<ul style="list-style-type: none"> <li>• Weighted average cost of capital (On September 30, 2024, December 31, 2023 and September 30, 2023 were 7.93%, 12.13% and 13.04%, respectively.)</li> <li>• Lack of market liquidity discount (20.00% as of September 30, 2024, December 31, 2023, and September 30, 2023)</li> <li>• Minority share discount (ranging from 18.57% to 21.30% as of September 30, 2024, December 31, 2023, and September 30, 2023)</li> <li>• Price-Book Ratio (1.50~2.97, 1.38 and 1.74 as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively)</li> <li>• Price-to-Sales Ratio (2.88~3.34, 2.60 and 3.06 as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively)</li> </ul>	<ul style="list-style-type: none"> <li>• The higher the weighted average cost of capital, the minority share discount and the lack of liquidity discount, the lower the fair value</li> <li>• The lower the multiplier, the lower the fair value</li> </ul>

(g) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The use of different evaluation models or evaluation parameters by the Group for the fair value measurement of financial instruments may result in different evaluation results.

(24) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(23) of the consolidated financial statements for the year ended December 31, 2023.

(25) Capital management

Management believe that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2023. Also, there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2023. Please refer to note 6(24) of the consolidated financial statements for the year ended December 31, 2023 for further details.

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

**7. Related-party transactions**

(1) Names and relationship with related parties

The entities that had transactions with the Group during the periods covered in the consolidated financial statements were as follows:

<u>Name of related parties</u>	<u>Relationship with the Group</u>
QNAP Systems, Inc.	An associate
SHEN FONG INC. (Note)	An associate
QNAP Inc.(USA)	An associate
QNAP Inc.(CANADA)	An associate
QNAP UK Limited	An associate
QNAP Inc. (JAPAN)	An associate
QNAP GmbH	An associate
Oring Industrial Networking Corp.	An associate
Oring Industrial Networking Americas Inc.	An associate
Acquire System Inc.	An associate
Xingwei Computer (Kunshan) Co., Ltd.	An associate
Xuanwei Electronics (Beijing) Co., Ltd.	An associate
Anewtech Systems Pte Ltd.	An associate
Oring Industrial Networking Corp. (Shanghai)	An associate
BEYONDZB Inc.	An associate
QNAP HK Limited	An associate

Note: An associate, QNAP Systems, Inc. was spun off in May 2024. For more details, please see Note 6(7).

(2) Significant transactions with related parties

(i) Sales revenue

The amounts of significant sales by the Group to related parties were as follows:

	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Associates	<u>\$ 86,435</u>	<u>62,951</u>	<u>281,994</u>	<u>129,038</u>

The selling terms to related parties were not materially different from those to unrelated third parties.

The Group involved in related-party transactions which acting as an agent, and these transactions were expressed in net amount of their revenue and costs.

Since the receivables and payables related to these agency transactions did not meet the principle of deducting financial assets and liabilities, they were disclosed in gross amount.

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

(ii) Purchases

The amounts of purchases by the Group from related parties were as follows:

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Associate- QNAP Systems, Inc.	\$ 32,769	47,341	127,496	170,597
Associates	18,266	23,186	73,946	98,581
	<b>\$ 51,035</b>	<b>70,527</b>	<b>201,442</b>	<b>269,178</b>

The purchase prices from related parties were not materially different from those from independent third parties.

(iii) Receivables (payables) from Related Parties

The Group's receivables (payables) to related parties were as follows:

<b>Account</b>	<b>Relationship</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Accounts receivable	Associates	<b>\$ 85,970</b>	<b>35,513</b>	<b>45,639</b>
Other receivables	Associate- QNAP Systems, Inc.	\$ 271,384	1,158	272,625
Other receivables	Associate- QNAP Inc.(USA)	156,872	136,024	177,487
Other receivables	Associate- QNAP Inc.(CANADA)	38,466	47,463	50,472
Other receivables	Associates	-	-	323
		<b>\$ 466,722</b>	<b>184,645</b>	<b>500,907</b>
Accounts payable	Associate- QNAP Systems, Inc.	\$ 24,003	71,234	72,213
Accounts payable	Associates	9,117	26,813	19,786
		<b>\$ 33,120</b>	<b>98,047</b>	<b>91,999</b>
Other payables	Associate- QNAP Systems, Inc.	\$ 66,655	195,813	158,675
Other payables	Associates	2,381	3,003	966
		<b>\$ 69,036</b>	<b>198,816</b>	<b>159,641</b>

As of September 30, 2024 and December 31 and September 30, 2023, the Group's accounts receivable and other receivables from related parties were not overdue, and no expected credit losses were recognized.

(iv) Loans to Related Parties

The loans to related parties were as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
QNAP Inc. (JAPAN)	\$ -	-	-
BEYONDZB Inc.	-	-	29,043
	<b>\$ -</b>	<b>-</b>	<b>29,043</b>



**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

The Group's loans to QNAP Inc. (JAPAN) were subject to interest calculated based on the average short-term borrowing rate from financial institutions incurred by the Group during the disbursement year. Additionally, the loans were secured by real estate owned by the borrower, which has been assessed to require no allowance for bad debt. Interest income of NT\$1,468 thousand and NT\$2,045 thousand was recognized for the periods from July 1 to September 30, 2024, and January 1 to September 30, 2024, respectively. As of September 30, 2024, the accrued interest receivable was NT\$0 thousand. The Group's loans to BEYONDZB Inc. were non-interest-bearing and unsecured. After evaluation, no allowance for bad debt was deemed necessary.

(v) Disposal of Property, Plant, and Equipment

The Group summarized the disposal proceeds of property, plant, and equipment acquired from related parties as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Associate- QNAP Systems, Inc.	\$ 80	-	80	-

(vi) Leases

(a) Lessor

Account	Relationship	For the three months ended September 30		For the nine months ended September 30	
		2024	2023	2024	2023
Rental income	Associate- QNAP Systems, Inc.	\$ 2,006	2,006	6,017	6,017
Rental income	Associates	214	215	541	558
		<u>\$ 2,220</u>	<u>2,221</u>	<u>6,558</u>	<u>6,575</u>

(b) Lessee

The Group leased factories from an associate, QNAP Systems, Inc., in April and September of 2022. The right-of-use assets and lease liabilities were recognized as \$20,383 thousand when the lease transaction was executed by signing contract, with reference to rent price of neighboring areas. The interest expenses recognized for the nine months ended September 30, 2024 and 2023 were respectively \$167 thousand and \$266 thousand. The balance of lease liabilities as of September 30, 2024, December 31, 2023 and September 30, 2023 were \$5,821 thousand, \$14,370 thousand and \$13,291 thousand, respectively.

(vii) Others

Account	Relationship	For the three months ended September 30		For the nine months ended September 30	
		2024	2023	2024	2023
Non-operating income	Associate- QNAP Systems, Inc.	\$ 2,699	2,283	8,090	7,219
Non-operating income	Associates	-	1,758	-	3,573
Manufacturing overhead and operating expenses	Associates	(15,454)	(13,251)	(44,635)	(43,473)
		<u>\$ (12,755)</u>	<u>(9,210)</u>	<u>(36,545)</u>	<u>(32,681)</u>

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

(3) Key management personnel transactions

Key management personnel compensation comprised:

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Short-term employee benefits	\$ 8,812	9,953	26,778	30,582
Post-employment benefits	162	155	471	488
	<b>\$ 8,974</b>	<b>10,108</b>	<b>27,249</b>	<b>31,070</b>

**8. Pledged assets**

The carrying values of pledged assets of the Group were as follows:

Pledged assets	Pledged to secure	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Other financial assets - current	Post-release duty payment for imported goods	\$ 7,956	7,903	7,306
Other financial assets - current	Bank's Acceptance Bill	44,596	158,980	127,085
		<b>\$ 52,552</b>	<b>166,883</b>	<b>134,391</b>

**9. Commitments and contingencies:** None

**10. Losses due to major disasters:** None

**11. Subsequent events:** None

**12. Other**

(1) Employee benefits, depreciation, and amortization expenses categorized by function were as follows:

By function	<b>For the three months ended September 30, 2024</b>			<b>For the three months ended September 30, 2023</b>		
	<b>Operating costs</b>	<b>Operating expenses</b>	<b>Total</b>	<b>Operating costs</b>	<b>Operating expenses</b>	<b>Total</b>
<b>By item</b>						
Employee benefits						
Salaries	60,339	198,953	259,292	55,629	224,896	280,525
Labor and health insurance	9,355	25,671	35,026	11,672	27,607	39,279
Pension	435	4,915	5,350	435	4,780	5,215
Others	2,625	9,321	11,946	2,811	8,407	11,218
Depreciation	17,079	17,199	34,278	12,212	22,661	34,873
Amortization	444	6,847	7,291	-	5,394	5,394

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

By function By item	For the nine months ended September 30, 2024			For the nine months ended September 30, 2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salaries	168,012	618,540	786,552	180,439	659,793	840,232
Labor and health insurance	30,135	75,246	105,381	32,278	74,499	106,777
Pension	1,310	14,640	15,950	1,313	14,016	15,329
Others	7,579	32,653	40,232	7,760	27,024	34,784
Depreciation	50,858	52,066	102,924	33,999	68,036	102,035
Amortization	698	17,338	18,036	-	15,905	15,905

The depreciation expense mentioned above excluded depreciation of investment properties. The amounts recognized as non-operating expenses were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Depreciation of investment property	\$ 1,474	1,468	4,416	4,402

(2) Seasonality of operations

The operation of the Group was not materially influenced by seasonality and periodicity.

**13. Other disclosures**

(1) Information on significant transactions

In accordance with the Regulations, the Group discloses the following information on significant transactions for the nine months ended September 30, 2024:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollar)

No. (Note 1)	Name of Lender	Name of borrower	Account Name	Related party	Highest balance of financing to other parties during the period (Note 2)	Ending balance (Note 2)	Actual usage amount during the period (Note 2)	Range of interest rates during the period	Purpose of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits (Note 3)	Maximum limit of fund financing (Note 3)
													Item	Value		
1	Fortunetec International Corp.	QNAP Inc. (JAPAN)	Other receivable-related parties	Yes	324,500	-	-	5.90%	Short-term financing purpose		Operating capital		Owned real estate	376,952	1,807,680	1,807,680

Note 1: The numbering column is explained as follows:

(1) The issuer shall fill in 0.

(2) The investee company shall be numbered sequentially starting from 1 for each company.

Note 2: All amounts were converted at the exchange rate of USD\$1 = NT\$31.6500 at the end of September 2024.

Note 3: The lending limit for each individual borrower and the total lending limit were capped at 40% of the net asset value of the lending company as of the most recent financial report dated September 30, 2024.

(ii) Guarantees and endorsements for other parties: None.

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

(iii) Marketable securities held as of September 30, 2024 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of shares / In Thousands of New Taiwan Dollar)

Investing Company	Marketable Securities Type and Name (Note 1)	Relationship with the Group	Financial Statement Account	September 30, 2024				Note
				Shares/Units	Carrying amount	Percentage of Ownership	Fair value	
The Company	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit and loss- current	35,572	463,587	- %	463,587	
"	Jih Sun Money Market Fund	-	"	8,855	136,482	- %	136,482	
"	Franklin Templeton Money Market Fund	-	"	4,673	50,193	- %	50,193	
"	Hundure Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income-noncurrent	497	3,949	4.78 %	3,949	
"	HUA DA Venture Capital Corporation	-	"	150	5,491	10.00 %	5,491	
"	ANTEYA Technology Corporation	-	"	500	-	5.26 %	-	
"	GENESIS PHOTONICS INC	-	"	309	-	0.41 %	-	
"	CASTEC International Corporation	-	"	2,400	19,525	6.60 %	19,525	
"	Chun-Sheng Innovation Investment Corporation	-	"	3,000	20,860	10.00 %	20,860	
Britemed Technology Inc.	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit and loss- current	5,388	70,224	- %	70,224	
"	Franklin Templeton Money Market Fund	-	"	5,608	60,238	- %	60,238	
"	Jih Sun Money Market Fund	-	"	2,651	40,862	- %	40,862	
Ailean Technologies Corp.	Premier Seasonal Profit No.1 Asset Management Plan	-	"	9,051	44,534	- %	44,534	
"	An Ying Xiang Fixed Income Stable Return 7-Day Holding Period No. 3C	-	"	6,976	31,728	- %	31,728	
"	An Ying Xiang Fixed Income Stable Return 3-Month Closed-End Product No. 118	-	"	5,000	22,701	- %	22,701	
"	An Ying Xiang Fixed Income Stable Growth 7-Day Holding Period No. 2C	-	"	932	4,516	- %	4,516	
"	National debt reverse repurchase GC014	-	Other financial assets - current	100	45,121	- %	45,121	
"	National debt reverse repurchase GC091	-	"	100	45,167	- %	45,167	
Armorlink SH Corp.	Kaiyuan Weekly Purchase 7-Day Rolling Asset Management Plan	-	Financial assets at fair value through profit and loss- current	4,957	22,941	- %	22,941	
Fortunetec Internatoinal Corp.	Berkshire Hathaway Finance Corp. 4.2% 18/48 Bond (US084664CQ25)	-	Financial assets at fair value through profit or loss, mandatorily measured at fair value - noncurrent	-	15,630	- %	15,630	
"	Johnson & Johnson 3,7% 16/46 Bond (US478160BV55)	-	"	-	15,637	- %	15,637	
Fortune Name Holdings Limited	OPCOM Medical Inc.	-	Financial assets at fair value through other comprehensive income-noncurrent	438	7,840	10.29 %	7,840	

Note 1: "Marketable Securities" in this table refers to the scope of IFRS 9, "Financial Instruments", including stocks, bonds, beneficiary certificates and other marketable securities derived from the aforementioned items.

(iv) Marketable securities for which the accumulated purchase or sale amounts for the period exceed \$300 million or 20% of the paid-in capital:

(In Thousands of New Taiwan Dollar)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counter-party	Nature of relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units (in thousands)	Amount	Shares/Units (in thousands)	Amount	Shares/Units (in thousands)	Amount	Carrying Value	Gain/Loss on Disposal	Shares/Units (in thousands)	Amount
The Company	Mega Diamond Money Market Fund	Financial assets at fair value through profit and loss- current	-	-	39,670	510,718	49,417	643,000	53,516	695,693	(690,000)	5,693	35,571	463,587

Note: The beginning balance includes valuation gains (losses) of \$718 thousand, and the ending balance includes valuation gains (losses) of \$587 thousand.

(v) Acquisition of real estate which exceed \$300 million or 20% of the paid-in capital: None.

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

(vi) Disposal of real estate which exceed \$300 million or 20% of the paid-in capital: None.

(vii) Total purchases from or sales to related parties which exceed \$100 million or 20% of the paid-in capital:

(In Thousands of New Taiwan Dollar)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal transaction		Notes/Accounts Payable or Receivable		Note
			Purchases /Sales	Amount	% to Total Purchases /Sales	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to total notes/ accounts payable or receivable	
The Company	Britemed Technology Inc.	Subsidiary	Sales	(126,845)	(3.84) %	60 days	-	-	27,783	3.09%	
Britemed Technology Inc.	The Company	Ultimate parent company	Purchases	126,845	60.21 %	60 days	-	-	(27,783)	(40.69)%	
The Company	IEI Technology USA Corporation	Subsidiary	Sales	(682,589)	(20.65) %	60 days	-	-	282,858	31.48%	
IEI Technology USA Corporation	The Company	Ultimate parent company	Purchases	682,589	89.35 %	60 days	-	-	(282,858)	(96.11)%	
Armorlink SH Corp.	The Company	Ultimate parent company	Sales	(861,756)	(44.15) %	60 days	-	-	228,055	36.08%	
The Company	Armorlink SH Corp.	Subsidiary	Purchases	861,756	38.63 %	60 days	-	-	(228,055)	(28.42)%	
Armorlink SH Corp.	IEI Technology (Shanghai) Co., Ltd	Subsidiary	Sales	(600,517)	(30.76) %	90 days	-	-	199,680	31.59%	
IEI Technology (Shanghai) Co., Ltd	Armorlink SH Corp.	Parent company	Purchases	600,517	99.60 %	90 days	-	-	(199,680)	(81.80)%	
Armorlink SH Corp.	Weibotong Technology (Shanghai) Co., Ltd.	Subsidiary	Sales	(222,418)	(11.39) %	90 days	-	-	102,536	16.22%	
Weibotong Technology (Shanghai) Co., Ltd.	Armorlink SH Corp.	Parent company	Purchases	222,418	100.00 %	90 days	-	-	(102,536)	(99.99)%	
Armorlink SH Corp.	QNAP Systems, Inc.	Associate	Sales	(215,834)	(11.06) %	60 days	-	-	76,625	12.12%	
QNAP Systems, Inc.	Armorlink SH Corp.	Associate	Purchases	215,834	13.73 %	60 days	-	-	(76,625)	14.88%	
QNAP Systems, Inc.	Armorlink SH Corp.	Associate	Sales	(102,217)	(2.67) %	60 days	-	-	20,784	2.30%	
Armorlink SH Corp.	QNAP Systems, Inc.	Associate	Purchases	102,217	6.65 %	60 days	-	-	(20,784)	(2.99)%	

(viii) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital:

(In Thousands of New Taiwan Dollar)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover rate (Note 2)	Overdue		Amount received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	IEI Technology USA Corporation	Subsidiary	283,123	3.57	-	-	96,547	-
The Company	QNAP Systems, Inc.	Associate	271,384	-	-	-	271,384	-
Armorlink SH Corp.	The Company	Ultimate parent company	228,055	4.76	-	-	95,196	-
Armorlink SH Corp.	IEI Technology (Shanghai) Co., Ltd	Subsidiary	199,680	4.15	-	-	51,131	-
Armorlink SH Corp.	Weibotong Technology (Shanghai) Co., Ltd.	Subsidiary	102,536	2.48	-	-	22,584	-
IEI Technology USA Corporation	QNAP Inc. (USA)	Associate	162,199	5.25	-	-	81,600	-
Fortunetec International Corp.	Armorlink SH Corp.	Subsidiary	1,704,364	-	-	-	-	-

Note 1: The above intercompany transactions between the parent company and its subsidiaries had been eliminated when preparing the consolidated financial statements.

Note 2: The calculation for turnover rate excluded other receivables.

(ix) Transactions about derivative instruments: None.

(x) Business relationships and significant intercompany transactions between the parent company and its subsidiaries:

No. (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions (Note 3)			
				Account	Amount	Payment terms	Percentage of consolidated operating revenue or total assets (Note 4)
0	The Company	Britemed Technology Inc.	1	Sales	126,845	60 days	2.44%
0	The Company	Britemed Technology Inc.	1	Account receivables-related parties	27,783	60 days	0.19%
0	The Company	IEI Technology USA Corporation	1	Sales	682,589	60 days	13.12%
0	The Company	IEI Technology USA Corporation	1	Accounts receivable - related parties	282,858	60 days	1.96%
1	Armorlink SH Corp.	The Company	2	Sales	861,756	60 days	16.56%

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

No. (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions (Note 3)			
				Account	Amount	Payment terms	Percentage of consolidated operating revenue or total assets (Note 4)
1	Armorlink SH Corp.	The Company	2	Accounts receivable - related parties	228,055	60 days	1.58%
1	Armorlink SH Corp.	The Company	2	Other income	21,394	60 days	0.41%
1	Armorlink SH Corp.	Weibotong Technology (Shanghai) Co., Ltd.	1	Sales	222,418	90 days	4.28%
1	Armorlink SH Corp.	Weibotong Technology (Shanghai) Co., Ltd.	1	Account receivables-related parties	102,536	90 days	0.71%
1	Armorlink SH Corp.	IEI Technology (Shanghai) Co., Ltd	1	Sales	600,517	90 days	11.54%
1	Armorlink SH Corp.	IEI Technology (Shanghai) Co., Ltd	1	Account receivables-related parties	199,680	90 days	1.38%
2	FORTUNETEC INTERNATIONAL CORP.	Armorlink SH Corp.	1	Other receivables-related parties	1,704,364	According to contract	11.78%
3	IEI Technology (Shanghai) Co., Ltd	Armorlink SH Corp.	2	Advance Payment	94,002	Advance Payment	0.65%
4	IEI Technology USA Corporation	The Company	2	Other receivables-related parties	22,100	According to contract	0.15%

Note 1: Parties to the intercompany transactions are identified and numbered as follows:

- a) "0" represents the Company.
- b) Subsidiaries are numbered from 1.

Note 2: The relationships with counterparty are as follows:

1. Parent to subsidiary.
2. Subsidiary to parent.
3. Between subsidiaries.

Note 3: Only disclosed the amount of sales and accounts receivable, no need to disclose corresponding purchase and accounts payable.

Note 4: Calculated by using the transaction amount, divided by the consolidated operating revenue or total assets.

(2) Information on investees

Information on the Group's investees for the nine months ended September 30, 2024 was as follows (excluding investments in Mainland China):

(In Thousands of New Taiwan Dollar)

Investor company name	Investee company name	Location	Main business and products	Original Investment Amount (Note 1)		Balance as of September 30, 2024 (Note 1)			Net Income (Losses) of the Investee	Investment income (loss) recognized (Note 2)	Note
				September 30, 2024	December 31, 2023	Shares (in thousands)	Percentage of ownership	Carrying value			
The Company	ICP Electronics Limited	Samoa	Investing and selling computers	219,313	219,313	5,000	100.00%	4,771,666	205,720	204,248	Subsidiary
The Company	QNAP Systems, Inc.	Taiwan	Selling network security monitoring and network storage communication related products	662,794	584,106	7,204	24.23%	1,333,135	883,040	204,154	Investment accounted for using equity method
The Company	Internet Application Technology Ltd.	Samoa	Investing and selling computers	375,897	375,897	11,853	100.00%	1,400,745	90,769	90,769	Subsidiary
The Company	Britemed Technology Inc.	Taiwan	Manufacturing and selling electronic components	80,000	80,000	8,000	100.00%	280,096	103,585	103,585	Subsidiary
The Company	Oring Industrial Networking Corp.	Taiwan	Selling network storage communication related products and electronic components.	30,510	30,510	2,797	16.36%	88,900	43,761	7,157	Investment accounted for using equity method
The Company	SHEN FONG INC.	Taiwan	Leasing property	825,002	-	341	24.49%	824,429	26,268	6,433	Investment accounted for using equity method
ICP Electronics Limited	Fortunetec International Corp	Mauritius	Investing and selling computers	158,250	158,250	500	100.00%	4,519,200	222,271	-	Subsidiary
ICP Electronics Limited	FORTUNE NAME HOLDINGS LIMITED	Samoa	Investing and selling computers	22,155	-	700	100.00%	12,908	(213)	-	Subsidiary
ICP Electronics Limited	Acquire System Inc.	Mauritius	Investing and selling computers	60,212	60,212	199	49.71%	135,881	(44,291)	-	Investment accounted for using equity method
Internet Application Technology Ltd.	Rich Excel Corporation Holdings Limited	British Virgin Islands	Investing and selling computers	368,010	368,010	11,628	100.00%	1,245,081	86,570	-	Subsidiary
Britemed Technology Inc.	Oring Industrial Networking Corp.	Taiwan	Selling network storage communication related products and electronic components.	30,517	30,517	1,483	8.67%	47,681	43,761	-	Investment accounted for using equity method
Rich Excel Corporation Holdings Limited	Equilico Inc.	USA	Leasing property	205,215	205,215	6,484	100.00%	227,619	12,223	-	Subsidiary

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

Investor company name	Investee company name	Location	Main business and products	Original Investment Amount (Note 1)		Balance as of September 30, 2024 (Note 1)			Net Income (Losses) of the Investee	Investment income (loss) recognized (Note 2)	Note
				September 30, 2024	December 31, 2023	Shares (in thousands)	Percentage of ownership	Carrying value			
Rich Excel Corporation Holdings Limited	Potency Inc.	Samoa	Investing and selling computers	235,206	235,206	5,840	100.00%	981,499	73,090	-	Subsidiary
Equilico Inc.	Suntend LLC	USA	Leasing property	125,774	125,774	-	100.00%	220,170	12,367	-	Subsidiary
Potency Inc.	IEI Technology USA Corporation	USA	Selling Industrial computers and related products	57,416	57,416	14,000	100.00%	784,073	64,510	-	Subsidiary
Potency Inc.	Anewtech Systems Pte. Ltd	Singapore	Selling Industrial computers and related products	38,517	38,517	400	31.68%	66,555	(127)	-	Investment accounted for using equity method
Armorlink SH Corp.	SYNCDA International Limited.	Hong Kong	Logistics center and selling Industrial computers	9,495	9,495	300	100.00%	9,726	271	-	Subsidiary

Note 1: The original investment amount and the ending balance was converted at exchange rate of 31.650 NTD to USD as of September 30, 2024.

Note 2: The Income (Losses) for this period was converted at exchange rate of 32.034.

**(3) Information on investment in Mainland China**

**(i) Relevant information about investments in Mainland China:**

(In Thousands of New Taiwan Dollar)

Name of investee in Mainland China	Main business and products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows for the period		Accumulated Outflow of Investment from Taiwan as of September 30, 2024	Net Income (Losses) of Investee	Percentage of Ownership of direct or indirect investment	Investment income (loss) recognized	Carrying Amount as of September 30, 2024	Accumulated inward remittance of earnings as of September 30, 2024
					Outflow	Inflow						
IEI Technology (Shanghai) Co., Ltd	Logistics center and selling Industrial computers	118,162 (RMB26,161)	Investee company of Armorlink SH Corp.	112,358 (USD3,550)	-	-	112,358 (USD3,550)	(2,694)	90.70%	(2,443)	103,975	-
Xingwei Computer (Kunshan) Co., Ltd.	Logistics center and selling Industrial computers	151,920 (USD4,800)	Indirect investments in Mainland China through Acquire System Inc., a holding company established in third region.	60,198 (USD1,902)	-	-	60,198 (USD1,902)	(4,719)	49.71%	(2,346)	126,425	-
Armorlink SH Corp.	Manufacturing and selling computers	279,162 (USD8,820)	Indirect investments in Mainland China through Fortunetee International Corp., a holding company established in third region.	63,300 (USD2,000)	-	-	63,300 (USD2,000)	73,576	90.70%	67,872	1,060,462	154,167 (USD4,871)
Ailean Technologies Corp.	Manufacturing and selling computers	264,855 (RMB58,639)	Investee company of Armorlink SH Corp.	189,900 (USD6,000)	-	-	189,900 (USD6,000)	(6,041)	90.70%	(5,479)	462,767	288,933 (USD9,129)
Ash Energy Group Limited	Managing supply chain	45,167 (RMB10,000)	Investee company of Ailean Technologies Corp.	-	-	-	-	711	90.70%	644	55,350	-
Weibotong Technology (Shanghai) Co., Ltd.	Logistics center and selling Industrial computers	9,033 (RMB2,000)	Investee company of Armorlink SH Corp.	-	-	-	-	(17,812)	90.70%	(16,156)	(47,539)	-

**(ii) Limits on investments in Mainland China**

Accumulated investment in Mainland China as of September 30, 2024	Investment amounts authorized by Investment Commission, MOEA	Upper Limit on Investment authorized by Investment Commission, MOEA (Note 3)
(USD 425,756 13,452)	IEI Technology (Shanghai) Co., Ltd (USD 3,550 ) Xingwei Computer (Kunshan) Co., Ltd. (USD 2,357 ) Armorlink SH Corp. (USD 12,750 ) Ailean Technologies Corp. (USD 24,750 )	6,354,571

The exchange rate of USD to NTD as of the reporting date was 1:31.650, and the average exchange rate of USD to NTD for the reporting period was 1:32.034

The exchange rate of RMB to NTD as of the reporting date was 1:4.5167, and the average exchange rate of RMB to NTD for the reporting period was 1: 4.5064.

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

Note 1: Method of investments:

- 1) Direct investment in Mainland China.
- 2) Indirect investment in Mainland China through a holding company established in third region.
- 3) Others

Note 2: The bases for investment income or loss recognized:

- 1) The financial statements of the investees were reviewed by the Company's independent auditors.
- 2) The financial statements of the investees were not reviewed by independent auditors.

Note 2: The amount in this table were presented in New Taiwan Dollar. The investment income or loss recognized for the reporting period and the carrying value of investments as of the reporting date that were measured in foreign currencies were converted to NTD using the average exchange rate for the reporting period and the exchange rate as of the reporting date, respectively.

Note 3: The calculation of limits: Net equity  $\times 60\% = \$10,590,951$  thousand  $\times 60\% = \$6,354,571$  thousand.

(iii) Significant transactions:

The transactions between parent and investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section "Information on significant transactions" for detail explanation.

(4) Major shareholders

(Unit: share)

Shareholder's Name	Shareholding	Shares	Percentage
Po-TA Kuo		21,932,396	12.41%
QNAP Systems, Inc.		13,367,140	7.56%
SHEN FONG INC.		10,595,867	5.99%

**14. Segments information**

The Group's operating segment information and reconciliation were as follows:

	Order, design, and brand sales	Product manufacturing	Brand sales in China	Other operating department	Reconciliation and eliminations	Total
<b>For the three months ended September 30, 2024</b>						
Revenue:						
Revenue from external revenue	\$ 1,068,813	75,971	368,181	354,447	-	1,867,412
Intra-group revenue	295,070	653,097	181	3,218	(951,566)	-
Total revenue	<u>\$ 1,363,883</u>	<u>729,068</u>	<u>368,362</u>	<u>357,665</u>	<u>(951,566)</u>	<u>1,867,412</u>
<b>profit (loss) from reportable segment</b>	<u>\$ 335,548</u>	<u>42,274</u>	<u>(855)</u>	<u>(12,223)</u>	<u>(5,373)</u>	<u>359,371</u>
<b>For the three months ended September 30, 2023</b>						
Revenue:						
Revenue from external revenue	\$ 835,135	40,680	462,597	520,770	-	1,859,182
Intra-group revenue	538,932	703,112	1,228	4,369	(1,247,641)	-
Total revenue	<u>\$ 1,374,067</u>	<u>743,792</u>	<u>463,825</u>	<u>525,139</u>	<u>(1,247,641)</u>	<u>1,859,182</u>
<b>profit (loss) from reportable segment</b>	<u>\$ 308,433</u>	<u>82,375</u>	<u>373</u>	<u>221,921</u>	<u>6,538</u>	<u>619,640</u>



**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (continued)**

	<u>Order, design, and brand sales</u>	<u>Product manufacturing</u>	<u>Brand sales in China</u>	<u>Other operating department</u>	<u>Reconciliation and eliminations</u>	<u>Total</u>
<b>For the nine months ended September 30, 2024</b>						
Revenue:						
Revenue from external revenue	\$ 2,929,662	241,557	950,890	1,080,515	-	5,202,624
Intra-group revenue	<u>833,967</u>	<u>1,710,896</u>	<u>729</u>	<u>8,705</u>	<u>(2,554,297)</u>	<u>-</u>
Total revenue	<u>\$ 3,763,629</u>	<u>1,952,453</u>	<u>951,619</u>	<u>1,089,220</u>	<u>(2,554,297)</u>	<u>5,202,624</u>
<b>profit (loss) from reportable segment</b>	<u>\$ 944,492</u>	<u>107,805</u>	<u>(18,458)</u>	<u>280,152</u>	<u>(1,472)</u>	<u>1,312,519</u>
<b>For the nine months ended September 30, 2023</b>						
Revenue:						
Revenue from external revenue	\$ 3,013,458	76,228	1,349,760	1,487,300	-	5,926,746
Intra-group revenue	<u>1,384,244</u>	<u>2,412,451</u>	<u>1,815</u>	<u>9,776</u>	<u>(3,808,286)</u>	<u>-</u>
Total revenue	<u>\$ 4,397,702</u>	<u>2,488,679</u>	<u>1,351,575</u>	<u>1,497,076</u>	<u>(3,808,286)</u>	<u>5,926,746</u>
<b>profit (loss) from reportable segment</b>	<u>\$ 1,058,745</u>	<u>279,942</u>	<u>(26,439)</u>	<u>281,721</u>	<u>26,525</u>	<u>1,620,494</u>