

**IEI INTEGRATION CORP.  
AND SUBSIDIARIES**

**Consolidated Financial Statements  
with Independent Auditors' Report  
For the Years Ended December 31, 2025 and 2024**

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The independent auditors' 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' report and consolidated financial statements, the Chinese version shall prevail.

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## Statement of Nonrepetitive Reporting

For the years ended December 31, 2025 and 2024 (from January 1 to December 31), the companies required to be included in the preparation of affiliated enterprises' combined financial report pursuant to the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those required to be included in the preparation of the parent-subsidiary consolidated financial statements pursuant to International Financial Reporting Standard No. 10 as endorsed by the Financial Supervisory Commission. The relevant information that should be disclosed in the affiliated enterprises' combined financial report has been disclosed in the parent-subsidiary consolidated financial statements. Accordingly, a separate affiliated enterprises' combined financial report will not be prepared.

Hereby declared.

Company Name: IEI INTEGRATION CORP.  
Chairman: Chang Ming-Chih  
Date: March 6, 2026

## **Independent Auditors' Report**

To the Board of Directors of IEI INTEGRATION CORP.:

### **Opinion**

We have audited the consolidated financial statements of IEI INTEGRATION CORP. and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), Interpretations and related guidance endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Please refer to Note 4(16) for the accounting policies on revenue recognition and Note 6(19) for related disclosures.

**Description of key audit matter:**

The Group's sales transactions are primarily conducted by manufacturing products at overseas plants in mainland China and delivering them directly to customers. Revenue is recognized when control of the goods is transferred to customers. As the transfer of control may occur at different points in time depending on contractual delivery terms, there is a risk that revenue recognized near the reporting date may not be recorded in the appropriate period. Accordingly, the assessment of the timing of revenue recognition is a key audit matter.

**Audit procedures performed in response:**

- Testing the effectiveness of internal controls over the sales and collection cycle.
- Performing cut-off testing on sales transactions before and after the balance sheet date.
- Inspecting supporting documentation to assess whether the timing of transfer of control and revenue recognition is appropriate.

**2. Inventory Valuation**

Please refer to Note 4(8), Note 5, and Note 6(5) for accounting policies, estimates and assumptions, and disclosures related to inventory.

**Description of key audit matter:**

Inventories are measured at the lower of cost and net realizable value. Due to rapid product innovation and intense industry competition, there is a risk that the cost of inventories may exceed their net realizable value.

**Audit procedures performed in response:**

- Reviewing inventory aging reports and analyzing changes in inventory aging.
- Verifying the accuracy of inventory aging through supporting documentation.
- Sampling recent replacement costs and selling prices, recalculating net realizable value (after considering selling expenses), and assessing the reasonableness of the Group's inventory valuation.

**Other Matter**

IEI INTEGRATION CORP. has prepared parent-company-only financial statements for the years ended December 31, 2025 and 2024, on which we have issued an unqualified opinion, for reference.

**Responsibilities of Management and Those Charged with Governance**

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 IFRSs, IASs, Interpretations and related guidance endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
  3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.
- We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of IEI INTEGRATION CORP. and its subsidiaries for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG

Certified Public Accountants:

Han Yi-Lien

Pan Chun-Ming

Approval Document Number from the Securities Regulatory Authority:

FSC Certificate No. 1090332798

FSC Certificate No. 1110333933

March 6, 2026

Notes to Readers

The accompanying consolidated financial statements are intended to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices applied to the audit of such consolidated financial statements are those generally accepted in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared in the Republic of China. If there is any conflict between the English version and the original Chinese version, or any difference in the interpretation thereof, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

**IEI INTEGRATION CORP. AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**December 31, 2025 and 2024**

**(Expressed in thousands of NTD)**

		<u>2025.12.31</u>		<u>2024.12.31</u>				<u>2025.12.31</u>		<u>2024.12.31</u>	
<b>Assets</b>		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Liabilities and Equity</b>		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (Notes 6(1)/(22))	\$ 2,487,337	17	2,953,969	20	2130	Current contract liabilities (Notes 6(19)&7)	\$ 375,251	3	399,509	3
1110	Financial assets at fair value through profit or loss - current (Notes 6(2)/(22))	499,201	3	887,739	6	2170	Notes and accounts payable (Note 6(22))	1,365,762	9	1,223,974	8
1170	Notes and accounts receivable, net (Notes 6(4)/(19)/(22))	1,111,143	7	1,152,255	7	2180	Accounts payable to related parties (Notes 6(22)&7)	48,574	-	47,998	-
1180	Accounts receivable from related parties, net (Notes 6(19)/(22)&7)	72,535	-	105,645	1	2219	Other payables - other (Note 6(22))	625,649	4	640,083	4
1210	Other receivables from related parties (Notes 6(22)&7)	56	-	232,949	1	2220	Other payables to related parties (Notes 6(22)&7)	20,106	-	96,607	1
130X	Inventories (Note 6(5))	2,202,627	15	1,436,906	10	2230	Current income tax liabilities	110,590	1	203,490	1
1476	Other financial assets - current (Notes 6(6)/(22)&8)	3,117,670	21	3,701,952	25	2280	Current lease liabilities (Notes 6(12)/(22)&7)	6,724	-	3,011	-
1479	Other current assets - other	162,718	1	217,336	1	2399	Other current liabilities – other	39,261	-	33,135	-
		<u>9,653,287</u>	<u>64</u>	<u>10,688,751</u>	<u>71</u>			<u>2,591,917</u>	<u>17</u>	<u>2,647,807</u>	<u>17</u>
<b>Non-current assets:</b>						<b>Non-current liabilities:</b>					
1510	Financial assets at fair value through profit or loss - non-current (Notes 6(2)/(22))	225,384	2	29,286	-	2570	Deferred tax liabilities (Note 6(15))	1,085,081	7	1,075,260	7
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 6(3)/(22))	43,275	-	56,494	-	2580	Non-current lease liabilities (Notes 6(12)/(22)&7)	6,876	-	-	-
1550	Investments accounted for using the equity method (Note 6(7))	2,778,698	18	2,537,700	17	2670	Other non-current liabilities – other	54,588	-	55,242	-
1600	Property, plant and equipment (Note 6(9)&7)	1,943,089	13	1,249,763	9			<u>1,146,545</u>	<u>7</u>	<u>1,130,502</u>	<u>7</u>
1755	Right-of-use assets (Note 6(10))	13,451	-	2,937	-	<b>Total liabilities</b>		<u>3,738,462</u>	<u>24</u>	<u>3,778,309</u>	<u>24</u>
1760	Investment property, net (Note 6(11))	260,753	2	265,783	2	<b>Equity attributable to owners of the parent (Notes 6(8)/(16))</b>					
1821	Other intangible assets, net	20,759	-	14,371	-	3100	Share Capital	1,765,978	12	1,765,978	12
1840	Deferred tax assets (Note 6(15))	117,099	1	106,958	1	3200	Capital surplus	1,134,964	8	837,554	6
1975	Net defined benefit asset - non-current	11,068	-	9,332	-		Retained earnings:				
1990	Other non-current assets - other	51,053	-	20,950	-	3310	Legal reserve	2,190,190	14	2,040,627	14
		<u>5,464,629</u>	<u>36</u>	<u>4,293,574</u>	<u>29</u>	3320	Special reserve	300,475	2	385,290	3
						3350	Unappropriated earnings	6,275,201	42	6,315,336	42
								<u>8,765,866</u>	<u>58</u>	<u>8,741,253</u>	<u>59</u>
						3400	Other equity	(476,503)	(3)	(300,475)	(2)
							Total equity attributable to owners of the parent	11,190,305	75	11,044,310	75
						36XX	Non-controlling interests	189,149	1	159,706	1
							<b>Total equity</b>	<u>11,379,454</u>	<u>76</u>	<u>11,204,016</u>	<u>76</u>
<b>Total Assets</b>		<u>\$ 15,117,916</u>	<u>100</u>	<u>14,982,325</u>	<u>100</u>		<b>Total Liabilities and Equity</b>	<u>\$ 15,117,916</u>	<u>100</u>	<u>14,982,325</u>	<u>100</u>

(Please refer to the accompanying notes to the consolidated financial statements)

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
**For the Years Ended December 31, 2025 and 2024**  
**(Expressed in Thousands of NTD, Except for Earnings per share)**

		2025		2024	
		Amount	%	Amount	%
4110	<b>Sales revenue</b>	\$ 6,543,045	100	6,851,234	100
4170	Less: Sales returns and allowances	30,002	-	11,402	-
	<b>Net sales revenue</b> (Notes 6(19) & 7)	<u>6,513,043</u>	<u>100</u>	<u>6,839,832</u>	<u>100</u>
5110	<b>Cost of sales</b> (Notes 6(5)/(14)/(20), 7 & 12)	4,333,824	67	4,428,680	65
	<b>Gross profit</b>	2,179,219	33	2,411,152	35
5910	Unrealized gain (loss) on intercompany sales	(82)	-	(359)	-
5920	Realized gain (loss) on intercompany sales	358	-	2,446	-
	<b>Net gross profit</b>	<u>2,179,495</u>	<u>33</u>	<u>2,413,239</u>	<u>35</u>
	<b>Operating expenses</b> (Notes 6(4)/(14)/(17)/(20), 7 & 12)				
6100	Selling expenses	509,508	8	520,466	8
6200	Administrative expenses	492,879	8	482,531	7
6300	Research and development expenses	606,528	9	565,094	8
6450	Expected credit loss (gain on reversal)	128	-	(21,676)	-
	<b>Total operating expenses</b>	<u>1,609,043</u>	<u>25</u>	<u>1,546,415</u>	<u>23</u>
	<b>Net operating income</b>	<u>570,452</u>	<u>8</u>	<u>866,824</u>	<u>12</u>
	<b>Non-operating income and expenses</b> (Notes 6(21) & 7)				
7100	Interest income	221,690	3	261,323	4
7010	Other income	61,890	1	84,075	1
7020	Other gains and losses, net	(225,918)	(3)	446,327	7
7050	Finance costs	(1,192)	-	(9,103)	-
7060	Share of profit of associates and joint ventures accounted for using the equity method, net	317,132	5	269,538	4
	<b>Total non-operating income and expenses</b>	<u>373,602</u>	<u>6</u>	<u>1,052,160</u>	<u>16</u>
	<b>Profit (loss) from continuing operations before tax</b>	<u>944,054</u>	<u>14</u>	<u>1,918,984</u>	<u>28</u>
7950	<b>Less: Income tax expense</b> (Note 6(15))	121,114	2	359,808	5
	<b>Profit (loss)</b>	<u>822,940</u>	<u>12</u>	<u>1,559,176</u>	<u>23</u>
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that will not be reclassified subsequently to profit or loss:</b>				
8311	Remeasurements of defined benefit plans	1,690	-	657	-
8316	Unrealized gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	(13,219)	-	(35,735)	(1)
8320	Share of other comprehensive income of associates and joint ventures accounted for using the equity method that will not be reclassified subsequently to profit or loss	(80,923)	(1)	(30,540)	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	(338)	-	(131)	-
	<b>Total items that will not be reclassified subsequently to profit or loss</b>	<u>(92,790)</u>	<u>(1)</u>	<u>(65,749)</u>	<u>(1)</u>
8360	<b>Items that may be reclassified subsequently to profit or loss</b>				
8361	Exchange differences on translation of foreign operations	(77,418)	(1)	136,236	2
8370	Share of other comprehensive income of associates and joint ventures accounted for using the equity method that may be reclassified subsequently to profit or loss	(3,959)	-	17,623	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
	<b>Total items that may be reclassified subsequently to profit or loss</b>	<u>(81,377)</u>	<u>(1)</u>	<u>153,859</u>	<u>2</u>
8300	<b>Other comprehensive income for the year</b>	<u>(174,167)</u>	<u>(2)</u>	<u>88,110</u>	<u>1</u>
	<b>Total comprehensive income</b>	<u>\$ 648,773</u>	<u>10</u>	<u>1,647,286</u>	<u>24</u>
	<b>Profit (loss) attributable to:</b>				
8610	Owners of the parent	\$ 817,485	12	1,540,670	23
8620	Non-controlling interests	5,455	-	18,506	-
		<u>\$ 822,940</u>	<u>12</u>	<u>1,559,176</u>	<u>23</u>
	<b>Comprehensive income attributable to:</b>				
8710	Owners of the parent	\$ 643,318	10	1,628,780	24
8720	Non-controlling interests	5,455	-	18,506	-
		<u>\$ 648,773</u>	<u>10</u>	<u>1,647,286</u>	<u>24</u>
	<b>Earnings (Loss) per share (NT\$)</b>				
	<b>Basic earnings per share (NT\$)</b> (Note 6(18))	<u>\$ 4.63</u>		<u>8.72</u>	
	<b>Diluted earnings per share (NT\$)</b> (Note 6(18))	<u>\$ 4.60</u>		<u>8.66</u>	

(Please refer to the accompanying notes to the consolidated financial statements)

**IEI INTEGRATION CORP. AND SUBSIDIARIES**

**Consolidated Statement of Changes in Equity**

**For the Years ended December 31, 2025 and 2024**

**(Expressed in thousands of NTD)**

Code	Equity attributable to owners of the parent										Non-controlling Interests	Total Equity	
	Share Capital						Exchange differences on translation of foreign operations		Other equity				Total equity attributable to owners of the parent
	Ordinary Share Capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total			Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total			
A1	<b>Balance at January 1, 2024</b>	\$ 1,765,978	845,521	1,902,369	453,579	5,507,775	7,863,723	(435,177)	49,887	(385,290)	10,089,932	8,782	10,098,714
D1	Net income for the year	-	-	-	-	1,540,670	1,540,670	-	-	-	1,540,670	18,506	1,559,176
D3	Other comprehensive income	-	-	-	-	476	476	153,859	(66,225)	87,634	88,110	-	88,110
D5	Total comprehensive income	-	-	-	-	1,541,146	1,541,146	153,859	(66,225)	87,634	1,628,780	18,506	1,647,286
	Appropriation and distribution of retained earnings:												
B1	Legal reserve	-	-	138,258	-	(138,258)	-	-	-	-	-	-	-
B5	Cash dividends of ordinary shares	-	-	-	-	(618,092)	(618,092)	-	-	-	(618,092)	-	(618,092)
B17	Reversal of special reserve	-	-	-	(68,289)	68,289	-	-	-	-	-	-	-
	Other changes in capital surplus:												
C7	Changes in equity of associates accounted for using the equity method	-	(7,669)	-	-	-	-	-	-	-	(7,669)	-	(7,669)
C17	Other changes in capital surplus	-	62	-	-	-	-	-	-	-	62	-	62
M3	Disposal of investments accounted for using the equity method	-	(360)	-	-	2,495	2,495	(324)	(2,495)	(2,819)	(684)	-	(684)
M7	Changes in ownership interests in subsidiaries	-	-	-	-	(48,019)	(48,019)	-	-	-	(48,019)	104,241	56,222
N1	Share-based payment	-	-	-	-	-	-	-	-	-	-	28,177	28,177
	<b>Balance at December 31, 2024</b>	1,765,978	837,554	2,040,627	385,290	6,315,336	8,741,253	(281,642)	(18,833)	(300,475)	11,044,310	159,706	11,204,016
D1	Net income for the year	-	-	-	-	817,485	817,485	-	-	-	817,485	5,455	822,940
D3	Other comprehensive income	-	-	-	-	1,612	1,612	(81,377)	(94,402)	(175,779)	(174,167)	-	(174,167)
D5	Total comprehensive income	-	-	-	-	819,097	819,097	(81,377)	(94,402)	(175,779)	643,318	5,455	648,773
	Appropriation and distribution of retained earnings:												
B1	Legal reserve	-	-	149,563	-	(149,563)	-	-	-	-	-	-	-
B5	Cash dividends of ordinary shares	-	-	-	-	(794,690)	(794,690)	-	-	-	(794,690)	-	(794,690)
B17	Reversal of special reserve	-	-	-	(84,815)	84,815	-	-	-	-	-	-	-
	Other changes in capital surplus:												
C7	Changes in equity of associates accounted for using the equity method	-	297,292	-	-	-	-	-	-	-	297,292	-	297,292
C17	Other changes in capital surplus	-	147	-	-	-	-	-	-	-	147	-	147
M3	Disposal of investments accounted for using the equity method	-	(29)	-	-	206	206	(43)	(206)	(249)	(72)	-	(72)
N1	Share-based payment	-	-	-	-	-	-	-	-	-	-	26,519	26,519
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,531)	(2,531)
Z1	<b>Balance at December 31, 2025</b>	\$ 1,765,978	1,134,964	2,190,190	300,475	6,275,201	8,765,866	(363,062)	(113,441)	(476,503)	11,190,305	189,149	11,379,454

(Please refer to the accompanying notes to the consolidated financial statements)

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
**Consolidated Statement of Cash Flows**  
**For the Years ended December 31, 2025 and 2024**

(Expressed in thousands of NTD)

		2025	2024
AAAA	<b>Cash flows from operating activities:</b>		
A10000	<b>Profit (loss) from continuing operations before tax</b>	\$ 944,054	1,918,984
A20000	<b>Adjustments:</b>		
A20010	Adjustments to reconcile profit (loss):		
A20100	Depreciation expense	135,168	142,613
A20200	Amortization expense	26,425	24,333
A20300	Expected credit loss (gain on reversal)	128	(21,676)
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(9,298)	(13,252)
A20900	Interest expense	1,192	9,103
A21200	Interest income	(221,690)	(261,323)
A21300	Dividend income	(1,309)	(2,047)
A21900	Share-based payment expense	26,519	28,177
A22300	Share of loss (profit) of associates and joint ventures accounted for using the equity method	(317,132)	(269,538)
A22500	Loss (gain) on disposal of property, plant and equipment	(180)	(25,350)
A23200	Gain on disposal of investments accounted for using the equity method	(11,023)	(103,534)
A23700	Inventory write-downs and obsolescence losses	55,173	5,868
A23900	Unrealized (realized) intercompany profit	(276)	(2,087)
A24100	Unrealized foreign exchange loss (gain)	(69,267)	(149,868)
A29900	Other adjustments to reconcile profit (loss)	(94)	-
A20010	<b>Total adjustments to reconcile profit (loss)</b>	<b>(385,664)</b>	<b>(638,581)</b>
A30000	<b>Changes in operating assets and liabilities:</b>		
A31115	Decrease (increase) in financial assets at fair value through profit or loss	399,368	(150,660)
A31150	Decrease (increase) in accounts receivable	25,014	(90,521)
A31160	Decrease (increase) in accounts receivable from related parties	4,505	(23,128)
A31190	Decrease (increase) in other receivables from related parties	270,901	16,597
A31200	Decrease (increase) in inventories	(835,705)	(97,840)
A31240	Decrease (increase) in other current assets	43,233	133,320
A31990	Decrease (increase) in other operating assets	(46)	(97)
A32000	<b>Changes in operating liabilities:</b>		
A32125	Decrease in contract liabilities	(24,258)	(122,344)
A32150	Increase (decrease) in accounts payable	165,034	56,482
A32160	Increase (decrease) in accounts payable to related parties	17,603	(86,212)
A32180	Increase (decrease) in other payables	(6,011)	(63,587)
A32190	Increase (decrease) in other payables to related parties	(44,993)	(181,512)
A32200	Increase (decrease) in provisions	3,802	(2,118)
A32230	Increase (decrease) in other current liabilities	8,377	(24,588)
A30000	<b>Total changes in operating assets and liabilities</b>	<b>26,824</b>	<b>(636,208)</b>
A20000	<b>Total adjustments</b>	<b>(358,840)</b>	<b>(1,274,789)</b>
A33000	<b>Cash inflow (outflow) generated from operations</b>	585,214	644,195
A33100	Interest received	220,784	256,317
A33200	Dividends received	284,114	273,607
A33300	Interest paid	(1,192)	(9,103)
A33500	Income taxes refund (paid)	(208,425)	(429,539)
AAAA	<b>Net cash flows from operating activities</b>	<b>880,495</b>	<b>735,477</b>

**IEI INTEGRATION CORP. AND SUBSIDIARIES**

**Consolidated Statement of Cash Flows (continued)**

**For the Years ended December 31, 2025 and 2024**

**(Expressed in thousands of NTD)**

		2025		2024
BBBB	<b>Cash flows from investing activities</b>			
B00010	Acquisition of financial assets at fair value through other comprehensive income	-		(32,500)
B00100	Acquisition of financial assets at fair value through profit or loss	(199,403)		(31,197)
B01800	Acquisition of investments accounted for using the equity method	-		(78,689)
B01900	Disposal of investments accounted for using the equity method	16,690		146,300
B02700	Acquisition of property, plant, and equipment	(838,303)		(111,926)
B02800	Proceeds from disposal of property, plant and equipment	168		59,995
B04500	Acquisition of intangible assets	(32,160)		(18,717)
B06500	Decrease (increase) in other financial assets	564,508		(1,795,825)
B06700	Decrease (increase) in other non-current assets	(31,107)		4,403
BBBB	<b>Net cash flows from (used in) investing activities</b>	(519,607)		(1,858,156)
CCCC	<b>Cash flows from financing activities</b>			
C00100	Increase (decrease) in short-term loans	-		(180,397)
C03100	Increase (decrease) in guarantee deposits received	69		(104)
C04020	Payments of lease liabilities	(7,301)		(11,565)
C04500	Cash dividends paid	(794,690)		(618,092)
C05800	Changes in non-controlling interests	-		56,222
C09900	Other financing activities	147		62
CCCC	<b>Cash flows from (used in) financing activities</b>	(801,775)		(753,874)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(25,745)		72,657
EEEE	Net increase (decrease) in cash and cash equivalents	(466,632)		(1,803,896)
E00100	Cash and cash equivalents at beginning of period	2,953,969		4,757,865
E00200	Cash and cash equivalents at end of period	<b>\$ 2,487,337</b>		<b>2,953,969</b>

(Please refer to the accompanying notes to the consolidated financial statements)

# IEI INTEGRATION CORP. AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

### 1. Company History

IEI INTEGRATION CORP. (the “Company” or “IEI”) was incorporated with the approval of the Ministry of Economic Affairs, R.O.C. on April 17, 1997. The principal business of the Company and its subsidiaries (collectively the “Group”) involves the manufacturing and sales of computers, computer components and peripherals and related trading.

### 2. Approval Date and Procedures of the Consolidated Financial Statements

The consolidated financial statements were approved for issuance by the Board of Directors on March 6, 2026.

### 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. 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, 2025.

- Amendments to IAS 21: “Lack of Exchangeability”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” relating to the application guidance in Section 4.1 of IFRS 9 and related disclosure requirements in IFRS 7

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

The Group assesses that the adoption of the following new amendments, effective from January 1, 2026, is not expected to have a material impact on the consolidated financial statements.

- “Insurance Contracts” and the amendments to IFRS 17
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” relating to the application guidance in Sections 3.1 and 3.3 of IFRS 9 and related disclosure requirements in IFRS 7
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

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

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

The impact of IFRS issued by the IASB but not yet endorsed by the FSC, which may be relevant to the Group, is as follows:

<b>New or Amended Standards</b>	<b>Main Amendments</b>	<b>Effective Date Issued by IASB</b>
IFRS 18, “Presentation and Disclosure in Financial Statements”	<p>The new standards introduce three categories of revenue and expenses, two subtotals in the income statement, and a single note on the measurement of management performance. These three amendments and enhancements to the guidelines on segmenting information in financial statements establish a foundation for providing users with better and more consistent information and will impact all companies.</p> <ul style="list-style-type: none"> <li>• <b>More Structured Income Statement:</b> In accordance with current standards, companies utilize different formats to present their operating results, making it difficult for investors to compare the financial performance of different companies. The new guidelines implement a more structured income statement by introducing a new subtotal termed “operating profit.” They also stipulate that all revenues and expenses will be categorized into three distinct classifications based on the company’s primary business activities.</li> <li>• <b>Management Performance Measurements (MPMs):</b> The new guidelines introduce a definition for management performance measurement and require companies to include a single note in the financial statements. This note must explain why each measurement indicator provides useful information, how it is calculated, and how it reconciles with the amounts recognized under International Financial Reporting Standards.</li> <li>• <b>Detailed Information:</b> The new guidelines outline the company’s approach to improving the guidance on information grouping within its financial statements. This includes guidance on whether information should be included in the primary financial statements or further detailed in the notes.</li> </ul>	<p>January 1, 2027</p> <p>Note: On September 25, 2025, the Financial Supervisory Commission (FSC) issued a press release announcing that Taiwan will adopt International Financial Reporting Standard 18 (IFRS 18) starting from the 2028 fiscal year. If a company intends to early adopt the standard, it may do so upon obtaining approval from the FSC.</p>

The Group is currently assessing the impact of the aforementioned guidelines and interpretations on its financial condition and operating results. The relevant impacts will be disclosed upon the completion of this assessment.

The Group anticipates that the following newly released and amended standards, which have not yet been approved, will not 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 19 “Subsidiaries without Public Accountability: Disclosures” and the amendments to IFRS 19
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

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

#### **4. Summary of Significant Accounting Policies**

A summary of the significant accounting policies adopted in the consolidated financial statements is set out below. These accounting policies have been applied consistently to all periods presented in the consolidated financial statements.

##### **(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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations (hereinafter referred to as “IFRS endorsed by the FSC”) as endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China (“FSC”).

##### **(2) Basis of Preparation**

###### **i. Measurement Basis**

Except for the following significant items in the balance sheet, the consolidated financial statements have been prepared on the historical cost basis:

- (i) Financial assets at fair value through profit or loss are measured at fair value;
- (ii) Financial assets at fair value through other comprehensive income are measured at fair value;
- (iii) The net defined benefit liability (asset) is measured as the fair value of plan assets less the present value of the defined benefit obligation, adjusted for the effect of any asset ceiling as described herein.

###### **ii. Functional and Presentation Currency**

The functional currency of each entity in the Group is the currency of the primary economic environment in which it operates. The consolidated financial statements are presented in New Taiwan Dollars, which is the functional currency of the Company. All financial information presented in New Taiwan Dollars has been rounded to the nearest thousand.

##### **(3) Basis of Consolidation**

###### **i. Preparation Principles for Consolidated Financial Statements**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (i.e., subsidiaries). The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases. Intra-group balances, transactions and any unrealized gains and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Total comprehensive income of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The financial statements of the subsidiaries are adjusted, where necessary, to ensure consistency with the accounting policies used by the Group.

Changes in the Group’s ownership interest in subsidiaries that do not result in losing control over the subsidiaries are accounted for as equity transactions. Any difference between the amount by which non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

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

**ii. Subsidiaries Included in the Consolidated Financial Statements**

Subsidiaries in the consolidated financial statements include:

Name of Investor	Name of Subsidiary	Main Business	2025.12.31	2024.12.31	Note
The Company	ICP Electronics Limited	Holding company and sales of computers and related products	100%	100%	
The Company	Internet Application Technology Ltd.	Holding company and sales of computers and related products	100%	100%	
The Company	BriteMED Technology Inc.	Manufacture and sales of electronic components, etc.	100%	100%	
ICP Electronics Limited	Fortunetec International Corp.	Holding company and sales of computers and related products	100%	100%	
ICP Electronics Limited	Fortune Name Holdings Limited	Holding company and sales of computers and related products	100%	100%	
Fortunetec International Corp.	Armorlink SH Corp. (Armorlink)	Manufacturing and sales of computers and related products	90.70%	90.70%	
Internet Application Technology Ltd.	Rich Excel Corporation Holdings Limited	Holding company and sales of computers and related products	100%	100%	
Rich Excel Corporation Holdings Limited	Equilico Inc.	Real Estate Holding and Leasing	100%	100%	
Rich Excel Corporation Holdings Limited	Potency Inc.	Holding company and sales of computers and related products	100%	100%	
Equilico Inc.	Suntend LLC	Real Estate Holding and Leasing	100%	100%	
Armorlink SH Corp. (Armorlink)	IEI Technology (Shanghai) Co., Ltd.	Logistics center and sales of computers and related products	100%	100%	
Armorlink SH Corp. (Armorlink)	Weibotong Technology (Shanghai) Co., Ltd.	Logistics center and sales of computers and related products	100%	100%	
Armorlink SH Corp. (Armorlink)	Ailean Technologies Corp.	Manufacturing and sales of computers and related products	100%	100%	Note 1
Armorlink SH Corp. (Armorlink)	SYNCDA International Limited.	Logistics center and sales of industrial computer products	100%	100%	
Ailean Technologies Corp.	ASH Energy Group Limited	Supply chain management	100%	100%	Note 1
Potency Inc.	IEI Technology USA Corporation	Sales of computers and related products	100%	100%	

Note 1: On April 18, 2025, Ailean Technologies Corp. (優達芯發電子(上海)有限公司) obtained approval for its name change and was officially renamed 優科上越電子(上海)有限公司. The company's English name remains unchanged.

**iii. Subsidiaries not included in the consolidated financial statements: None.**

**(4) Foreign Currency**

**i. Foreign Currency Transactions**

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. At the end of each subsequent reporting period (hereinafter referred to as "reporting date"), monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

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

Non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined. Non-monetary items measured on a historical cost basis in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency exchange differences arising on retranslation are generally recognized in profit or loss, except for equity instruments designated as measured at fair value through other comprehensive income, which are recognized in other comprehensive income.

**ii. Foreign Operations**

The assets and liabilities of foreign operations are translated into New Taiwan Dollars at exchange rates prevailing at the reporting date; income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

On the disposal of a foreign operation resulting in the loss of control, joint control or significant influence, all of the cumulative exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. In the case of a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control, the proportionate share of the cumulative exchange differences is re-attributed to non-controlling interests. In any other partial disposal of a foreign operation, the proportionate share of the cumulative exchange differences is reclassified to profit or loss.

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations are recognized in other comprehensive income when there is no settlement planned and settlement is not likely to occur in the foreseeable future.

**(5) 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 assets by the Group:

- i. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- ii. It holds the asset primarily for purposes of trading;
- iii. It is expected to be realized within 12 months after the reporting period; or
- iv. The asset is cash or a cash equivalent (as defined in IAS 7), unless it 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 if it meets any of the following criteria; all other liabilities are classified as non-current:

- i. It is expected to be settled in the normal operating cycle;
- ii. It is held primarily for the purposes of trading;
- iii. It is due to be settled within twelve months after the reporting period; or
- iv. There is no right to defer settlement of the liability for at least twelve months after the reporting period.

**(6) Cash and Cash Equivalents**

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes are presented as cash equivalents.

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

**(7) Financial Instruments**

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

**i. Financial Assets**

The Group accounts for regular way purchases and sales of financial assets using trade date accounting or settlement date accounting consistently for all purchases and sales of the same category of financial assets.

On initial recognition, financial assets are classified as: measured at amortized cost, fair value through other comprehensive income (FVOCI) – debt instrument, fair value through other comprehensive income (FVOCI) – equity instrument, or fair value through profit or loss (FVTPL). The Group reclassifies financial assets when and only when its business model for managing those assets changes, with effect from the first day of the next reporting period.

**(i) Financial Assets Measured at Amortized Cost**

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

**(ii) Financial Assets Measured at Fair Value through Other Comprehensive Income**

A debt instrument investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

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

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Dividend income on equity investments is recognized when the Group's right to receive the dividends is established (usually on the ex-dividend date).

**(iii) Financial Assets Measured at Fair Value through Profit or Loss**

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

**(iv) Impairment of Financial Assets**

The Group recognizes a loss allowance for expected credit losses on financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized cost, notes and accounts receivable, other receivables, refundable deposits and other financial assets), debt investments measured at FVOCI, and contract assets.

The loss allowance for the following financial assets is measured at the 12-month expected credit losses; all others are measured at lifetime expected credit losses:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank deposits for which the credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The loss allowance for trade receivables and contract assets is measured at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group considers reasonable and supportable information (that is available without undue cost or effort), including qualitative and quantitative information and analysis, based on the Group's historical experience, credit assessment and forward-looking information.

If contract payments are overdue beyond the payment terms, the Group assumes that the credit risk of the financial asset has increased significantly.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating expected credit losses is the maximum

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

contractual period over which the Group is exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses over the expected life of the financial instrument. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). Expected credit losses are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being past due beyond the agreed credit terms;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

The loss allowance for financial assets measured at amortized cost is deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

**(v) Derecognition of Financial Assets**

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognized in its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

**ii. Financial Liabilities and Equity Instruments**

**(i) Classification of Debt or Equity**

Debt and equity instruments issued by the Group are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**(ii) Equity Transactions**

An equity instrument is any contract that evidences a residual interest in the assets of the Group

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

after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

**(iii) Financial Liabilities**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

**(iv) Derecognition of Financial Liabilities**

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

**(8) Inventories**

Inventories are measured at the lower of cost and net realizable value. Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. The cost of inventories is calculated using the weighted-average method.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

**(9) Investments in Associates**

Associates are entities over which the Group has significant influence but not control or joint control. The Group's interest in associates is accounted for using the equity method. Under the equity method, the investment is initially recognized at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill identified on acquisition, less any accumulated impairment losses.

The consolidated financial statements include the Group's share of profit or loss and other comprehensive income of associates on an equity-accounted basis, from the date significant influence commences to the date it ceases, after adjustments to align the accounting policies with those of the Group. When an associate has a change in equity that is not recognized in profit or loss or other comprehensive income and that does not affect the Group's ownership interest in the associate, the Group recognizes its share of the change in the associate's equity, based on the Group's ownership interest, as additional paid-in capital.

Unrealized gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

When the Group ceases to have significant influence, it measures and recognizes the remaining

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

investment at its fair value. The difference between the carrying amount of the associate upon loss of significant influence and the fair value of the remaining investment and proceeds from disposal is recognized in profit or loss. For all amounts previously recognized in other comprehensive income in relation to that investment, the accounting treatment is on the same basis as would be required if the associate had directly disposed of the related assets or liabilities, i.e., if the gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss (or retained earnings) on disposal of the related assets or liabilities, then the Group reclassifies the gain or loss from equity to profit or loss (or retained earnings) when the equity method is discontinued. If the Group's ownership interest in the associate decreases but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest.

If the Group's interest in an associate becomes an interest in a joint venture or vice versa, the Group continues to apply the equity method and does not remeasure the retained interest.

When an associate issues new shares and the Group does not subscribe to the new shares in proportion to its existing ownership interest, the resulting change in ownership percentages is accounted for as changes in the net equity value of the associate, with a corresponding adjustment to additional paid-in capital and investments accounted for using the equity method. If such adjustment results in a debit to additional paid-in capital and there is an insufficient balance in additional paid-in capital resulting from investments accounted for using the equity method, the difference is debited to retained earnings. If the Group's ownership interest in the associate decreases, the amounts previously recognized in other comprehensive income are reclassified on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

**(10) Investment Property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, for use in the production or supply of goods or services, or for administrative purposes.

Investment property is initially measured at cost. After initial recognition, investment property is measured at cost less accumulated depreciation and impairment losses, and the depreciation method, useful life and residual value are handled in the same manner as property, plant and equipment.

Gains or losses arising from the retirement or disposal of investment property (calculated as the difference between the net disposal proceeds and the carrying amount of the item) are recognized in profit or loss.

Rental income from investment property is recognized on a straight-line basis over the term of the relevant lease as other operating income. Lease incentives granted are recognized as an integral part of the total rental income.

**(11) Property, Plant and Equipment**

**i. Recognition and Measurement**

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

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

**ii. Subsequent Costs**

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

**iii. Depreciation**

Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Buildings and structures	3 ~ 55 years
Machinery and equipment	2 ~ 13 years
Other equipment	1 ~ 15 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**(12) Leases**

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**i. As a Lessee**

At the commencement date, the Group recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- (i) Fixed payments, including in-substance fixed payments;
- (ii) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- (iii) Amounts expected to be payable under a residual value guarantee; and
- (iv) The exercise price under a purchase option that the Group is reasonably certain to exercise, and penalties for early termination of a lease when the Group is reasonably certain to exercise a termination option.

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

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when the following circumstances occur:

- (i) A change in the index or rate used to determine lease payments results in a change in future lease payments;
- (ii) There is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee;
- (iii) There is a change in the assessment of whether a purchase option will be exercised;
- (iv) There is a change in the assessment of whether an extension or termination option will be exercised, resulting in a change in the lease term; or
- (v) A lease modification that is not accounted for as a separate lease.

When the lease liability is remeasured due to changes in the index or rate used to determine lease payments, changes in the residual value guarantee, or changes in the assessment of purchase, extension or termination options, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

For a lease modification that decreases the scope of the lease, the carrying amount of the right-of-use asset is decreased to reflect the partial or full termination of the lease, and a gain or loss relating to the partial or full termination of the lease is recognized in profit or loss.

The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities as separate line items in the balance sheet.

For short-term leases and leases of low-value assets, the Group has elected not to recognize right-of-use assets and lease liabilities. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**ii. As a Lessor**

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. As part of this assessment, the Group considers certain indicators such as whether the lease term is for the major part of the economic life of the underlying asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The Group assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

**(13) Intangible Assets**

**i. Recognition and Measurement**

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell

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

the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.

Separately acquired intangible assets with finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

**ii. Subsequent Expenditure**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

**iii. Amortization**

Amortization is calculated based on the depreciable amount, which is the cost of the asset less its residual value.

Intangible assets are amortized on a straight-line basis over their estimated useful lives of 1 to 3 years from the date that they are available for use, and the amortization amount is recognized in profit or loss.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**(14) Impairment of Non-Financial Assets**

The Group assesses at each reporting date whether there is any indication that a non-financial asset (other than inventories, contract assets and deferred tax assets) may be impaired. If any such indication exists, the recoverable amount of the asset is estimated.

For impairment testing purposes, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”).

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. If the recoverable amount of an asset or a cash-generating unit is less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount and an impairment loss is recognized immediately in profit or loss.

The Group assesses at each reporting date whether there is any indication that an impairment loss recognized in prior years for a non-financial asset may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**(15) Provisions**

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes by their associated probabilities.

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**Notes to the Consolidated Financial Statements (continued)**

**(16) Revenue Recognition**

**i. Revenue from Contracts with Customers**

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or service to a customer. The Group's revenue items are described as follows:

**(i) Sale of Goods**

The Group is primarily engaged in the manufacture and sale of computers and their peripheral equipment. The Group recognizes revenue when control of the products is transferred to the customers, meaning the products have been delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there are no unfulfilled obligations that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The Group provides a standard warranty for its products. A provision is recognized at the time of sale.

The Group recognizes accounts receivable when it delivers the goods, as the Group has an unconditional right to receive consideration at that point.

**(ii) Significant Financing Component**

The Group expects that, for all contracts with customers, the time between the transfer of the promised goods or services to the customer and the customer's payment for those goods or services will not exceed one year. Therefore, the Group does not adjust the transaction price for the time value of money.

**(17) Employee Benefits**

**i. Defined Contribution Plans**

Obligations for contributions to defined contribution pension plans are recognized as employee benefit expense in profit or loss in the periods during which services are rendered by employees.

**ii. Defined Benefit Plans**

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The defined benefit obligation is calculated annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net

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

defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**iii. Short-term Employee Benefits**

Short-term employee benefit obligations are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

**(18) Income Taxes**

Income tax comprises current tax and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes (including uncertain tax treatments) do not meet the definition of income taxes, and therefore are accounted for under IAS 37.

The Group has determined that the top-up taxes payable under the Pillar Two rules are within the scope of IAS 12 Income Taxes. The Group has applied the temporary mandatory relief from deferred tax accounting for the top-up taxes and accounts for the current top-up taxes payable as current income taxes.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences:

- i. The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit (tax loss) and does not give rise to equal taxable and deductible temporary differences;
- ii. Temporary differences related to investments in subsidiaries, associates and joint interests to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- iii. Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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**Notes to the Consolidated Financial Statements (continued)**

Deferred tax assets and liabilities are offset only if:

- i. The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- ii. The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - (i) The same taxable entity; or
  - (ii) Different taxable entities, but they intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**(19) Earnings Per Share**

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

**(20) Segment Information**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's chief operating decision maker (CODM) to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment has separate financial information available.

**5. Key Sources of Uncertainty for Critical Accounting Judgments, Estimates and Assumptions**

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions (including those related to climate-related risks and opportunities) that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Management continually evaluates its estimates and underlying assumptions, consistent with the Group's risk management and climate-related commitments. Changes in estimates are recognized in the period of change and future periods affected.

The accounting policies involving significant judgments that materially impact the amounts recognized in the consolidated financial statements are as follows:

• **Assessment of whether the Group has control over an investee**

The Group holds 20.96% of the voting shares of QNAP Systems, Inc., making it the single largest shareholder. Although the remaining 79.04% of shares are not concentrated among specific shareholders, the Group does not hold a majority of the board seats or voting rights representing more than half of the shareholders present at the general meeting. Accordingly, the Group is considered to have significant influence over QNAP Systems, Inc.

The Group holds 24.49% of the voting shares of Sheng Feng Co., Ltd., also making it the single largest shareholder. Despite the remaining 75.51% of shares not being concentrated among specific shareholders, the Group similarly does not control the majority of board seats or voting rights of shareholders present at the general meeting. Therefore, the Group is deemed to have significant influence over Sheng Feng Co., Ltd.

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**Notes to the Consolidated Financial Statements (continued)**

The following assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

• **Valuation of Inventories**

Since inventories are measured at the lower of cost and net realizable value, the Group evaluates the amounts of inventories that are subject to normal attrition, obsolescence or lack of market value at the reporting date, and writes down the cost of inventories to net realizable value. This inventory valuation is primarily based on estimated product demand for specific future periods and is subject to material changes due to rapid changes in the industry. Please refer to Note 6(5) for inventory valuation details.

The Group's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities. The Group verifies independent source data to ensure that valuations reflect market conditions, confirms that data sources are independent, reliable, consistent with other resources and represent executable prices, and regularly calibrates valuation models, performs back-testing, updates inputs and data required for valuation models, and makes any other necessary fair value adjustments to ensure that valuations are reasonable.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, the Group recognizes transfers between levels of the fair value hierarchy at the reporting date during which the change has occurred.

Information about the assumptions adopted in measuring fair value is set out in Note 6(22) financial instruments.

**6. Explanation of Significant Accounts**

**(1) Cash and Cash Equivalents**

	<b>2025.12.31</b>	<b>2024.12.31</b>
Cash on hand	\$ 2,763	2,747
Bank deposits	1,256,178	1,156,899
Cash equivalents	1,228,396	1,794,323
Cash and cash equivalents in the consolidated statement of cash flows	<b>\$ 2,487,337</b>	<b>2,953,969</b>

- i. None of the cash and cash equivalents have been pledged as collateral.
- ii. Time deposits that do not meet the definition of cash equivalents have been reclassified under other financial assets. Please refer to Note 6(6).
- iii. For details on interest rate risk and sensitivity analysis related to the Group's financial assets and liabilities, please refer to Note 6(22).

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**Notes to the Consolidated Financial Statements (continued)**

**(2) Financial Assets Measured at Fair Value through Profit or Loss**

	<b>2025.12.31</b>	<b>2024.12.31</b>
Mandatorily measured at fair value through profit or loss:		
Current:		
Fund beneficiary certificate	\$ 454,474	863,602
Open-end wealth management products	44,727	24,137
	<b>\$ 499,201</b>	<b>887,739</b>
Non-current:		
U.S. Treasury bonds	\$ 140,608	-
Fund beneficiary certificate	6,552	-
Secondary market foreign bonds	78,224	29,286
	<b>\$ 225,384</b>	<b>29,286</b>

- i. For details on the amounts remeasured at fair value through profit or loss, please refer to Note 6(21).
- ii. For details on credit risk and market risk, please refer to Note 6(22).
- iii. The above financial assets have not been pledged as collateral.

**(3) Financial Assets Measured at Fair Value through Other Comprehensive Income**

	<b>2025.12.31</b>	<b>2024.12.31</b>
Equity instruments measured at fair value through other comprehensive income:		
Domestic unlisted common stocks	<b>\$ 43,275</b>	<b>56,494</b>

- i. The Group has designated the above equity investments as measured at fair value through other comprehensive income (FVOCI), as they are held for long-term strategic purposes and not for trading.
- ii. The Group recognized dividend income of NT\$1,309 thousand and NT\$2,047 thousand for the years ended December 31, 2025 and 2024, respectively, in respect of the above equity investments designated as FVOCI.
- iii. For information on credit risk and market risk, please refer to Note 6(22).
- iv. The above financial assets have not been pledged as collateral.

**(4) Notes and Accounts Receivable**

	<b>2025.12.31</b>	<b>2024.12.31</b>
Notes receivable	\$ 51,699	67,038
Accounts receivable	1,062,106	1,087,779
Less: Allowance for doubtful accounts	(2,662)	(2,562)
	<b>\$ 1,111,143</b>	<b>1,152,255</b>

The Group applies the simplified approach to measuring expected credit losses, which requires the use of a lifetime expected credit loss provision for all notes and trade receivables. For the purpose of measuring expected credit losses, these receivables are grouped based on shared credit risk characteristics and the customers' ability to settle amounts due in accordance with the contractual terms. Forward-looking information has also been incorporated into the assessment.

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**Notes to the Consolidated Financial Statements (continued)**

The aging analysis of notes and trade receivables is as follows:

	<b>2025.12.31</b>		
	<b>Gross Carrying Amount</b>	<b>Weighted Average Expected Credit Loss Rate</b>	<b>Allowance for Expected Credit Losses</b>
Not past due	\$ 1,078,630	0%	-
0~90 days past due	33,869	0%~5.49%	1,859
91~180 days past due	268	0%	-
Over 181 days past due	1,038	8.33~100%	803
	<b><u>\$ 1,113,805</u></b>		<b><u>2,662</u></b>
	<b>2024.12.31</b>		
	<b>Gross Carrying Amount</b>	<b>Weighted Average Expected Credit Loss Rate</b>	<b>Allowance for Expected Credit Losses</b>
Not past due	\$ 807,267	0%	-
0~90 days past due	255,188	0%~0.83%	2,109
91~180 days past due	91,909	0%	-
Over 181 days past due	453	100%	453
	<b><u>\$ 1,154,817</u></b>		<b><u>2,562</u></b>

The movements in the loss allowance for notes and trade receivables of the Group are as follows:

	<b>2025</b>	<b>2024</b>
Beginning balance	\$ 2,562	24,168
Impairment losses recognized (reversed)	128	(21,676)
Foreign exchange gains (losses)	(28)	70
Ending balance	<b><u>\$ 2,662</u></b>	<b><u>2,562</u></b>

As of December 31, 2025 and 2024, none of the Group's notes and trade receivables were pledged as collateral.

**(5) Inventories**

	<b>2025.12.31</b>	<b>2024.12.31</b>
Finished goods	\$ 1,042,592	646,794
Work in process	126,972	92,132
Raw materials	1,033,063	697,980
	<b><u>\$ 2,202,627</u></b>	<b><u>1,436,906</u></b>

- i. The cost of inventories recognized as cost of goods sold and expenses for the years ended December 31, 2025 and 2024 were NT\$4,333,824 thousand and NT\$4,428,680 thousand, respectively. For the years ended December 31, 2025 and 2024, write-downs of inventories to net realizable value recognized as cost of goods sold were NT\$55,173 thousand and NT\$5,868 thousand, respectively.
- ii. As of December 31, 2025 and 2024, none of the Group's inventories were pledged as collateral.

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**Notes to the Consolidated Financial Statements (continued)**

**(6) Other Financial Assets**

Details of the Group's other financial assets are as follows:

	<b>2025.12.31</b>	<b>2024.12.31</b>
Current:		
Time deposits and restricted assets	<u><b>\$ 3,117,670</b></u>	<u><b>3,701,952</b></u>

For information on other financial assets pledged as collateral, please refer to Note 8.

**(7) Investments Accounted for Using the Equity Method**

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

	<b>2025.12.31</b>	<b>2024.12.31</b>
Associates	<u><b>\$ 2,778,698</b></u>	<u><b>2,537,700</b></u>

On May 8, 2024, QNAP Systems, Inc. underwent a corporate restructuring in which its independently operable investment business division was transferred at book value to Sheng Feng Co., Ltd. Sheng Feng Co., Ltd. issued ordinary shares to the original shareholders of QNAP Systems, Inc. as consideration, resulting in the Group obtaining significant influence over Sheng Feng Co., Ltd.

i. Information on associates that are material to the Group is as follows:

<b>Name of Associate</b>	<b>Nature of Relationship with the Group</b>	<b>Principal Place of Business / Country of Incorporation</b>	<b>Percentage of Ownership Interest and Voting Rights</b>	
			<b>2025.12.31</b>	<b>2024.12.31</b>
QNAP Systems, Inc.	Sales of network security monitoring and network storage communication products	Taiwan	20.96%	23.24%
Sheng Feng Co., Ltd.	Real estate leasing	Taiwan	24.49%	24.49%

The fair values of associates that are material to the Group and are listed (or OTC) are as follows:

QNAP Systems, Inc.	<b>2025.12.31</b>
	<u><b>\$ 5,277,308</b></u>

The summarized financial information for associates that are material to the Group is as follows. The information below reflects the amounts presented in the financial statements of the associates (and not the Group's share of those amounts), after adjusting for fair value adjustments made at the time of acquisition of the associate and for differences in accounting policies:

Summarized Financial Information for QNAP Systems, Inc.:

	<b>2025.12.31</b>	<b>2024.12.31</b>
Current assets	\$ 5,043,632	3,579,445
Non-current assets	4,253,664	4,266,414
Current liabilities	(1,274,950)	(1,695,943)
Non-current liabilities	(132,754)	(210,560)
Net assets	<u><b>\$ 7,889,592</b></u>	<u><b>5,939,356</b></u>

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**Notes to the Consolidated Financial Statements (continued)**

	2025	2024
Revenue	<b>\$ 4,696,668</b>	<b>5,261,575</b>
Net income from continuing operations	\$ 1,352,380	1,205,471
Other comprehensive income (loss)	(199,917)	(92,105)
Total comprehensive income	<b>\$ 1,152,463</b>	<b>1,113,366</b>
Total comprehensive income attributable to the Group	<b>\$ 266,034</b>	<b>263,167</b>
Beginning balance of the Group's equity in associates	\$ 1,375,216	2,183,261
Total comprehensive income for the period attributable to the Group	266,034	263,167
Additions during the period	-	78,689
Changes recognized in associates	297,292	(7,669)
Disposals during the period	(5,739)	(43,450)
Capital reduction and spin-off	-	(825,002)
Dividends received from associates during the period	(278,953)	(268,564)
Ending balance of the Group's share of net assets in associates	1,653,850	1,380,432
Less: Unrealized gains on downstream transactions	3,519	4,973
Unrealized gains on upstream transactions	40	243
Ending carrying amount of the Group's equity in associates	<b>\$ 1,650,291</b>	<b>1,375,216</b>

QNAP Systems, Inc. held 13,367 thousand shares of the Company as of December 31, 2025 and 2024.

Summarized Financial Information for Sheng Feng Co., Ltd.:

	2025.12.31	2024.12.31
Current assets	\$ 138,057	45,360
Non-current assets	3,126,055	3,322,878
Current liabilities	(39,749)	(1,292)
Net assets	<b>\$ 3,224,363</b>	<b>3,366,946</b>
	2025	2024
Revenue	<b>\$ 17,032</b>	<b>7,216</b>
Net income from continuing operations	\$ 9,998	(1,673)
Other comprehensive income (loss)	(152,580)	-
Total comprehensive income (loss)	<b>\$ (142,582)</b>	<b>(1,673)</b>
Total comprehensive income (loss) attributable to the Group	<b>\$ (34,919)</b>	<b>(410)</b>
Beginning balance of the Group's equity in associates	\$ 824,592	-
Total comprehensive income (loss) for the period attributable to the Group	(34,919)	(410)
Acquired through spin-off	-	825,002
Ending balance of the Group's share of net assets in associates	789,673	824,592

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

	<b>2025.12.31</b>	<b>2024.12.31</b>
Less: Unrealized gains on downstream transactions	-	-
Unrealized gains on upstream transactions	-	-
Ending carrying amount of the Group's equity in associates	<b>\$ 789,673</b>	<b>824,592</b>

Sheng Feng Co., Ltd. held 10,596 thousand shares of the Company as of December 31, 2025 and 2024.

- ii. The aggregate financial information for associates that are individually immaterial to the Group is as follows, based on the amounts included in the Group's consolidated financial statements:

	<b>2025.12.31</b>	<b>2024.12.31</b>
Aggregate carrying amount of the Group's interests in individually immaterial associates	<b>\$ 338,734</b>	<b>337,892</b>
	<b>2025</b>	<b>2024</b>
The Group's share of:		
Net profit (loss) from continuing operations	\$ 6,540	(10,774)
Other comprehensive income (loss)	(1,845)	9,854
Total comprehensive income (loss)	<b>\$ 4,695</b>	<b>(920)</b>

- iii. Collateral

As of December 31, 2025 and 2024, none of the Group's investments accounted for using the equity method were pledged as collateral.

**(8) Subsidiaries with Material Non-Controlling Interests**

Subsidiaries with non-controlling interests that are material to the Group are as follows:

<b>Name of Subsidiary</b>	<b>Principal Place of Business / Country of Incorporation</b>	<b>Non-controlling Interest Percentage of Ownership and Voting Rights</b>	
		<b>2025.12.31</b>	<b>2024.12.31</b>
Armorlink SH Corp. (Armorlink)	China	9.30%	9.30%

Armorlink's ownership percentage decreased from 100% to 90.70% in 2024 due to the issuance of restricted employee shares. Please refer to Note 6(17) for share-based payment information. The summarized financial information for the above subsidiary is as follows, prepared in accordance with IFRSs endorsed by the FSC, and adjusted to reflect fair value adjustments made at the acquisition date and differences in accounting policies. The amounts represent figures before elimination of intercompany transactions:

Summarized Financial Information for Armorlink:

	<b>2025.12.31</b>	<b>2024.12.31</b>
Current assets	\$ 2,741,111	2,773,294
Non-current assets	852,418	921,129
Current liabilities	(2,175,037)	(2,335,161)
Non-current liabilities	(2,497)	(2,443)
Net assets	<b>\$ 1,415,995</b>	<b>1,356,819</b>
Ending carrying amount of non-controlling interests	<b>\$ 189,149</b>	<b>159,706</b>

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

	<u>2025</u>	<u>2024</u>
Revenue	<u>\$ 2,687,552</u>	<u>2,745,248</u>
Net income for the period	\$ 58,661	211,058
Other comprehensive income (loss)	(219)	146
Total comprehensive income	<u>\$ 58,442</u>	<u>211,204</u>
Net income attributable to non-controlling interests	<u>\$ 5,455</u>	<u>18,506</u>
Cash flows from operating activities	\$ (30,403)	295,244
Cash flows from investing activities	(43,518)	42,153
Cash flows from financing activities	(787)	(537,843)
Net decrease in cash and cash equivalents	<u>\$ (74,708)</u>	<u>(200,446)</u>

**(9) Property, Plant and Equipment**

The changes in cost, depreciation and impairment losses of property, plant and equipment for the years ended December 31, 2025 and 2024 are as follows:

	<u>Land</u>	<u>Buildings and Structures</u>	<u>Machinery and Equipment</u>	<u>Other Equipment</u>	<u>Total</u>
Cost or deemed cost:					
Balance at January 1, 2025	\$ 438,848	1,082,889	309,879	466,766	2,298,382
Additions	728,294	40,805	35,848	29,163	834,110
Reclassification	(8,898)	8,898	-	-	-
Disposals	-	(43,974)	(3,618)	(33,932)	(81,524)
Effect of exchange rate changes	(3,763)	(15,948)	(5,214)	(4,920)	(29,845)
Balance at December 31, 2025	<u>\$ 1,154,481</u>	<u>1,072,670</u>	<u>336,895</u>	<u>457,077</u>	<u>3,021,123</u>
Balance at January 1, 2024	\$ 427,463	1,027,097	316,734	422,200	2,193,494
Additions	23,617	28,721	12,703	48,726	113,767
Disposals	(17,662)	(8,510)	(34,668)	(13,172)	(74,012)
Effect of exchange rate changes	5,430	35,581	15,110	9,012	65,133
Balance at December 31, 2024	<u>\$ 438,848</u>	<u>1,082,889</u>	<u>309,879</u>	<u>466,766</u>	<u>2,298,382</u>
Depreciation and impairment losses:					
Balance at January 1, 2025	\$ -	561,097	144,545	342,977	1,048,619
Depreciation	-	38,364	46,486	37,860	122,710
Disposals	-	(43,974)	(3,344)	(33,843)	(81,161)
Effect of exchange rate changes	-	(8,440)	(1,546)	(2,148)	(12,134)
Balance at December 31, 2025	<u>\$ -</u>	<u>547,047</u>	<u>186,141</u>	<u>344,846</u>	<u>1,078,034</u>

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**Notes to the Consolidated Financial Statements (continued)**

	<u>Land</u>	<u>Buildings and Structures</u>	<u>Machinery and Equipment</u>	<u>Other Equipment</u>	<u>Total</u>
Balance at January 1, 2024	\$ -	504,282	114,882	313,348	932,512
Depreciation	-	39,976	49,601	36,025	125,602
Disposals	-	(3,297)	(25,236)	(10,458)	(38,991)
Effect of exchange rate changes	-	20,136	5,298	4,062	29,496
Balance at December 31, 2024	<u>\$ -</u>	<u>561,097</u>	<u>144,545</u>	<u>342,977</u>	<u>1,048,619</u>
Carrying amount:					
December 31, 2025	<u>\$ 1,154,481</u>	<u>525,623</u>	<u>150,754</u>	<u>112,231</u>	<u>1,943,089</u>
January 1, 2024	<u>\$ 427,463</u>	<u>522,815</u>	<u>201,852</u>	<u>108,852</u>	<u>1,260,982</u>
December 31, 2024	<u>\$ 438,848</u>	<u>521,792</u>	<u>165,334</u>	<u>123,789</u>	<u>1,249,763</u>

- i. For details on the gains and losses on disposal of property, plant and equipment, please refer to Note 6(21).
- ii. As of December 31, 2025 and 2024, none of the Group's property, plant and equipment were pledged as collateral.
- iii. The Group purchased land from a related party in April 2025. For related information, please refer to Note 7.

**(10) Right-of-Use Assets**

The changes in cost and depreciation of the right-of-use assets recognized for the Group's leased buildings and structures are as follows:

	<u>Buildings and Structures</u>
Cost of right-of-use assets:	
Balance at January 1, 2025	\$ 37,640
Additions	24,298
Disposals	<u>(41,761)</u>
Balance at December 31, 2025	<u>\$ 20,177</u>
Balance at January 1, 2024	\$ 36,545
Effect of exchange rate changes	<u>1,095</u>
Balance at December 31, 2024	<u>\$ 37,640</u>
Depreciation and impairment losses of right-of-use assets:	
Balance at January 1, 2025	\$ 34,703
Depreciation for the period	7,470
Disposals	<u>(35,447)</u>
Balance at December 31, 2025	<u>\$ 6,726</u>
Balance at January 1, 2024	\$ 22,675
Depreciation for the period	11,123
Effect of exchange rate changes	<u>905</u>
Balance at December 31, 2024	<u>\$ 34,703</u>

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

	<b>Buildings and Structures</b>
Carrying amount:	
December 31, 2025	<u><u>\$ 13,451</u></u>
January 1, 2024	<u><u>\$ 13,870</u></u>
December 31, 2024	<u><u>\$ 2,937</u></u>

**(11) Investment Property**

	<b>Land and Land Improvements</b>	<b>Buildings and Structures</b>	<b>Total</b>
Cost or deemed cost:			
Balance at January 1, 2025	\$ 124,376	216,940	341,316
Effect of exchange rate changes	-	(415)	(415)
Balance at December 31, 2025	<u><u>\$ 124,376</u></u>	<u><u>216,525</u></u>	<u><u>340,901</u></u>
Balance at January 1, 2024	\$ 124,376	215,940	340,316
Effect of exchange rate changes	-	1,000	1,000
Balance at December 31, 2024	<u><u>\$ 124,376</u></u>	<u><u>216,940</u></u>	<u><u>341,316</u></u>
Depreciation and impairment losses:			
Balance at January 1, 2025	\$ -	75,533	75,533
Depreciation for the year	-	4,989	4,989
Effect of exchange rate changes	-	(374)	(374)
Balance at December 31, 2025	<u><u>\$ -</u></u>	<u><u>80,148</u></u>	<u><u>80,148</u></u>
Balance at January 1, 2024	\$ -	68,779	68,779
Depreciation for the year	-	5,888	5,888
Effect of exchange rate changes	-	866	866
Balance at December 31, 2024	<u><u>\$ -</u></u>	<u><u>75,533</u></u>	<u><u>75,533</u></u>
Carrying amount:			
December 31, 2025	<u><u>\$ 124,376</u></u>	<u><u>136,377</u></u>	<u><u>260,753</u></u>
January 1, 2024	<u><u>\$ 124,376</u></u>	<u><u>147,161</u></u>	<u><u>271,537</u></u>
December 31, 2024	<u><u>\$ 124,376</u></u>	<u><u>141,407</u></u>	<u><u>265,783</u></u>
Fair value:			
December 31, 2025		<u><u>\$ 1,044,153</u></u>	
December 31, 2024		<u><u>\$ 1,024,665</u></u>	

- i. The fair value of investment property is determined by the Group using the comparative method (with reference to real estate market transaction prices and the Ministry of the Interior's actual price registration). The inputs used in the fair value valuation technique are classified as Level 3.
- ii. As of December 31, 2025 and 2024, none of the Group's investment property was pledged as collateral.

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

**(12) Lease Liabilities**

The carrying amounts of the Group's lease liabilities are as follows:

	<u>2025.12.31</u>	<u>2024.12.31</u>
Current	<u>\$ 6,724</u>	<u>3,011</u>
Non-current	<u>\$ 6,876</u>	<u>-</u>

For maturity analysis, please refer to Note 6(22) financial instruments.

Amounts recognized in profit or loss are as follows:

	<u>2025</u>	<u>2024</u>
Interest expense on lease liabilities	<u>\$ 416</u>	<u>188</u>
Expense relating to short-term leases	<u>\$ 10,557</u>	<u>10,888</u>

Amounts recognized in the statement of cash flows are as follows:

	<u>2025</u>	<u>2024</u>
Total cash outflows for leases	<u>\$ 18,274</u>	<u>22,641</u>

**Land, Buildings and Structures Leases**

In January 2025, the Group leased buildings and structures as factory space. The lease term is generally three years with an option to extend for the same period upon expiration.

**(13) Operating Leases**

The Group leases its investment property. Since substantially all of the risks and rewards incidental to ownership of the underlying asset are not transferred, these lease contracts are classified as operating leases. Please refer to Note 6(11) Investment Property.

The maturity analysis of lease payments is presented as the total undiscounted lease payments to be received after the reporting date as follows:

	<u>2025.12.31</u>	<u>2024.12.31</u>
Less than one year	<u>\$ 7,893</u>	<u>6,951</u>
One to three years	<u>1,513</u>	<u>320</u>
Total undiscounted lease payments	<u>\$ 9,406</u>	<u>7,271</u>

Rental income from investment property for the years ended December 31, 2025 and 2024 was NT\$10,983 thousand and NT\$10,809 thousand, respectively.

**(14) Employee Benefits**

**i. Defined Benefit Plans**

A reconciliation of the present value of the Group's defined benefit obligation and the fair value of plan assets is as follows:

	<u>2025.12.31</u>	<u>2024.12.31</u>
Present value of defined benefit obligation	<u>\$ 1,823</u>	<u>2,518</u>
Fair value of plan assets	<u>(12,891)</u>	<u>(11,850)</u>
Net defined benefit (asset) liability	<u>\$ (11,068)</u>	<u>(9,332)</u>

**IEI INTEGRATION CORP. AND SUBSIDIARIES**  
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The Group's defined benefit plan contributes to a retirement reserve account at Bank of Taiwan. The retirement payment for each employee subject to the Labor Standards Act is calculated based on the service years and the average salary for the six months prior to retirement.

**(i) Composition of Plan Assets**

The retirement fund contributed by the Group under the Labor Standards Act is managed by the Bureau of Labor Funds, Ministry of Labor (hereinafter referred to as the "Bureau of Labor Funds"). Under the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund," the minimum annual earnings on the fund cannot be less than the income calculated based on the two-year time deposit rate of local banks.

As of the reporting date, the balance in the Group's Bank of Taiwan retirement reserve account was NT\$12,891 thousand. Information on the use of labor retirement fund assets, including fund return rates and asset allocation, is disclosed on the Bureau of Labor Funds' website.

**(ii) Changes in the Present Value of Defined Benefit Obligation**

Changes in the present value of the defined benefit obligation for the years ended December 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Defined benefit obligation at January 1	\$ 2,518	2,148
Current service cost and interest	179	116
Remeasurements of net defined benefit liability (asset):		
- Actuarial gains and losses arising from experience adjustments	(757)	(81)
- Actuarial gains and losses arising from changes in demographic assumptions	(117)	335
Defined benefit obligation at December 31	<u>\$ 1,823</u>	<u>2,518</u>

**(iii) Changes in the Fair Value of Plan Assets**

Changes in the fair value of plan assets for the years ended December 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Fair value of plan assets at January 1	\$ (11,850)	(10,726)
Interest income	(194)	(168)
Remeasurements of net defined benefit liability (asset):		
- Return on plan assets (excluding current interest)	(816)	(911)
Contributions paid into the plan	(31)	(45)
Fair value of plan assets at December 31	<u>\$ (12,891)</u>	<u>(11,850)</u>

**(iv) Expense Recognized in Profit or Loss**

The expense recognized in profit or loss for the years ended December 31, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Current service cost	\$ 138	77
Net interest on net defined benefit liability	(153)	(129)
	<u>\$ (15)</u>	<u>(52)</u>

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**Notes to the Consolidated Financial Statements (continued)**

	2025	2024
Selling expenses	\$ (6)	(22)
Research and development expenses	(9)	(30)
	<b>\$ (15)</b>	<b>(52)</b>

**(v) Remeasurements of Net Defined Benefit Liability Recognized in Other Comprehensive Income**

Cumulative remeasurements of net defined benefit liability recognized in other comprehensive income are as follows:

	2025	2024
Balance at January 1	\$ (900)	(1,426)
Gains recognized in the period	1,352	526
Balance at December 31	<b>\$ 452</b>	<b>(900)</b>

**(vi) Actuarial Assumptions**

The significant actuarial assumptions used to determine the present value of the defined benefit obligation at the reporting date are as follows:

	2025.12.31	2024.12.31
Discount rate	1.4650%	1.6362%
Future salary increase	1.50%	1.50%

The Group expects to contribute NT\$86 thousand and NT\$31 thousand to the defined benefit plan within the next year from the 2025 and 2024 reporting dates, respectively.

The weighted-average duration of the defined benefit plan is 21.19 years.

**(vii) Sensitivity Analysis**

In calculating the present value of the defined benefit obligation, the Group must use judgment and estimates to determine relevant actuarial assumptions at the balance sheet date, including discount rate, employee turnover rate, and future salary changes. Any change in actuarial assumptions may materially affect the amount of the Group's defined benefit obligation.

The impact of changes in key actuarial assumptions on the present value of the defined benefit obligation at December 31, 2025 and 2024 is as follows:

	<b>Impact on Defined Benefit Obligation</b>	
	<b>Increase</b>	<b>Decrease</b>
December 31, 2025		
Discount rate (change of 0.5%)	\$ (178)	201
Future salary increase (change of 1%)	420	(334)
December 31, 2024		
Discount rate (change of 0.5%)	(269)	307
Future salary increase (change of 1%)	644	(506)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. The sensitivity analysis is consistent with the method used to

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

calculate the net defined benefit liability in the balance sheet.

The method and assumptions used to prepare the sensitivity analysis for the current period are the same as those used in the previous period.

**ii. Defined Contribution Plans**

The Group's defined contribution plan is governed by the Labor Pension Act. The Group contributes at a rate of 6% of employees' monthly salary to individual pension accounts at the Bureau of Labor Insurance. Under this plan, after the Group contributes the fixed amount to the Bureau of Labor Insurance, it has no further legal or constructive obligation to pay additional amounts.

Pension expenses under the defined contribution plan for the years ended December 31, 2025 and 2024 were NT\$23,138 thousand and NT\$21,420 thousand, respectively, which have been contributed to the Bureau of Labor Insurance.

**(15) Income Taxes**

**i. Income tax expense for the years ended December 31, 2025 and 2024 is as follows:**

	2025	2024
Current income tax expense:		
Current year	\$ 110,200	261,756
Additional tax on undistributed earnings	34,210	34,725
Adjustments recognized in the current year in relation to the prior year	(21,243)	(25,140)
	123,167	271,341
Deferred income tax expense:		
Origination and reversal of temporary differences	(2,053)	88,467
Income tax expense	\$ 121,114	359,808

**ii. Income tax (expense) benefit recognized in other comprehensive income for the years ended December 31, 2025 and 2024 is as follows:**

	2025	2024
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans	\$ (338)	(131)

**iii. Reconciliation between income tax expense and the product of accounting profit multiplied by the applicable tax rate for the years ended December 31, 2025 and 2024 is as follows:**

	2025	2024
Income before income tax	\$ 944,054	1,918,984
Income tax using the applicable domestic tax rate	194,600	458,426
Tax-exempt income	(4,332)	(23,285)
Income from equity-method investments	(62,676)	(58,517)
Prior year over (under) accrual	(21,243)	(25,140)
Additional tax on undistributed earnings	34,210	34,725
Others	(19,445)	(26,401)
	\$ 121,114	359,808

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**Notes to the Consolidated Financial Statements (continued)**

**iv. Deferred Tax Assets and Liabilities**

**(i) Unrecognized Deferred Tax Assets**

Items for which no deferred tax asset has been recognized by the Group are as follows:

	<b>2025.12.31</b>	<b>2024.12.31</b>
Investment tax credits	<b>\$ 45,140</b>	<b>33,321</b>

Investment tax credits for expenditures on equipment, technology, research and development, and employee training are deductible from taxable income in the year incurred pursuant to the Statute for Industrial Innovation. These items are not recognized as deferred tax assets because the realization of these investment tax credits is subject to significant uncertainty.

**(ii) Recognized Deferred Tax Assets and Liabilities**

Changes in deferred tax assets and liabilities for the years ended December 31, 2025 and 2024 are as follows:

**Deferred Tax Assets:**

	<b>Inventory Write-downs</b>	<b>Allowance for After-sales Service Liabilities</b>	<b>Unused Leave Bonus</b>	<b>Others</b>	<b>Total</b>
January 1, 2025	\$ 84,588	3,251	6,779	12,340	106,958
(Charged) credited to profit or loss	11,147	796	1,715	(2,074)	11,584
Exchange differences on translating the financial statements of foreign operations	(1,429)	-	(28)	14	(1,443)
December 31, 2025	<b>\$ 94,306</b>	<b>4,047</b>	<b>8,466</b>	<b>10,280</b>	<b>117,099</b>
January 1, 2024	\$ 80,492	3,711	9,462	18,403	112,068
(Charged) credited to profit or loss	911	(460)	(2,885)	(5,970)	(8,404)
Exchange differences on translating the financial statements of foreign operations	3,185	-	202	(93)	3,294
December 31, 2024	<b>\$ 84,588</b>	<b>3,251</b>	<b>6,779</b>	<b>12,340</b>	<b>106,958</b>

**Deferred Tax Liabilities:**

	<b>Undistributed Earnings of Subsidiaries</b>	<b>Defined Benefit Pension Plans</b>	<b>Others</b>	<b>Total</b>
January 1, 2025	\$ 1,066,264	3,706	5,290	1,075,260
Charged (credited) to profit or loss	10,095	9	(573)	9,531
Charged (credited) to other comprehensive income	-	338	-	338
Exchange differences on translating the financial statements of foreign operations	-	-	(48)	(48)
December 31, 2025	<b>\$ 1,076,359</b>	<b>4,053</b>	<b>4,669</b>	<b>1,085,081</b>
January 1, 2024	\$ 991,482	3,557	-	995,039
Charged (credited) to profit or loss	74,782	18	5,263	80,063
Charged (credited) to other comprehensive income	-	131	-	131
Exchange differences on translating the financial statements of foreign operations	-	-	27	27
December 31, 2024	<b>\$ 1,066,264</b>	<b>3,706</b>	<b>5,290</b>	<b>1,075,260</b>

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**Notes to the Consolidated Financial Statements (continued)**

- v. The most recent year of income tax returns filed by the Company and its domestic subsidiaries that have been assessed by the tax authorities are as follows:

<u>Company Name</u>	<u>Year Assessed</u>
The Company	Year 2023
BriteMED Technology Inc.	Year 2023

**(16) Capital and Other Equity**

As of December 31, 2025 and 2024, the Company's authorized capital was NT\$3,500,000 thousand, with a par value of NT\$10 per share and 350,000 thousand authorized shares. The issued shares were 176,598 thousand shares, and all issued share capital has been fully paid.

**i. Additional Paid-in Capital**

The composition of the Company's additional paid-in capital is as follows:

	<u>2025.12.31</u>	<u>2024.12.31</u>
Share premium	\$ 46,223	46,223
Premium on conversion of corporate bonds	730,821	730,821
Treasury stock transactions	13,187	13,187
Changes in net equity of associates accounted for using the equity method	326,262	28,999
Others	18,471	18,324
	<u>\$ 1,134,964</u>	<u>837,554</u>

**ii. Retained Earnings**

According to the Company's Articles of Incorporation, if there is a surplus in the annual final accounts, the Company shall first pay taxes, make up for prior losses, then set aside 10% as legal reserve, and set aside or reverse special reserve as required by law. Any remaining balance, together with accumulated undistributed earnings, shall be distributed by a resolution of the shareholders' meeting based on a proposal submitted by the Board of Directors.

As the Company is in a period of business growth, future dividend payments will be considered in light of the overall industry environment and business scale expansion requirements. The Company adopts a balanced dividend policy with the goal of pursuing stable and sustainable development. The Board of Directors proposes the dividend plan after considering historical distribution, industry standards and future operating capabilities. The total annual shareholder dividends shall not exceed 90% of accumulated distributable earnings, and the proportion of cash dividends shall not be less than 5% of total shareholder dividends.

**(i) Legal Reserve**

When there is no deficit, the Company may, by a resolution of the shareholders' meeting, distribute legal reserves as new shares or cash, but only the portion that exceeds 25% of paid-in capital.

**(ii) Special Reserve**

In accordance with FSC regulations, when distributing distributable earnings, the Company shall set aside a special reserve from current profit or prior year undistributed earnings for net deductions in other equity attributable to the current year. Prior year cumulative net deductions in other equity that have been set aside as a special reserve cannot be distributed. When the net deductions in other equity are subsequently reversed, the reversed amount may be distributed.

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

(iii) Earnings Distribution

The Company's annual shareholders' meetings held on May 29, 2025 and June 18, 2024 approved the earnings distribution proposals for fiscal years 2024 and 2023, respectively. The dividends distributed to owners are as follows:

	Year 2024		Year 2023	
	Per Share (NT\$)	Amount	Per Share (NT\$)	Amount
Dividends to ordinary shareholders:				
Cash	\$ 4.50	<u>794,690</u>	3.50	<u>618,092</u>

On March 6, 2026, the Board of Directors proposed the earnings distribution for fiscal year 2025. The dividends to be distributed to owners are as follows:

	Year 2025	
	Distribution Rate (NT\$)	Amount
Dividends to ordinary shareholders:		
Cash	\$ 3.50	<u>618,092</u>

**iii. Other Equity (Net of Tax)**

	Exchange Differences on Translating Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets Measured at FVOCI	Total
Balance at January 1, 2025	\$ (281,642)	(18,833)	(300,475)
Exchange differences arising on translating the net assets of foreign operations	(77,418)	-	(77,418)
Reclassified to profit or loss on disposal of associates accounted for using the equity method	(43)	(206)	(249)
Unrealized gains on financial assets measured at FVOCI	-	(13,219)	(13,219)
Share of associates' unrealized gains (losses) on financial assets measured at FVOCI	-	(81,183)	(81,183)
Share of associates' exchange differences on translation	(3,959)	-	(3,959)
Balance at December 31, 2025	<u>\$ (363,062)</u>	<u>(113,441)</u>	<u>(476,503)</u>
Balance at January 1, 2024	\$ (435,177)	49,887	(385,290)
Exchange differences arising on translating the net assets of foreign operations	136,236	-	136,236
Reclassified to profit or loss on disposal of associates accounted for using the equity method	(324)	(2,495)	(2,819)
Unrealized gains on financial assets measured at FVOCI	-	(35,735)	(35,735)
Share of associates' unrealized gains (losses) on financial assets measured at FVOCI	-	(30,490)	(30,490)
Share of associates' exchange differences on translation	17,623	-	17,623
Balance at December 31, 2024	<u>\$ (281,642)</u>	<u>(18,833)</u>	<u>(300,475)</u>

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

**(17) Share-Based Payment**

On May 5, 2023, an extraordinary shareholders' meeting of the Company's subsidiary resolved to issue 6,493,334 restricted employee shares. The recipients are limited to full-time employees of the issuing company and its subsidiaries who meet certain conditions. The fair value on the grant date was RMB 6.51 per share.

Employees who receive the restricted shares may acquire the allocated shares at RMB 1.83 per share. Under the share-based payment plan, employees indirectly hold the company's equity through an employee shareholding platform. Unless otherwise agreed, before vesting conditions are met, the platform may not transfer shares held, and employees may not actively request to sell, transfer, or otherwise dispose of their interests. If an employee fails to meet vesting conditions after receiving new shares, the executive directors/directors of the issuing company or their designated personnel have the right to repurchase the interests held.

Information on restricted employee shares of the subsidiary is as follows:

	<u>2025</u>	<u>2024</u>
Outstanding at January 1 (shares)	6,493,334	6,493,334
Granted during the period (shares)	-	-
Outstanding at December 31 (shares)	<u><u>6,493,334</u></u>	<u><u>6,493,334</u></u>

As of December 31, 2025 and 2024, the unearned compensation balance for the subsidiary's employees was NT\$69,829 thousand (RMB 16,207 thousand) and NT\$101,638 thousand (RMB 22,285 thousand), respectively.

**i. Measurement Inputs for Fair Value at Grant Date**

The subsidiary estimates the fair value of the share-based payment at the grant date. The inputs used in the valuation model are described as follows:

The expected term of the share option is 5 years, as stipulated by the subsidiary's issuance rules. The discount rate selected is a weighted average cost of capital of 10.06%. The risk-free rate is 3.97%, based on government bonds. The determination of fair value does not take into account service conditions and non-market performance conditions included in the arrangement.

**ii. Employee Expenses**

Expenses arising from share-based payments for the subsidiary for the years ended December 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Expense from restricted employee shares	<u>\$ 26,519</u>	<u>28,177</u>

**(18) Earnings Per Share**

The calculation of basic and diluted earnings per share attributable to the owners of the Company is as follows:

	<u>2025</u>	<u>2024</u>
<b>Basic EPS (NT\$)</b>		
Net income attributable to ordinary shareholders of the Company	<u>\$ 817,485</u>	<u>1,540,670</u>
Weighted average number of ordinary shares outstanding (thousands)	<u>176,598</u>	<u>176,598</u>
	<u>\$ 4.63</u>	<u>8.72</u>

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

	2025	2024
<b>Diluted EPS (NT\$)</b>		
Net income attributable to ordinary shareholders of the Company (adjusted for dilutive potential ordinary shares)	<u>\$ 817,485</u>	<u>1,540,670</u>
Weighted average number of ordinary shares outstanding	176,598	176,598
Effect of dilutive potential ordinary shares:		
Effect of employee share compensation	<u>972</u>	<u>1,398</u>
Weighted average number of ordinary shares outstanding (adjusted for dilutive potential ordinary shares)	<u>177,570</u>	<u>177,996</u>
	<u>\$ 4.60</u>	<u>8.66</u>

**(19) Revenue from Contracts with Customers**

**i. Disaggregation of Revenue**

		2025				
		Order-taking, Design and Brand Sales	Product Manufacturing	China Brand Sales	Other Operating Segments	Total
Major geographic markets:						
Taiwan	\$	245,502	-	-	-	245,502
Asia		1,931,159	260,938	1,346,518	11,837	3,550,452
Americas		976,142	169	-	1,071,034	2,047,345
Europe		617,634	9,334	-	3,516	630,484
Others		39,260	-	-	-	39,260
		<u>\$ 3,809,697</u>	<u>270,441</u>	<u>1,346,518</u>	<u>1,086,387</u>	<u>6,513,043</u>
		2024				
		Order-taking, Design and Brand Sales	Product Manufacturing	China Brand Sales	Other Operating Segments	Total
Major geographic markets:						
Taiwan	\$	268,111	-	-	-	268,111
Asia		1,711,456	328,955	1,365,475	5,519	3,411,405
Americas		1,245,605	235	-	1,240,356	2,486,196
Europe		630,369	1,695	-	-	632,064
Others		42,014	42	-	-	42,056
		<u>\$ 3,897,555</u>	<u>330,927</u>	<u>1,365,475</u>	<u>1,245,875</u>	<u>6,839,832</u>

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

**ii. Contract Balances**

	<u>2025.12.31</u>	<u>2024.12.31</u>	<u>2024.12.31</u>
Notes and accounts receivable	\$ 1,113,805	1,154,817	986,699
Accounts receivable - related parties	72,535	105,645	35,513
Less: Allowance for doubtful accounts	<u>(2,662)</u>	<u>(2,562)</u>	<u>(24,168)</u>
Total	<u>\$ 1,183,678</u>	<u>1,257,900</u>	<u>998,044</u>
Contract liabilities - advance receipts	<u>\$ 375,251</u>	<u>399,509</u>	<u>521,853</u>

For disclosures on accounts receivable and their impairment, please refer to Note 6(4).

The amounts of contract liabilities at January 1, 2025 and January 1, 2024 that were recognized as revenue during the years ended December 31, 2025 and 2024 were NT\$399,509 thousand and NT\$487,655 thousand, respectively.

**(20) Employee and Director Remuneration**

On May 29, 2025, the Company's shareholders' meeting resolved to amend the Articles of Incorporation. Under the amended articles, if the Company earns a profit in a given year, 5% to 20% shall be allocated as employee remuneration and no more than 3% as director and supervisor remuneration. At least 5% of employee remuneration shall be distributed to base-level employees. However, if the Company has accumulated losses, the amount required to cover such losses shall be reserved first. Employee remuneration may be distributed in the form of shares or cash, including to employees of affiliated subsidiaries meeting certain conditions. Prior to the amendment, the articles required the same allocation percentages for employee and director/supervisor remuneration but did not include the base-level employee provision.

The estimated employee remuneration for the years ended December 31, 2025 and 2024 was NT\$54,133 thousand and NT\$95,401 thousand, respectively. The estimated director remuneration for both years was NT\$3,300 thousand. These amounts are estimated based on the pre-tax profit before employee and director remuneration multiplied by the allocation percentages stipulated in the Articles of Incorporation, and are reported as operating cost or operating expenses for the years ended December 31, 2025 and 2024. Any difference between the actual amount distributed in the following year and the estimated amount shall be treated as a change in accounting estimate, and the difference shall be recognized in profit or loss in the following year. Related information may be accessed on the Market Observation Post System. There is no difference between the amounts proposed by the Board of Directors and the amounts estimated in the parent-company-only financial statements for the years ended December 31, 2025 and 2024.

**(21) Non-Operating Income and Expenses**

**i. Interest Income**

Details of interest income for the years ended December 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Interest on bank deposits	<u>\$ 221,690</u>	<u>261,323</u>

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

**ii. Other Income**

Details of other income for the years ended December 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Rental income	\$ 10,983	10,809
Dividend income	1,309	2,047
Government subsidies	16,283	25,269
Other income	33,315	45,950
Total	<u>\$ 61,890</u>	<u>84,075</u>

**iii. Other Gains and Losses**

Details of other gains and losses for the years ended December 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Foreign currency exchange gains (losses)	\$ (237,108)	338,229
Gains on disposal of investments	11,023	103,534
Net gains on financial assets at fair value through profit or loss	9,298	13,252
Gains on disposal of property, plant and equipment	180	25,350
Compensation losses	-	(26,918)
Others	(9,311)	(7,120)
Total	<u>\$ (225,918)</u>	<u>446,327</u>

**iv. Finance Costs**

Details of finance costs for the years ended December 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Interest expense:		
Interest on borrowings	\$ 769	1,011
Other finance costs	423	8,092
Total	<u>\$ 1,192</u>	<u>9,103</u>

**(22) Financial Instruments**

**i. Credit Risk**

(i) Exposure to Credit Risk

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

(ii) Concentration of Credit Risk

As of December 31, 2025 and 2024, 62.00% and 67.57% of the Group's accounts receivable balance were from five and six customers, respectively, resulting in a significant concentration of credit risk for the Group in 2025.

(iii) Credit Risk of Receivables

For credit risk exposure information on notes and accounts receivable, please refer to Note 6(4).

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

Other financial assets measured at amortized cost include other receivables and other financial assets. For related investment details, please refer to Note 6(6). The above are all low credit risk financial assets; therefore, the loss allowance is measured at the 12-month expected credit losses. Time deposits and treasury bond reverse repurchase products held by the Group are transacted with investment-grade or above financial institutions and are therefore considered to have low credit risk.

For information on the loss allowance for the years ended December 31, 2025 and 2024, please refer to Note 6(4).

**ii. Liquidity Risk**

The following table details the Group's remaining contractual maturity for its financial liabilities, including estimated interest but excluding the impact of netting agreements.

	Carrying Amount	Contractual Cash Flows	Within 6 Months	6~12 Months	1~2 Years	2~5 Years
<b>December 31, 2025</b>						
Non-derivative financial liabilities:						
Non-interest-bearing liabilities (including related parties)	\$ 2,060,091	2,060,091	2,005,958	54,133	-	-
Lease liabilities	13,600	13,893	3,473	3,473	6,947	-
	<b>\$ 2,073,691</b>	<b>2,073,984</b>	<b>2,009,431</b>	<b>57,606</b>	<b>6,947</b>	<b>-</b>
<b>December 31, 2024</b>						
Non-derivative financial liabilities:						
Non-interest-bearing liabilities (including related parties)	\$ 2,008,662	2,008,662	1,913,261	95,401	-	-
Lease liabilities	3,011	3,023	2,586	437	-	-
	<b>\$ 2,011,673</b>	<b>2,011,685</b>	<b>1,915,847</b>	<b>95,838</b>	<b>-</b>	<b>-</b>

The Group does not expect that the cash flows in the maturity analysis could occur significantly earlier, or at significantly different amounts.

**iii. Foreign Exchange Risk**

**(i) Exposure to Foreign Exchange Risk**

The Group's financial assets and liabilities exposed to significant foreign exchange risk are as follows:

	2025.12.31			2024.12.31		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
<u>Financial Assets</u>						
<u>Monetary items:</u>						
USD: NTD	\$ 114,990	31.400	3,610,686	140,614	32.785	4,610,018
RMB: NTD	287,721	4.4673	1,285,338	287,725	4.5608	1,312,255
USD: RMB (Note)	47,412	7.03	1,488,722	49,899	7.19	1,635,927
<u>Financial Liabilities</u>						
<u>Monetary items:</u>						
USD: NTD	26,206	31.400	822,870	23,425	32.785	767,975
USD: RMB (Note)	9,677	7.03	303,862	11,030	7.19	361,603

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

Note: As some entities within the consolidated group have a functional currency other than New Taiwan Dollars, this must be taken into account in disclosures. For example, when a subsidiary's functional currency is RMB but it also has USD foreign currency positions, these must also be considered.

(ii) Sensitivity Analysis

The foreign exchange risk of the Group's monetary items arises primarily from cash and cash equivalents, accounts receivable, other receivables, accounts payable and other payables denominated in foreign currencies, generating foreign exchange gains and losses upon translation. If the New Taiwan Dollar had depreciated/appreciated by 5% against the US Dollar at December 31, 2025 and 2024, with all other variables held constant, the after-tax profit for the years ended December 31, 2025 and 2024 would have decreased/increased by NT\$210,321 thousand and NT\$257,145 thousand, respectively. The analysis for both periods uses the same basis.

(iii) Exchange Gains and Losses on Monetary Items

As the Group has various functional currencies, the exchange gains and losses on monetary items are disclosed on an aggregated basis. Foreign exchange gains (losses) (including realized and unrealized) for the years ended December 31, 2025 and 2024 were NT\$(237,108) thousand and NT\$338,229 thousand, respectively.

**iv. Interest Rate Risk**

The Group's interest rate exposure on financial assets and liabilities is described in the liquidity risk management section of this note.

When reporting interest rate information to key management internally, the Group uses a change of five basis points, which represents management's assessment of the reasonably possible change in interest rates.

If interest rates had increased/decreased by five basis points, with all other variables held constant, the after-tax profit for the years ended December 31, 2025 and 2024 would have decreased/increased by NT\$502 thousand and NT\$463 thousand, respectively.

**v. Other Price Risk**

If the price of equity securities at the reporting date had changed (both periods analyzed on the same basis, with all other variables held constant), the impact on comprehensive income would be as follows:

Securities Price at Reporting Date	2025		2024	
	Other Comprehensive Income after Tax	Profit or Loss after Tax	Other Comprehensive Income after Tax	Profit or Loss after Tax
Increase 5%	\$ 2,164	36,229	2,825	45,851
Decrease 5%	\$ (2,164)	(36,229)	(2,825)	(45,851)



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

(ii) Valuation Techniques for Financial Instruments Not Measured at Fair Value

The methods and assumptions used by the Group to estimate the fair value of instruments not measured at fair value are as follows:

(ii-1) Financial Assets Measured at Amortized Cost and Financial Liabilities Measured at Amortized Cost

Where there are transaction prices or market maker quotes available, the most recent transaction prices and quote data are used as the basis for estimating fair value. When market values are not available, valuation methods are used to estimate fair value. The estimates and assumptions used in valuation methods estimate fair value based on the present value of cash flows.

(iii) Valuation Techniques for Financial Instruments Measured at Fair Value

(iii-1) Non-Derivative Financial Instruments

When financial instruments have quoted prices in active markets, the quoted prices in active markets are used as the fair value. Prices announced by major exchanges and the OTC market for central government bonds judged to be actively traded are the basis for the fair value of listed equity instruments and debt instruments with quoted prices in active markets.

A financial instrument is considered to have a quoted price 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. If the above conditions are not met, the market is considered to be inactive. In general, a wide bid-ask spread, a significant increase in bid-ask spread, or low trading volume are indicators of an inactive market.

For financial instruments other than those with quoted prices in active markets, fair value is obtained using valuation techniques or by reference to counterparty quotes. Fair value obtained through valuation techniques may refer to the current fair value of other financial instruments that are substantially similar in terms and characteristics, discounted cash flow methods, or other valuation techniques, including models that use market information available at the consolidated balance sheet date.

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

(v) Rollforward of Level 3 Fair Value Measurements

	<b>Measured at FVOCI - Equity Instruments without Quoted Prices</b>
January 1, 2025	\$ 56,494
Total gains or losses:	
Recognized in other comprehensive income	(13,219)
Effect of exchange rate changes	-
December 31, 2025	<b>\$ 43,275</b>
January 1, 2024	\$ 59,729
Total gains or losses:	
Recognized in other comprehensive income	(35,735)
Purchases	32,500
Effect of exchange rate changes	-
December 31, 2024	<b>\$ 56,494</b>

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

The above total losses are reported in "Unrealized valuation losses on financial assets measured at fair value through other comprehensive income." The amounts related to assets still held as of December 31, 2025 and 2024 are as follows:

	2025	2024
Total gains or losses:		
Recognized in other comprehensive income (reported \$ in "Unrealized valuation losses on financial assets measured at fair value through other comprehensive income")	(13,219)	(35,735)

(vi) Quantitative Information of Significant Unobservable Inputs (Level 3) in Fair Value Measurement

The Group's fair value measurements classified as Level 3 primarily include financial assets measured at FVOCI - equity security investments.

Most of the Group's fair value measurements classified as Level 3 have only a single significant unobservable input, except for equity instrument investments without an active market which have multiple significant unobservable inputs. The significant unobservable inputs for equity instrument investments without an active market are independent of each other and therefore have no interrelationship.

The quantitative information of significant unobservable inputs is as follows:

Item	Valuation Technique	Significant Unobservable Inputs	Relationship between Significant Unobservable Inputs and Fair Value
FVOCI financial assets - equity instrument investments without an active market	Discounted cash flow method; Asset approach; Comparable listed company method	<ul style="list-style-type: none"> <li>• Weighted average cost of capital (8.35% as of December 31, 2025 and 7.68% as of December 31, 2024)</li> <li>• Discount for lack of marketability (20.00% as of both December 31, 2025 and December 31, 2024)</li> <li>• Minority interest discount (18.57%~21.30% as of both December 31, 2025 and 2024)</li> <li>• Price-to-book ratio (1.40~2.57 and 1.42~2.67 as of December 31, 2025 and 2024, respectively)</li> <li>• Price-to-revenue ratio (2.33~2.40 and 2.63~3.08 as of December 31, 2025 and 2024, respectively)</li> </ul>	<ul style="list-style-type: none"> <li>• The higher the weighted average cost of capital, minority interest discount, and discount for lack of marketability, the lower the fair value</li> <li>• The lower the multiples, the lower the fair value</li> </ul>

(vii) Sensitivity Analysis of Fair Value Measurement for Level 3 to Reasonably Possible Alternative Assumptions

If the Group uses different valuation models or valuation parameters for measuring the fair value of financial instruments, different valuation results may occur.

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

**(23) Financial Risk Management**

**i. Overview**

The Group is exposed to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout the consolidated financial statements.

**ii. Risk Management Framework**

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for the Group's risk management policies and regularly reports to the Board on its activities.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training, management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The internal auditors assist the Audit Committee in its oversight role. They undertake both regular and ad hoc reviews of risk management controls and procedures, and report the results of their reviews to management.

**iii. Credit Risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's accounts receivable from customers and investments in securities.

**(i) Accounts Receivable and Other Receivables**

The Group has a policy of only dealing with creditworthy counterparties. The Group only transacts with entities that have an investment-grade equivalent credit rating. This information is provided by independent rating agencies. Where no such information is available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group monitors credit exposures and counterparty credit ratings continuously. The Group spreads total transaction amounts across qualified credit-rated customers and controls credit exposure by reviewing counterparty credit limits annually.

**(ii) Investments**

The credit risk for bank deposits, fixed income investments and other financial instruments is measured and monitored by the Group's finance department. As the Group's counterparties and other contracting parties are creditworthy banks, investment-grade or above financial institutions, corporate entities and government agencies, and there are no significant fulfillment concerns, there is no significant credit risk.

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**Notes to the Consolidated Financial Statements (continued)**

**(iii) Guarantees**

As of December 31, 2025 and 2024, the Group had not provided any endorsements or guarantees.

**iv. Liquidity Risk**

The Group manages liquidity risk by maintaining sufficient cash and cash equivalents to support operations and mitigate cash flow volatility. All non-derivative financial instruments with agreed repayment periods are financial liabilities due within one year (mainly including short-term borrowings, notes and accounts payable, accounts payable to related parties, other payables and other payables to related parties). The Group's current capital and working capital are adequate to meet all contractual obligations, so there is no liquidity risk from inability to raise funds. As of December 31, 2025 and 2024, the Group's unused credit facilities were NT\$412,713 thousand and NT\$619,257 thousand, respectively.

**v. Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Group's management of each market risk is described as follows:

**(i) Foreign Exchange Risk**

The Group is exposed to foreign exchange risk arising from sales, purchases and borrowing transactions denominated in currencies other than the functional currency. The major currencies involved in such transactions are New Taiwan Dollars, RMB and US Dollars.

For monetary assets and liabilities denominated in other foreign currencies, when short-term imbalances occur, the Group buys or sells foreign currency at spot rates to ensure that net exposure remains at acceptable levels.

**(ii) Interest Rate Risk**

The Group's policy is based on fixed interest rates for time deposits. Currently, given that market interest rates are relatively low, no interest rate swap contracts have been entered into. If interest rates increase, interest rate swaps may be used to reduce risk as appropriate.

**(iii) Other Market Price Risk**

The Group has equity price exposure arising from investments in listed and OTC equity securities. These equity investments are not held for trading but are strategic investments. The Group does not actively trade these investments; Group management manages risk by holding a portfolio of different-risk investments.

**(24) Capital Management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

The Group may adjust the capital structure by adjusting the amount of dividends paid to shareholders, returning capital to shareholders through capital reductions, or issuing new shares.

In common with others in the industry, the Group monitors capital using a gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities (as shown in

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

the balance sheet) less cash and cash equivalents. Total capital is calculated as all components of equity (i.e., share capital, additional paid-in capital, retained earnings and other equity) plus net debt. The Group's capital management strategy for the year ended December 31, 2025 is consistent with that for the year ended December 31, 2024. The gearing ratios at December 31, 2025 and 2024 are as follows:

	<b>2025.12.31</b>	<b>2024.12.31</b>
Total liabilities	\$ 3,738,462	3,778,309
Less: Cash and cash equivalents	(2,487,337)	(2,953,969)
Net debt	<b>\$ 1,251,125</b>	<b>824,340</b>
Total equity	<b>\$ 11,379,454</b>	<b>11,204,016</b>
Gearing ratio	<b>10.99%</b>	<b>7.36%</b>

## 7. Related Party Transactions

### (1) Names and Relationships of Related Parties

Related parties that had transactions with the Group during the period covered by the consolidated financial statements are as follows:

<b>Name of Related Party</b>	<b>Relationship with the Group</b>
QNAP Systems, Inc.	Associate
Sheng Feng Co., Ltd. (Note 1)	Associate
QNAP Inc. (USA)	Associate
QNAP Inc. (Canada)	Associate
QNAP UK Limited	Associate
QNAP Co., Ltd. (Japan)	Associate
QNAP GmbH	Associate
Oring Industrial Networking Corp.	Associate
Oring Industrial Networking Americas Inc.	Associate
Acquire System Inc.	Associate
Xingwei Computer (Kunshan) Co., Ltd.	Associate
Xuanwei Electronics (Beijing) Co., Ltd.	Associate
Anewtech Systems Pte Ltd.	Associate
Oring Industrial Networking Corp. (Shanghai)	Associate
BEYONDZB Inc.	Associate
QNAP HK Limited	Associate
QNAP KOREA Co., Ltd. (Note 2)	Associate
Kuo Po-Ta	Other related party

Note 1: QNAP Systems, Inc. underwent a capital reduction and spin-off in May 2024. Please refer to Note 6(7) for details.

Note 2: QNAP KOREA Co., Ltd was newly established by the affiliate group on May 29, 2024.

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

**(2) Significant Transactions with Related Parties**

**i. Revenue**

Significant sales to related parties are as follows:

	<b>2025</b>	<b>2024</b>
Associates	<b>\$ 289,787</b>	<b>397,894</b>

The sales terms to associates are not significantly different from those with general customers.

The Group engages in agency transactions, for which revenue and cost accounts have been presented on a net basis.

The related receivables and payables from agency transactions are presented on a gross basis as they do not meet the criteria for derecognition of financial assets and liabilities.

**ii. Purchases**

Purchases from related parties are as follows:

	<b>2025</b>	<b>2024</b>
Associates - QNAP Systems, Inc.	\$ 142,478	182,279
Associates - Xingwei Computer (Kunshan) Co., Ltd.	89,744	87,107
Associates	23,638	7,444
	<b>\$ 255,860</b>	<b>276,830</b>

The purchase prices from associates are not significantly different from those of general suppliers.

**iii. Receivables (Payables)**

Details of the Group's receivables (payables) are as follows:

<b>Account Item</b>	<b>Category of Related Party</b>	<b>2025.12.31</b>	<b>2024.12.31</b>
Accounts receivable	Associates - QNAP Systems, Inc.	\$ 66,468	75,963
Accounts receivable	Associates	6,067	29,682
		<b>\$ 72,535</b>	<b>105,645</b>
Other receivables	Associates - QNAP Systems, Inc.	\$ -	16,084
Other receivables	Associates - QNAP Inc. (USA)	56	140,117
Other receivables	Associates - QNAP Inc. (Canada)	-	76,727
Other receivables	Associates	-	21
		<b>\$ 56</b>	<b>232,949</b>
Accounts payable	Associates - QNAP Systems, Inc.	\$ 32,364	31,137
Accounts payable	Associates		
	- Xingwei Computer (Kunshan) Co., Ltd.	10,802	14,714
Accounts payable	Associates	5,408	2,147
		<b>\$ 48,574</b>	<b>47,998</b>
Other payables	Associates - QNAP Systems, Inc.	\$ 19,785	96,188
Other payables	Associates	321	419
		<b>\$ 20,106</b>	<b>96,607</b>

As of December 31, 2025 and 2024, there were no overdue accounts receivable or other receivables from related parties, and no expected credit losses have been recognized.

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

**iv. Loans to Related Parties**

Actual drawdown of funds loaned by the Group to related parties is as follows:

	<b>2025.12.31</b>	<b>2024.12.31</b>
QNAP Co., Ltd. (Japan)	\$ -	-

Loans to related parties bear interest at the average short-term borrowing rate from financial institutions in the year of disbursement. The borrowers have provided real estate owned by them as collateral to the Group, and after evaluation, no allowance for bad debts is required. Interest income of NT\$2,045 thousand was recognized in fiscal year 2024. The accrued interest receivable as of December 31, 2024 was NT\$0.

**v. Property Transactions**

**(i) Acquisition of Property, Plant and Equipment**

The total acquisition price of property, plant and equipment acquired from related parties is as follows:

	<b>2025</b>	<b>2024</b>
Other related parties - Kuo Po-Ta	\$ 687,313	-

In 2025, the Group purchased land in Yangmei District, Taoyuan City from other related parties, with a total area of 2,437.28 pings and a total price of NT\$687,313 thousand. As of December 31, 2025, the title transfer has been completed and the outstanding balance is NT\$0. The acquisition price of the land was determined with reference to an appraisal report from a third-party real estate appraisal company. For detailed information on property, plant and equipment, please refer to Note 6(9).

**vi. Disposal of Property, Plant and Equipment**

The total disposal proceeds of property, plant and equipment sold to related parties are as follows:

	<b>2025</b>	<b>2024</b>
Associates - QNAP Systems, Inc.	\$ -	12,324
Associates	-	21
	\$ -	12,345

**vii. Leases**

**(i) As Lessor**

<b>Account Item</b>	<b>Category of Related Party</b>	<b>2025</b>	<b>2024</b>
Rental income	Associates - QNAP Systems, Inc.	\$ 8,023	8,023
Rental income	Associates	512	757
		\$ 8,535	8,780

**(ii) As Lessee**

In April and September 2022, the Group leased factory buildings from the associate QNAP Systems, Inc. The right-of-use asset and lease liability recognized upon acquisition were NT\$20,383 thousand each, based on rental market rates in the vicinity. On January 1, 2025, the Group terminated the lease early and entered into a new agreement, resulting in a lease

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

modification gain of NT\$74 thousand. The right-of-use asset and lease liability recognized under the new lease were NT\$24,298 thousand each, also based on rental market rates in the vicinity. On July 16, 2025, a lease modification resulted in a gain of NT\$20 thousand. After the modification, the right-of-use asset and lease liability were NT\$13,349 thousand and NT\$13,270 thousand, respectively. Interest expense recognized for the years ended December 31, 2025 and 2024 was NT\$416 thousand and NT\$188 thousand, respectively. The lease liability balance as of December 31, 2025 and 2024 was NT\$13,600 thousand and NT\$3,011 thousand, respectively.

**viii. Others**

<u>Account Item</u>	<u>Category of Related Party</u>	<u>2025</u>	<u>2024</u>
Other income	Associates - QNAP Systems, Inc.	\$ 395	10,327
Manufacturing and other operating costs and expenses	Associates	\$ (72,877)	(58,543)

**(3) Key Management Personnel Transactions**

Key management personnel compensation comprises:

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 34,546	36,069
Post-employment benefits	603	635
	<u>\$ 35,149</u>	<u>36,704</u>

**8. Pledged Assets**

The carrying amounts of assets pledged by the Group as collateral are as follows:

<u>Asset Name</u>	<u>Purpose of Pledge</u>	<u>2025.12.31</u>	<u>2024.12.31</u>
Other financial assets - current	Tax payable for imported goods released before customs clearance and performance bonds for government-subsidized projects	\$ 13,007	12,957
Other financial assets - current	Bankers' acceptance notes	20,987	50,074
		<u>\$ 33,994</u>	<u>63,031</u>

**9. Significant Contingent Liabilities and Unrecognized Contractual Commitments**

**(1) Significant Unrecognized Contractual Commitments:**

In 2025, the Group signed contracts with a total value of NT\$17,257 thousand for the construction of the Taoyuan Yangmei factory. The amount paid pursuant to the contracts was NT\$11,327 thousand.

**10. Significant Losses from Disasters:** None.

**11. Significant Subsequent Events:** None.

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

**12. Others**

**(1) Summary of Employee Benefits, Depreciation and Amortization by Function:**

By Function By Nature	2025			2024		
	Cost of Goods Sold	Operating Expenses	Total	Cost of Goods Sold	Operating Expenses	Total
Employee benefit expenses:						
Salaries and wages	235,175	835,587	1,070,762	225,885	834,917	1,060,802
Labor and health insurance premiums	33,936	99,649	133,585	39,229	100,784	140,013
Pension expenses	2,028	21,095	23,123	1,769	19,599	21,368
Other employee benefit expenses	8,382	32,307	40,689	8,919	31,410	40,329
Depreciation expenses	64,488	65,691	130,179	67,774	68,951	136,725
Amortization expenses	549	25,876	26,425	893	23,440	24,333

The above depreciation expenses do not include depreciation of investment property. Amounts recorded as non-operating expenses are as follows:

	<b>2025</b>	<b>2024</b>
Depreciation of investment property	<b>\$ 4,989</b>	<b>5,888</b>

**13. Supplementary Disclosures**

**(1) Information on Significant Transactions**

In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, information on significant transactions of the Group for the year ended December 31, 2025 is as follows:

**i. Loans to Other Parties:**

Unit: NT\$ Thousands

No. (Note 1)	Lender	Borrower	Account Item	Related Party	Maximum Balance in the Period (Note 2)	Ending Balance (Note 2)	Actual Drawdown (Note 2)	Interest Rate Range	Nature of Lending (Note 3)	Business Transaction Amount	Reason for Short-term Financing	Allowance for Doubtful Accounts	Collateral		Individual Borrower Lending Limit (Note 4)	Total Lending Limit (Note 4)
													Name	Value		
1	IEI Technology USA Corporation	SUNTEND LLC	Other receivables - related parties	Yes	49,800	-	-	0.00%	2	-	Working Capital Needs	-	None	-	331,478	331,478

Note 1: The numbering in the No. column is as follows:

- (1) The issuer fills in 0.
- (2) Investees are numbered sequentially starting from 1.

Note 2: The above amounts are converted at the end-of-period exchange rate of USD\$1 = NT\$31.4000 for December 2025.

Note 3: The nature of lending is as follows:

- (1) Enter 1 for business-related lending.
- (2) Enter 2 for short-term financing needs.

Note 4: The individual and total lending limits are based on 40% of the net worth of the lending company as of December 31, 2025 per the most recent financial report.

**ii. Endorsements and Guarantees for Others: None.**

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

**iii. Significant Securities Held at Period-End (Excluding Investments in Subsidiaries, Associates and Joint Ventures):**

Unit: NT\$ Thousands

Holding Company	Type and Name of Security (Note 1)	Relationship with Issuer	Account Item	Period-End				Highest Ownership Ratio in the Period	Remarks
				Thousands of Units/Shares	Carrying Amount	Ownership Ratio	Fair Value		
IEI INTEGRATION CORP.	Mega Diamond Money Market Fund	-	Financial assets at FVTPL - current	5,300	70,373	- %	70,373	- %	
"	Fubon Money Market Fund	-	"	12,795	200,997	- %	200,997	- %	
"	Franklin Templeton Sinoam Money Market Fund	-	"	9,181	100,522	- %	100,522	- %	
"	Hundure Technology Co., Ltd.	-	Financial assets at FVOCI - non-current	497	4,426	4.78 %	4,426	4.78 %	
"	HUA DA Venture Capital Corporation	-	"	150	3,624	10.00 %	3,624	10.00 %	
"	ANTEYA Technology Corporation	-	"	500	-	5.26 %	-	5.26 %	
"	Genesis Photonics Inc.	-	"	309	-	0.41 %	-	0.41 %	
"	CASTEC International Corp.	-	"	2,400	8,842	6.60 %	8,842	6.60 %	
"	Chun-Sheng Innovation Investment Corporation	-	"	3,000	24,472	10.00 %	24,472	10.00 %	
BriteMED Technology Inc.	Franklin Templeton SinoAm Money Market Fund	-	Financial assets at FVTPL - current	3,739	40,936	- %	40,936	- %	
"	Fubon Money Market Fund	-	"	2,651	41,646	- %	41,646	- %	
Ailean Technologies Corp.	China Construction Bank Structured Deposit (Interval Daily)	-	"	-	44,727	- %	44,727	- %	
Fortunetec International Corp.	Johnson & Johnson 3.7 03/01/46 USD Foreign Bond (US478160BV55)	-	Financial assets at FVTPL - non-current	-	14,474	- %	14,474	- %	
"	Berkshire Hathaway Finance Corp. 4.2 08/15/48 USD Foreign Bond (US084664CQ25)	-	"	-	14,146	- %	14,146	- %	
"	U.S. Treasury Bond 2.375% USD 2027/05/15	-	"	-	30,851	- %	30,851	- %	
"	U.S. Treasury Bond 2.875% USD 2027/05/15	-	"	-	29,595	- %	29,595	- %	
"	Fidelity Funds - Japan Value Fund (A-ACC-USD Hedged)	-	"	-	6,552	- %	6,552	- %	
"	U.S. Treasury Bond 4.125% 2027/10/31	-	"	-	55,472	- %	55,472	- %	
"	Johnson & Johnson 3.625% USD Senior Unsecured Notes	-	"	-	14,271	- %	14,271	- %	
"	Johnson & Johnson 4.5% USD Senior Unsecured Notes	-	"	-	17,478	- %	17,478	- %	
"	U.S. Treasury Bond 3.125% USD 2029/08/31	-	"	-	24,690	- %	24,690	- %	
"	3M Company 3.05% USD Senior Unsecured Notes 2030/04/15	-	"	-	17,855	- %	17,855	- %	
Fortune Name Holdings Limited	OPCOM Medical Inc.	-	Financial assets at FVOCI - non-current	438	1,911	10.01 %	1,911	10.01 %	

Note 1: Securities referred to in this table include stocks, bonds, beneficiary certificates and securities derived from the above items that fall within the scope of IFRS 9 "Financial Instruments."

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

**iv. Purchases and Sales with Related Parties of NT\$100 Million or More or 20% or More of Paid-in Capital:**

Unit: NT\$ Thousands

Company Purchasing / Selling	Counterparty Name	Relationship	Transaction Details				Difference from General Transaction Terms and Reasons		Notes and Accounts Receivable (Payable)		Remarks
			Purchase / Sale	Amount	% of Total Purchases (Sales)	Credit Period	Unit Price	Credit Period	Balance	% of Total Notes and Accounts Receivable (Payable)	
BriteMED Technology Inc.	IEI INTEGRATION CORP.	Ultimate parent company	Sale	(693,380)	(94.77) %	45 days after month-end	-	-	110,233	99.71%	
IEI INTEGRATION CORP.	BriteMED Technology Inc.	Subsidiary	Purchase	693,380	18.06 %	45 days after month-end	-	-	(110,233)	(12.36)%	
IEI INTEGRATION CORP.	IEI Technology USA Corporation	Subsidiary	Sale	(822,415)	(17.89) %	60 days after month-end	-	-	196,518	22.02%	
IEI Technology USA Corporation	IEI INTEGRATION CORP.	Ultimate parent company	Purchase	822,415	92.82 %	60 days after month-end	-	-	(196,518)	(91.07)%	
Armorlink SH Corp.	IEI INTEGRATION CORP.	Ultimate parent company	Sale	(912,155)	(33.94) %	60 days after month-end	-	-	164,810	23.79%	
IEI INTEGRATION CORP.	Armorlink SH Corp.	Subsidiary	Purchase	912,155	23.75 %	60 days after month-end	-	-	(164,810)	(18.48)%	
Armorlink SH Corp.	IEI Technology (Shanghai) Co., Ltd.	Subsidiary	Sale	(879,046)	(32.71) %	90 days after month-end	-	-	302,999	43.73%	
IEI Technology (Shanghai) Co., Ltd.	Armorlink SH Corp.	Parent company	Purchase	879,046	98.90 %	90 days after month-end	-	-	(302,999)	(93.30)%	
Armorlink SH Corp.	Weibotong Technology (Shanghai) Co., Ltd.	Subsidiary	Sale	(321,461)	(11.96) %	90 days after month-end	-	-	101,449	14.64%	
Weibotong Technology (Shanghai) Co., Ltd.	Armorlink SH Corp.	Parent company	Purchase	321,461	99.46 %	90 days after month-end	-	-	(101,449)	(100.00)%	
Armorlink SH Corp.	QNAP Systems, Inc.	Associate	Sale	(227,129)	(8.45) %	60 days after month-end	-	-	66,209	9.56%	
QNAP Systems, Inc.	Armorlink SH Corp.	Associate	Purchase	227,129	10.13 %	60 days after month-end	-	-	(66,209)	(12.71)%	
Armorlink SH Corp.	BriteMED Technology Inc.	Associate	Sale	(228,178)	(8.49) %	30 days after month-end	-	-	14,210	2.05%	
BriteMED Technology Inc.	Armorlink SH Corp.	Associate	Purchase	228,178	49.88 %	30 days after month-end	-	-	(14,210)	(27.54)%	
QNAP Systems, Inc.	Armorlink SH Corp.	Associate	Sale	(130,026)	(2.77) %	60 days after month-end	-	-	30,111	2.90%	
Armorlink SH Corp.	QNAP Systems, Inc.	Associate	Purchase	130,026	6.01 %	60 days after month-end	-	-	(30,111)	(4.11)%	

**v. Receivables from Related Parties of NT\$100 Million or More or 20% or More of Paid-in Capital:**

Unit: NT\$ Thousands

Company with Receivables	Counterparty Name	Relationship	Ending Balance	Turnover Rate (Note 2)	Overdue		Amount Collected After Period-End	Allowance for Doubtful Accounts
					Overdue Amount	Handling Method		
IEI INTEGRATION CORP.	IEI Technology USA Corporation	Subsidiary	197,583	4.09x	-	-	114,078	-
BriteMED Technology Inc.	IEI INTEGRATION CORP.	Ultimate parent company	110,463	5.55x	-	-	110,237	-
Armorlink SH Corp.	IEI INTEGRATION CORP.	Ultimate parent company	169,962	4.68x	-	-	169,962	-
Armorlink SH Corp.	IEI Technology (Shanghai) Co., Ltd.	Subsidiary	302,999	3.08x	-	-	204,556	-
Armorlink SH Corp.	Weibotong Technology (Shanghai) Co., Ltd.	Subsidiary	101,449	2.89x	-	-	81,081	-
Fortunetec International Corp.	Armorlink SH Corp.	Subsidiary	1,285,121	-	-	-	125,600	-

Note 1: Intercompany transactions between parent and subsidiary companies have been eliminated in the preparation of the consolidated financial statements.

Note 2: The turnover rate calculation excludes other receivables.

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

**vi. Business Relationships and Significant Transactions between Parent and Subsidiary Companies:**

No. (Note 1)	Transacting Party	Counterparty	Relationship (Note 2)	Intercompany Transactions (Note 3)			
				Account	Amount	Transaction Terms	% of Consolidated Total Revenue or Total Assets (Note 4)
0	IEI INTEGRATION CORP.	Armorlink SH Corp.	1	Advance payments	22,344	Paid as advance payment	0.15%
0	IEI INTEGRATION CORP.	IEI Technology USA Corporation	1	Sales	822,415	60 days after month-end	12.63%
0	IEI INTEGRATION CORP.	IEI Technology USA Corporation	1	Accounts receivable - related parties	196,518	60 days after month-end	1.30%
1	Armorlink SH Corp.	IEI INTEGRATION CORP.	2	Sales	912,155	60 days after month-end	14.01%
1	Armorlink SH Corp.	IEI INTEGRATION CORP.	2	Accounts receivable - related parties	164,810	60 days after month-end	1.09%
1	Armorlink SH Corp.	Weibotong Technology (Shanghai) Co., Ltd.	1	Sales	321,461	90 days after month-end	4.94%
1	Armorlink SH Corp.	Weibotong Technology (Shanghai) Co., Ltd.	1	Accounts receivable - related parties	101,449	90 days after month-end	0.67%
1	Armorlink SH Corp.	IEI Technology (Shanghai) Co., Ltd.	1	Sales	879,046	90 days after month-end	13.50%
1	Armorlink SH Corp.	IEI Technology (Shanghai) Co., Ltd.	1	Accounts receivable - related parties	302,999	90 days after month-end	2.00%
1	Armorlink SH Corp.	BriteMED Technology Inc.	3	Sales	228,178	30 days after month-end	3.50%
2	BriteMED Technology Inc.	IEI INTEGRATION CORP.	2	Sales	693,380	45 days after month-end	10.65%
2	BriteMED Technology Inc.	IEI INTEGRATION CORP.	2	Accounts receivable - related parties	110,233	45 days after month-end	0.73%
3	Ailean Technologies Corp.	Armorlink SH Corp.	2	Rental income	20,176	Paid as agreed	0.31%
4	FORTUNETEC INTERNATIONAL CORP.	Armorlink SH Corp.	1	Other receivables - related parties	1,285,121	Paid as agreed	8.50%

Note 1: The numbering is as follows:

1. 0 represents the parent company.
2. Subsidiaries are numbered sequentially starting from 1.

Note 2: The relationship types are as follows:

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

Note 3: For business relationships and significant transactions between parent and subsidiary companies, only sales and accounts receivable data are disclosed; the corresponding purchases and accounts payable are not repeated.

Note 4: Calculated as the transaction amount divided by consolidated revenue or consolidated total assets.

**(2) Information on Investee Companies:**

Information on the Group's investee companies for the year ended December 31, 2025 (excluding investments in Mainland China) is as follows:

Unit: NTS\$ Thousands

Name of Investor	Name of Investee	Location	Main Business	Original Investment Amount (Note 1)		Held at Period-End			Highest Ownership Ratio in the Period	Net Income (Loss) of Investee	Investment Income (Loss) Recognized (Note 2)	Remarks
				Current Period End	Prior Year End	Shares (Thousands)	Ownership Ratio	Carrying Amount				
IEI INTEGRATION CORP.	ICP Electronics Limited	Samoa	Holding company and sales of computers and related products	219,313	219,313	5,000	100.00%	4,936,766	100.00%	10,100	7,352	Subsidiary
IEI INTEGRATION CORP.	QNAP Systems, Inc.	Taiwan	Sales of network security monitoring and network storage communication products	188,133	188,946	6,944	20.96%	1,650,291	23.24%	1,352,380	308,143	Associate accounted for using equity method
IEI INTEGRATION CORP.	Internet Application Technology Ltd.	Samoa	Holding company and sales of computers and related products	375,897	375,897	11,853	100.00%	1,481,024	100.00%	47,867	47,867	Subsidiary
IEI INTEGRATION CORP.	BriteMED Technology Inc.	Taiwan	Manufacture and sales of electronic components, etc.	80,000	80,000	8,000	100.00%	310,465	100.00%	121,071	120,836	Subsidiary
IEI INTEGRATION CORP.	Oring Industrial Networking Corp.	Taiwan	Sales of network storage communication and electronic materials	30,510	30,510	2,797	16.36%	90,710	16.36%	17,888	2,926	Associate accounted for using equity method

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

Name of Investor	Name of Investee	Location	Main Business	Original Investment Amount (Note 1)		Held at Period-End			Highest Ownership Ratio in the Period	Net Income (Loss) of Investee	Investment Income (Loss) Recognized (Note 2)	Remarks
				Current Period End	Prior Year End	Shares (Thousands)	Ownership Ratio	Carrying Amount				
IEI INTEGRATION CORP.	Sheng Feng Co., Ltd.	Taiwan	Real estate leasing	825,002	825,002	341	24.49%	789,673	24.49%	9,998	2,449	Associate accounted for using equity method
ICP Electronics Limited	Fortunetec International Corp.	Mauritius	Holding company and sales of computers and related products	157,000	157,000	500	100.00%	4,701,094	100.00%	18,581		Exempt from disclosure Subsidiary
ICP Electronics Limited	Fortune Name Holdings Limited	Samoa	Holding company and sales of computers and related products	21,980	21,980	700	100.00%	7,164	100.00%	(48)		Exempt from disclosure Subsidiary
ICP Electronics Limited	Acquire System Inc.	Mauritius	Holding company and sales of computers and related products	59,736	59,736	199	49.71%	137,297	49.71%	7,548		Exempt from disclosure Associate accounted for using equity method
Internet Application Technology Ltd.	Rich Excel Corporation Holdings Limited	BVI	Holding company and sales of computers and related products	365,104	365,104	11,628	100.00%	1,320,231	100.00%	42,990		Exempt from disclosure Subsidiary
BriteMED Technology Inc.	Oring Industrial Networking Corp.	Taiwan	Sales of network storage communication and electronic materials	30,517	30,517	1,483	8.67%	48,640	8.67%	17,888		Exempt from disclosure Associate accounted for using equity method
Rich Excel Corporation Holdings Limited	Equilico Inc.	USA	Real estate leasing	203,594	203,594	6,484	100.00%	253,949	100.00%	5,211		Exempt from disclosure Subsidiary
Rich Excel Corporation Holdings Limited	Potency Inc.	Samoa	Holding company and sales of computers and related products	233,348	233,348	5,840	100.00%	1,028,647	100.00%	36,280		Exempt from disclosure Subsidiary
Equilico Inc.	Suntend LLC	USA	Real estate leasing	124,780	124,780	-	100.00%	247,753	100.00%	4,838		Exempt from disclosure Subsidiary
Potency Inc.	IEI Technology USA Corporation	USA	Sales of industrial computers and related products	56,962	56,962	14,000	100.00%	828,695	100.00%	37,913		Exempt from disclosure Subsidiary
Potency Inc.	Anewtech Systems Pte. Ltd.	Singapore	Sales of industrial computers and related products	38,213	38,213	400	31.68%	62,636	31.68%	(5,331)		Exempt from disclosure Associate accounted for using equity method
Armorlink SH Corp.	SYNCDA International Limited.	Hong Kong	Logistics center and sales of industrial computer products	9,420	9,420	300	100.00%	9,946	100.00%	245		Exempt from disclosure Subsidiary

Note 1: Original investment amount and ending carrying amount are converted at the USD to NTD rate of 31.400 as of December 31, 2025.

Note 2: Investment income (loss) for the current period is converted at the average USD to NTD exchange rate of 31.172.

**(3) Information on Investments in Mainland China:**

**i. Information on Investee Companies in Mainland China:**

Unit: NT\$ Thousands

Name of Mainland China Investee	Main Business	Paid-in Capital	Investment Method (Note 1)	Cumulative Remittance from Taiwan at Period Beginning	Remittances During the Period		Cumulative Remittance from Taiwan at Period End	Net Income (Loss) of Investee	Direct/Indirect ownership (%)	Highest Ownership Ratio in the Period	Investment Income (Loss) Recognized	Ending Carrying Amount	Cumulative Investment Income Remitted Back to Taiwan
					Outflow	Inflow							
IEI Technology (Shanghai) Co., Ltd.	Logistics center and sales of industrial computer products	116,870 (RMB26,161)	Investee of Armorlink SH Corp.	111,470 (USD3,550)	-	-	111,470 (USD3,550)	(34,989)	90.70%	90.70%	(31,735)	76,742	-
Xingwei Computer (Kunshan) Co., Ltd.	Manufacturing and sales of computers and related products	150,720 (USD4,800)	Re-investment in Mainland China via third-region company Acquire System Inc.	59,723 (USD1,902)	-	-	59,723 (USD1,902)	4,617	49.71%	49.71%	2,295	125,351	-
Armorlink SH Corp.	Manufacturing and sales of computers and related products	276,957 (USD8,820)	Re-investment in Mainland China via third-region company Fortunetec International Corp.	62,800 (USD2,000)	-	-	62,800 (USD2,000)	58,661	90.70%	90.70%	53,206	1,226,846	152,949 (USD4,871)
Ailean Technologies Corp.	Manufacturing and sales of computers and related products	261,958 (RMB58,639)	Investee of Armorlink SH Corp.	188,400 (USD6,000)	-	-	188,400 (USD6,000)	(8,652)	90.70%	90.70%	(7,848)	446,615	286,651 (USD9,129)
ASH ENERGY GROUP LIMITED	Supply chain management	44,673 (RMB10,000)	Investee of Ailean Technologies Corp.	-	-	-	-	166	90.70%	90.70%	151	42,625	-
Weibotong Technology (Shanghai) Co., Ltd.	Logistics center and sales of industrial computer products	8,935 (RMB2,000)	Investee of Armorlink SH Corp.	-	-	-	-	(7,772)	90.70%	90.70%	(7,049)	(29,557)	-

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

**ii. Investment Limit for Mainland China:**

Cumulative Amount Remitted from Taiwan to Mainland China at Period End	Investment Amount Approved by MOEA Investment Commission	Investment Limit for Mainland China per MOEA Investment Commission Regulations (Note 3)
422,393 (USD 13,452)	IEI Technology (Shanghai) Co., Ltd.: 111,470 (USD3,550) Xingwei Computer (Kunshan) Co., Ltd.: 74,010 (USD2,357) Armorlink SH Corp.: 400,350 (USD12,750) Ailean Technologies Corp.: 777,150 (USD24,750)	6,827,672

USD exchange rate: End-of-period rate: 31.400; Average rate: 31.172

RMB exchange rate: End-of-period rate: 4.4673; Average rate: 4.3634

Note 1: Investment methods are classified as follows:

- (1) Direct investment in Mainland China
- (2) Re-investment in Mainland China via third-region company
- (3) Other methods

Note 3: Figures in this table are presented in New Taiwan Dollars. Investment income (loss) for the current period and ending carrying amount involving foreign currencies are converted at the average exchange rate during the reporting period and the exchange rate at the reporting date, respectively.

Note 4: Investment limit calculation: The limit is based on 60% of net equity or consolidated net equity, whichever is higher. Current equity  $\times$  60% = NT\$11,379,454 thousand  $\times$  60% = NT\$6,827,672 thousand.

**iii. Significant Transactions:**

Significant transactions between the Group and its Mainland China investees during the year ended December 31, 2025 (which have been eliminated in the preparation of the consolidated financial statements) are described in the "Information on Significant Transactions" section above.

**14. Segment Information**

**(1) General Information**

The Group has three reportable segments: Order-taking, Design and Brand Sales; Product Manufacturing; and China Brand Sales, which offer different products and services. Each strategic business unit is managed separately as each requires different technology and marketing strategies.

The Order-taking, Design and Brand Sales segment customizes product designs according to different customer needs, and operates global brand channels for industrial computer products. The Product Manufacturing segment is engaged in OEM and branded product manufacturing. The China Brand Sales segment is responsible for brand marketing channels in Mainland China.

**(2) Reportable Segment Profit or Loss, Assets, Liabilities and Measurement Basis and Reconciliation**

The Group uses segment pre-tax profit or loss (excluding non-recurring gains and losses and foreign exchange gains and losses) as reviewed in the internal management reports by the chief operating decision maker as the basis for management's allocation of resources and performance evaluation. Since income taxes, non-recurring gains and losses, and foreign exchange gains and losses are managed on a group basis, the Group does not allocate income tax expense (benefit), non-recurring gains and losses, and foreign exchange gains and losses to reportable segments. In addition, not all reportable segment profit or loss includes significant non-cash items other than depreciation and



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

**(3) Revenue by Product and Service**

Revenue from external customers of the Group is as follows:

Products and Services	2025	2024
Industrial computer products	\$ 4,572,510	4,496,173
Industrial computer peripheral products and components	1,671,276	2,079,983
Others	269,257	263,676
Total	<b>\$ 6,513,043</b>	<b>6,839,832</b>

**(4) Geographic Information**

Geographic information of the Group is as follows. Revenue is classified based on the geographic location of customers, and non-current assets are classified based on the geographic location of the assets.

Geographic Area	2025	2024
Revenue from external customers:		
Americas	\$ 2,047,345	2,486,196
Europe	630,484	632,064
Asia	3,550,452	3,411,405
Taiwan	245,502	268,111
Others	39,260	42,056
	<b>\$ 6,513,043</b>	<b>6,839,832</b>
Non-current assets:		
Americas	\$ 234,209	199,138
Asia	414,311	468,973
Taiwan	1,651,653	895,025
Total	<b>\$ 2,300,173</b>	<b>1,563,136</b>

Non-current assets exclude financial instruments and deferred tax assets.

**(5) Major Customer Information**

	2025	2024
Customer A (Order-taking, Design and Brand Sales)	\$ 841,698	601,829
Customer B (Order-taking, Design and Brand Sales)	825,950	638,871
Customer C (Other Operating Segments)	586,673	693,312
Customer D (Order-taking, Design and Brand Sales)	471,004	769,972
	<b>\$ 2,725,325</b>	<b>2,703,984</b>