

# ACCTON TECHNOLOGY CORPORATION

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## 2024 Annual General Shareholders' Meeting Meeting Handbook

Convening method: Physical shareholders meeting

Meeting Time: June 13, 2024, at 9:00 a.m.

Place: No. 1, Creation Road 3, Hsinchu Science Park,  
Hsinchu 300, Taiwan, R.O.C.

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For the convenience of readers and for information purpose only, this handbook and the accompanying auditors' report and financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

# **Chapter 1 Meeting Procedures**

## Accton Technology Corporation

### Procedures for the Meeting of Shareholders' Meeting in 2024

1. Calling the meeting to order
2. Chairman's speech
3. Report items
4. Proposals
5. Discussions
6. Director Election
7. Other Motions
8. Extemporary Motions
9. Meeting Adjourned

## **Chapter 2 Meeting Agenda**

**Accton Technology Corporation**  
**2024 Annual Shareholders' Meeting Agenda**

Meeting type : physical shareholders meeting

Meeting time : June 13, 2024 (Thursday) 9.00 am.

Meeting venue : No.1, Creation 3rd Rd., Hsinchu Science Park  
(Company's conference room).

1. Call meeting to order (report on total number of shares in attendance)
2. Chairman's speech
3. Report items
  - (1) Report on the Company's 2023 business.
  - (2) Report on the Company's 2023 Audit Committee's Review Report.
  - (3) Report on the Company's 2023 employees compensation and directors remuneration distribution.
4. Proposals
  - (1) 2023 Business Report and Financial Statement.
  - (2) 2023 Profit Distribution Proposal.
5. Discussions

Amendments to the Articles of Association of the Company.
6. Director Election

Election of the 13th directors (including independent directors).
7. Other Motions

Cancellation of the non-competition restriction on the Company's new directors and their representatives.
8. Extemporaneous Motions
9. Meeting Adjourned

# Reports

## Case 1

**Proposal:** The Company's 2023 Business Report. Please examine the report.

**Explanation:** Please refer to Attachment 1 on page 14 of this manual for the Company's 2023 Business Report.

## Case 2

**Proposal:** The Company's 2023 Audit Committee's Review Report. Please examine the report.

**Explanation:** Please refer to Attachment 2 on page 17 of this manual for the 2023 Audit Committee's Review Report.

## Case 3

**Proposal:** The Company's 2023 employees compensation and directors remuneration distribution.  
Please examine the report.

**Explanation:**

1. This proposal has been discussed and approved by the Remuneration Committee on 2024.02.27, according to the Articles of Incorporation to decided to the distribution of directors' remuneration and employees' profit sharing bonus.
2. The Company is expected to allocate NT \$ 1,425,819,083 to employees profit sharing bonus, and NT \$ 35,000,000 to directors remuneration.
3. All aforementioned bonus for employees and remuneration for directors shall be paid in cash; the receivers of bonus for employees shall include the employees of the subordinated companies of the Company who meet certain conditions.
4. The distribution of employees' compensation and directors' remuneration were submitted to the shareholders' meeting after the adoption of the Board resolution on Mar. 7, 2024.

# Proposals

## Case 1 [Proposed by the Board of Directors]

**Proposal:** Adoption of the 2023 Business Report and Financial Statements of the Company.

**Explanation:**

- I. The Company's 2023 Business Report and Financial Statements were audited by Ming-Yuan Chung and Cheng-Chih Lin, CPAs of Deloitte & Touche, and reviewed by the Audit Committee and approved by the Board of Directors on Mar. 7, 2024.
- II. For the 2023 Business Report, Independent Auditors' Report, and Financial Statements, please refer to Attachment 1 on Page 14 to 16 and Attachment 3 on Page 18 to 35 of this handbook for details.
- III. Please adopt the proposal.

**Resolution:**

## Case 2 [Proposed by the Board of Directors]

**Proposal:** Adoption of the proposal for distribution of 2023 earnings of the Company.

**Explanation:** According to the Articles of Association, the distribution of earnings for 2023 is set out below:

1. The Undistributed earnings of Previous Years was NT\$6,182,104,510, the net profit after-tax of the Company for 2023 was NT\$8,920,164,982, the re-measurement of defined benefit plan recognized in the retained earnings was NT\$ (12,058,628) and disposal of investments in equity instruments at fair value through other comprehensive income was NT\$ 9,545,934.
2. In accordance with the law, 10% was appropriated for statutory surplus reserve of NT\$ (891,765,229) and special surplus reserve of NT\$23,742,442. The distributable earnings of this period was NT\$14,231,734,011 (detailed in the following surplus distribution table).
3. Considering the capital requirement of expanding production capacity by building Zhubei AI Industrial Park, it is proposed to issue a cash dividend of NT\$5,603,833,970, with a cash dividend of NT\$10 per share, and the undistributed surplus will be NT\$8,627,900,041 after the distribution at the end of the period.
4. The shareholders' dividend calculated in the earnings distribution table shall be authorized by the shareholders' meeting to the board of directors to pay the total shareholders bonus in accordance with the resolution on this earnings distribution if the Company purchases its shares or transfers its treasury shares or issues new shares due to the exercise of employee stock option before the



date of the distribution of shareholders' bonus, where there is a change in the number of shares circulated in the market on the basis day of dividend distribution to shareholders, the dividend rate of shareholders shall be adjusted according to the actual number of shares circulated in the market on the basis day of bonus distribution.

5. Once the shareholders' cash dividend is approved by the shareholders' meeting, the Board of Directors will set another base date for the dividend distribution, and the chairman is authorized to distribute the part of the cash dividend which is less than NT\$1 shall be transferred to the employee welfare committee of the Company.
6. The proposal has been discussed and approved by the Audit Committee and approved by the Board of Directors in accordance with the law and will be submitted to the Shareholders' Meeting for adoption.
7. Please adopt this proposal.

## Accton Technology Corporation

### 2023 Earning Distribution Proposal

Unit:NT\$

<b>Undistributed earnings of Previous Years</b>		<b>6,182,104,510</b>
Add:		
Remeasurement of defined benefit Obligation	(12,058,628)	
Disposal of Investments in Equity Instruments at Fair Value through other Comprehensive Income	9,545,934	
Net Income of 2023	8,920,164,982	
<b>Undistributed earnings for the Current Period</b>		<b>15,099,756,798</b>
Less:		
10% Legal reserve	(891,765,229)	
Add:		
Special reserve	23,742,442	
<b>Distributable earnings for the current period</b>		<b>14,231,734,011</b>
Distribution item:		
Shareholders' dividends — Cash (NT\$10.0 per share)	5,603,833,970	
<b>Unappropriated retained earnings at the end of period</b>		<b>8,627,900,041</b>

**Resolution:**

## **Discussions 【 Proposed by the Board of Directors 】**

**Proposal:** Amendments to the Articles of Association of the Company.

**Explanation:**

- I. The construction of company's new headquarter building will be completed in the middle of 2024, and it is planned to move company headquarter to the new building.
- II. In order to comply with relevant laws and business needs, it is planned to amend the provisions relevant to company location in the "Articles of Association".
- III. Please refer to Attachment 4 on page 36 of this manual for the comparison of the Articles of Association before and after the amendment.
- IV. Submitted for resolution.

**Resolution:**

## Election Matters 【 Proposed by the Board of Directors 】

**Proposal:** Election of the Company's 13th directors (including independent directors).

**Explanation:**

- I. The term of service of the Company's 12th director will expire on July 7, 2024. The re-election shall be conducted according to the laws at the Annual Shareholder's Meeting.
- II. 7 directors (including 4 independent directors) shall be elected. The term of service shall be three years, from June 13, 2024 to June 12, 2027. The term of service for the present directors will terminate at the end of this Annual Shareholder's Meeting.
- III. Elections of the Company's directors shall be conducted in accordance with the candidate nomination system set out in the Articles of Association and Article 192-1 of the Company Act.
- IV. List of director candidates (including independent directors) is as follows:

### Accton Technology Corporation

#### List of director candidates (3 directors and 4 independent directors)

Category	Name	Academic Background	Experiences	Current Position	Shareholdings (Unit: Share)
Director	Kuan Xin Investment Corp.	N/A	N/A	N/A	7,070,000
Director	Huang, Kuo-Hsiu	MBA, Peking University	Assistant Manager of Accton Technology Corporation	<ul style="list-style-type: none"> <li>•Chairman of Accton Technology Co., Ltd.</li> <li>•Chairman of E-Direct Corporation</li> <li>•Chairman of MuXi Technology Co., Ltd.</li> <li>•Director of Accton Technology Corporation</li> </ul>	820,763
Director	Ting Sing Co., Ltd. Representative : Du, Heng-Yi	MBA, University of Hawaii Chairman of the Board of Wanyuan Textile Co., Ltd.	Chairman of the Board of Wanyuan Textile Co., Ltd.	<ul style="list-style-type: none"> <li>•Chairman of Chien Shun Trading Co., Ltd.</li> <li>•Chairman of Wan Yuan Textiles Co., Ltd.</li> <li>•Chairman of Chong Tai Transportation Co., Ltd.</li> <li>•Chairman of Ting Fang Investment Co., Ltd.</li> <li>•Chairman of Valley View Industrial Co., Ltd.</li> <li>•Chairman of Ting Chien Co., Ltd.</li> <li>•Chairman of Ting Sing Co., Ltd.</li> <li>•Supervisor of The World Champion Co., Ltd.</li> <li>•Supervisor of Tai Ve Corporation</li> <li>•Supervisor of Summit Packing Industrial Co., Ltd.</li> </ul>	2,351,562

Category	Name	Academic Background	Experiences	Current Position	Shareholdings (Unit: Share)
				<ul style="list-style-type: none"> <li>•Director of Ve Wong Corporation</li> <li>•Director of South China Insurance Co., Ltd.</li> <li>•Director of Taiwan Secom Co., Ltd.</li> <li>•Director of The Ambassador Hotel Co., Ltd.</li> <li>•Director of Fujitec Taiwan Co., Ltd.</li> <li>•Director of Toray International Taipei Inc.</li> <li>•Director of Accton Technology Corporation.</li> </ul>	
Independent Director	Huang, Shu-Chieh	National Chiao Tung University EMBA	CEO of Deloitte & Touche Taiwan	•Independent Director of Accton Technology Corporation	0
Independent Director	Lee, Fa-Yauh	M.D.Kaohsiung Medical University, Taiwan	Acting Superintendent, Taipei Veterans General Hospital	<ul style="list-style-type: none"> <li>•Editor-in-Chief of the Journal of the Chinese Medical Association</li> <li>•Independent Director of Aethertek</li> <li>•Independent Director of Accton Technology Corporation</li> </ul>	0
Independent Director	Eizo Kobayashi	Osaka University Bachelor of Solid State Physics	Chairman of ITOCHU Corporation	<ul style="list-style-type: none"> <li>•Independent Director of JAPAN AIRLINES</li> <li>•Independent Director of JAPAN EXCHANGE GROUP,INC.</li> <li>•Independent Director of Accton Technology Corporation</li> </ul>	0
Independent Director	Ankur Singla	Stanford University M.S., Electrical Engineering	<ul style="list-style-type: none"> <li>•SVP/GM,Security Products of F5 Networks,Inc.</li> <li>•CEO of Volterra,Inc</li> <li>• SVP/GM,Software of Juniper Networks</li> </ul>	<ul style="list-style-type: none"> <li>•President/CEO of Exaforce Inc.</li> <li>•Independent Director of Accton Technology Corporation</li> </ul>	0

V. Please adopt this proposal.

**Election results:**

## Other Motions 【 Proposed by the Board of Directors 】

**Proposal:** Cancellation of the non-competition restriction on the Company's new directors and their representatives is submitted for resolution.

**Explanation:**

- I. Pursuant to Article 209 of the Company Act, "A Director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
- II. In response to the Company's business needs, the directors of the Company are often assigned to assume directorship in related companies and other companies that are in line with or similar to the Company's business operations. Therefore, it is hereby proposed to cancel the non-competition restriction on the Company's new directors and their representatives, which is submitted for resolution at the Annual Shareholder's Meeting.
- III. As the Company adopts a candidate nomination system for the election of its directors and independent directors, and in order to facilitate shareholders' exercise of their voting rights electronically, the Company discloses the list of directors and independent directors for which the non-compete clause has been lifted below.

Category	Name of Candidate	Concurrent Position Held
Director	Huang, Kuo-Hsiu	<ul style="list-style-type: none"> <li>Chairman of Accton Technology Co., Ltd.</li> <li>Chairman of E-Direct Corporation</li> <li>Chairman of MuXi Technology Co., Ltd.</li> <li>Director of Edgecore Networks Singapore Pte Ltd</li> </ul>
Director	Ting Sing Co., Ltd. Representative: Du, Heng-Yi	<ul style="list-style-type: none"> <li>Chairman of Chien Shun Trading Co., Ltd.</li> <li>Chairman of Wan Yuan Textiles Co., Ltd.</li> <li>Chairman of Chong Tai Transportation Co., Ltd.</li> <li>Chairman of Ting Fang Investment Co., Ltd.</li> <li>Chairman of Valley View Industrial Co., Ltd.</li> <li>Chairman of Ting Chien Co., Ltd.</li> <li>Chairman of Ting Sing Co., Ltd.</li> <li>Supervisor of The World Champion Co., Ltd.</li> <li>Supervisor of Tai Ve Corporation</li> <li>Supervisor of Summit Packing Industrial Co., Ltd.</li> <li>Director of Ve Wong Corporation</li> <li>Director of South China Insurance Co., Ltd.</li> <li>Director of Taiwan Secom Co., Ltd.</li> <li>Director of The Ambassador Hotel Co., Ltd.</li> <li>Director of Fujitec Taiwan Co., Ltd.</li> <li>Director of Toray International Taipei Inc.</li> </ul>

<b>Category</b>	<b>Name of Candidate</b>	<b>Concurrent Position Held</b>
Independent Director	Lee, Fa-Yauh	<ul style="list-style-type: none"> <li>Independent Director of Aethertek</li> </ul>
Independent Director	Eizo Kobayashi	<ul style="list-style-type: none"> <li>Independent Director of JAPAN AIRLINES</li> <li>Independent Director of JAPAN EXCHANGE GROUP,INC.</li> </ul>
Independent Director	Ankur Singla	<ul style="list-style-type: none"> <li>President/CEO of Exaforce Inc.</li> </ul>

IV. Submitted for resolution.

**Resolution:**

**Extemporaneous Motions**

**Meeting Adjourned**

## **Chapter 3 Attachments**

## **【 Attachment 1 】**

# **Accton Technology Corporation**

## **2023 Business Report**

### **I. 2023 Business Results**

#### **1. Implementation and Results of the 2023 Business Plan**

In 2023, Accton achieved a consolidated revenue of NT\$ 84,188 billion, marking a 9.0% increase compared to the previous year. Furthermore, our consolidated net profit after tax amounted to NT\$ 8,920 billion, reflecting a 9.2% increase over the previous year. Revenue contributions from various product lines were as follows: network switches accounted for 68% of total revenue, network application equipment accounted for 23%, metro access equipment accounted for 6%, wireless network equipment accounted for 1%, with the remaining percentage attributed to Other Services. Looking ahead, our continuous investment in core competencies essential to the new era of network infrastructure positions us to explore adjacent markets, fostering long-term business growth.

#### **2. Budget Execution Status**

In 2023, both revenue and profitability exceeded internal objectives.

#### **3. Research and Development Status**

In 2023, Accton delivered a series of industry-leading new products with accelerated customer adoptions. We remain committed to investing in innovative technologies and services, positioning ourselves as a premium networking infrastructure provider in both hardware and software domains. Noteworthy highlights of our R&D efforts in 2023 include:

- I. Introduction and customer delivery of the industry-leading 51.2T switch with 800G optics, alongside forward development into next-generation switch and interconnectivity optical technology.
- II. Continued mass production of high-density 100G/400G switches for both Hyperscalers and generic Data Centers.
- III. Development of industry-leading AI fabric switch, CXL switches, and appliances, among others.
- IV. Ongoing innovation in AI engine development for both Training and Inference purposes.
- V. Advancements in wireless technologies, including but not limited to WiFi 7.
- VI. Continuous Research and Development of foundation technologies such as Power, Cooling, and Immersion Liquid Cooling, Signal Integrity/Power Integrity, etc. among others.
- VII. Development of smart manufacturing to facilitate global expansion for Manufacturing as a Service.

### **II. Executive Summary of the Business Plan for 2024**

#### **1. Business Strategy**

Our strategic focus for 2024 revolves around maximizing the four-pillar strategy encompassing ODM service, JDM services, Open Networking segments, and strategic technology



partnerships. This approach aims to drive continuous innovation, delivering premium products and services for networking infrastructure with enhanced quality and reduced time to market. Additionally, we seek to nurture and expand strategic partnerships to foster co-development, co-innovation, and co-Go-To-Market initiatives, laying the foundation for long-term technology and business development and adoption.

We are committed to renovating and modernizing our manufacturing and supply chain operations on a global scale to enhance operational efficiency and enable agile capacity planning amidst dynamic business needs, particularly in light of current geopolitical challenges. Moreover, our dedication to Open Networking, both from hardware and software perspectives, remains unwavering, providing agility, flexibility, and openness for practitioners in the open networking space. We prioritize agility and remain open to exploring new adjacent markets for additional revenue streams, investing in both R&D and business model innovation on a global scale. Furthermore, we emphasize global talent acquisition to bolster our workforce capabilities.

## **2. Manufacturing and Sales Strategy**

In 2023, we adeptly navigated the evolving global macroeconomic and geopolitical landscape by expanding our manufacturing footprint and capacity globally through wholly owned facilities and joint ventures. We also exported our Manufacturing as a Service to various regions worldwide. Our core competencies in agility, flexibility, quality, and on-time delivery remain pivotal, driving continuous investment in these areas. We will continue to seamlessly execute this strategy in 2024.

Our diverse customer mix spanning Network Equipment Providers, Hyperscalers, Network as a Service providers, and emerging AI/ML infrastructure providers provides a robust foundation to navigate market dynamics. The rapid growth in AI presents new opportunities to balance the slower growth observed in other sectors, positioning it as a leading growth engine for Accton. We will continue to execute our sales strategy with flexibility, investing in emerging markets with tailored sales coverage and business development efforts to expand our customer base.

## **III. Future Growth Strategies for the Company**

Accton's evolution from a traditional ODM player to a leading technology and service company underscores our commitment to fostering continued growth and innovation. To sustain our leadership position in the market, we will continue to invest in R&D, sales, manufacturing, supply chain, partnerships, technical alliances, and talent acquisition. Brand development will be a critical focus area as we strive for global recognition as a premier provider of networking infrastructure solutions. With the convergence of Networking, Compute, and Storage, alongside the proliferation of AI/ML workloads, Accton will intensify efforts to enhance and expand our core competencies beyond networking.

## **IV. Impact of External Competition, Legal Environment, and Overall Business Environment**

The challenges posed by the macroeconomic and geopolitical landscape persist into 2024. Inventory management remains a prevalent challenge due to high levels of unconsumed inventory accumulated during the COVID-19 pandemic, contributing to slower-than-expected

recovery in sectors such as Enterprise and Telco. Despite these challenges, the surge in demand for new Networking, Compute, and Storage architectures driven by advancements in AI/ML presents significant opportunities for Accton. We are well-positioned to capitalize on this demand, leveraging our past investments and business agility to excel in design, architecture, and innovation.

In conclusion, we recognize the dedication of our hardworking management and staff teams in driving Accton's success. We extend our appreciation to our customers and technology partners for their invaluable contributions, as well as to our shareholders for their enduring support of our vision.

We wish all our families good health, increasing fortune and wisdom, best of luck and happiness.

Chairman: Kuan Xin Investment Corp.  
Representative: Lin, Meen-Ron

Manager:  
Jun Shi

Accounting Supervisor:  
Chen, Fang- I

**Accton Technology Corporation**  
**2023 Audit Committee's Review Report**

The Board of Directors has prepared and submitted the Company's 2023 Business Report, Financial Statements, and Earnings Distribution Table, among which the financial statements were audited and completed by Deloitte & Touche, and an audit report was issued. The aforementioned business reports, financial statements, and earnings distribution table have been examined by the Audit Committee and found to be consistent. Please review them in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Sincerely,

2024 Annual Shareholders' Meeting of Accton Technology Corporation

Convener of Audit Committee: Shu-Chieh Huang

A handwritten signature in black ink, reading "Shu-Chieh Huang". The signature is written in a cursive, flowing style.

Mar. 7, 2024

## 【 Attachment 3 】

### INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Accton Technology Corporation

#### Opinion

We have audited the accompanying financial statements of Accton Technology Corporation (the “Company”) which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including material accounting policy information (collectively referred to as the “financial statements”).

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

#### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's financial statements for the year ended December 31, 2023 are stated as follows:

##### Revenue recognition

For the year ended December 31, 2023, the Company's net operating revenue was NT\$78,945,746 thousand. Refer to Notes 4 and 22 to the financial statements for detailed information on accounting policies on revenue.

We evaluated that the operating revenue of some of the major customers of the Company has grown significantly compared to 2022. Therefore, we considered the occurrence of operating revenue as a key audit matter.

Our audit procedures performed in respect of the above key audit matter included the following:

1. We obtained an understanding of the internal control design and operating procedures regarding the sales transaction cycle, and we assessed the effectiveness of the internal control operations.
2. We selected appropriate samples from sales and inspected and confirmed that purchase orders and delivery orders were consistent with invoices.

3. We selected samples of revenue details and confirmed that actual receipts and certificates of remittances were consistent with the recorded amount; we examined relevant documents and checked the credit period of receivables that had not been received.

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

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

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

Those charged with governance (including the audit committee) are responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the 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 the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

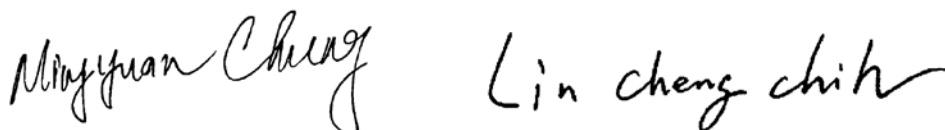
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Ming Yuan Chung and Cheng Chih Lin.

The image shows two handwritten signatures in black ink. The signature on the left is 'Mingyuan Chung' and the signature on the right is 'Lin cheng chih'. Both are written in a cursive, flowing style.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 7, 2024

Notice to Readers

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

*For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.*

# ACCTON TECHNOLOGY CORPORATION

## BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4, 6 and 31)	\$ 10,026,071	18	\$ 4,745,645	10
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 31)	1,786,172	3	203,999	1
Financial assets at fair value through other comprehensive income - current (Notes 4, 8 and 31)	279,690	1	153,308	-
Financial assets at amortized cost - current (Notes 4, 9 and 31)	6,554,925	12	5,727,415	12
Notes and trade receivables, net (Notes 4, 5, 10, 22 and 31)	7,638,138	14	10,165,896	22
Receivables from related parties (Notes 4, 5, 31 and 32)	6,206,705	11	2,941,831	6
Other receivables, net (Notes 4, 10 and 31)	522,787	1	517,587	1
Other receivables from related parties (Notes 4, 31 and 32)	888,918	2	439,197	1
Inventories (Notes 4, 5 and 11)	9,053,885	16	10,020,343	22
Prepayments (Notes 16 and 32)	264,933	-	265,189	1
Other current assets-other (Note 16)	9,466	-	772	-
Total current assets	<u>43,231,690</u>	<u>78</u>	<u>35,181,182</u>	<u>76</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 31)	244,620	1	84,527	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 31)	31,930	-	-	-
Investments accounted for using the equity method (Notes 4, 12 and 32)	7,296,598	13	8,078,275	18
Property, plant and equipment (Notes 4, 13 and 32)	2,516,321	5	1,489,005	3
Right-of-use assets (Notes 4 and 14)	1,260,276	2	1,292,564	3
Intangible assets (Notes 4, 15 and 32)	134,040	-	139,524	-
Deferred income tax assets (Notes 4 and 24)	314,069	1	147,370	-
Prepayments for equipment	134,396	-	9,016	-
Refundable deposits (Note 31)	37,048	-	33,391	-
Other financial assets - non-current (Notes 16, 31 and 33)	79,623	-	79,419	-
Other non-current assets-other (Note 16)	<u>21,470</u>	<u>-</u>	<u>30,039</u>	<u>-</u>
Total non-current assets	<u>12,070,391</u>	<u>22</u>	<u>11,383,130</u>	<u>24</u>
<b>TOTAL</b>	<u>\$ 55,302,081</u>	<u>100</u>	<u>\$ 46,564,312</u>	<u>100</u>

(Continued)

# ACCTON TECHNOLOGY CORPORATION

## BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	2023		2022	
	Amount	%	Amount	%
<b>CURRENT LIABILITIES</b>				
Contract liabilities - current (Notes 4 and 22)	\$ 6,197,366	11	\$ 828,111	2
Trade payables (Note 31)	11,054,225	20	9,508,883	20
Trade payables to related parties (Notes 31 and 32)	3,015,410	5	4,917,929	11
Accrued compensation of employees and remuneration of directors (Note 23)	1,498,111	3	1,348,652	3
Payables to contractors and equipment suppliers (Note 31)	183,003	-	55,645	-
Other payables (Notes 18 and 31)	2,686,214	5	2,152,267	5
Other payables to related parties (Notes 31 and 32)	342,967	1	177,347	-
Income tax payable (Notes 4 and 24)	2,574,587	5	1,931,893	4
Provisions - current (Notes 4 and 19)	257,467	-	260,694	1
Lease liabilities - current (Notes 4 and 14)	113,909	-	116,688	-
Deferred revenue - current (Notes 17 and 27)	8,303	-	8,838	-
Long-term borrowings - current portion (Notes 4, 17, 27 and 31)	300,558	1	925,558	2
Refund liabilities - current (Note 22)	17,106	-	70,172	-
Total current liabilities	<u>28,249,226</u>	<u>51</u>	<u>22,302,677</u>	<u>48</u>
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings (Notes 4, 17, 27 and 31)	537,747	1	2,605,332	6
Deferred income tax liabilities (Notes 4 and 24)	364,939	-	268,380	-
Lease liabilities - non-current (Notes 4 and 14)	938,195	2	935,517	2
Deferred revenue - non-current (Notes 17 and 27)	5,835	-	15,703	-
Net defined benefit liabilities - non-current (Notes 4 and 20)	17,534	-	7,726	-
Guarantee deposits (Note 31)	816	-	816	-
Total non-current liabilities	<u>1,865,066</u>	<u>3</u>	<u>3,833,474</u>	<u>8</u>
Total liabilities	<u>30,114,292</u>	<u>54</u>	<u>26,136,151</u>	<u>56</u>
<b>EQUITY (Notes 4, 21 and 26)</b>				
Share capital				
Ordinary shares	<u>5,603,564</u>	<u>10</u>	<u>5,601,399</u>	<u>12</u>
Capital surplus	<u>874,754</u>	<u>2</u>	<u>857,568</u>	<u>2</u>
Retained earnings				
Legal reserve	3,636,972	7	2,818,364	6
Special reserve	462,016	1	494,541	1
Unappropriated earnings	<u>15,099,756</u>	<u>27</u>	<u>11,169,304</u>	<u>24</u>
Total retained earnings	<u>19,198,744</u>	<u>35</u>	<u>14,482,209</u>	<u>31</u>
Other equity	<u>(438,274)</u>	<u>(1)</u>	<u>(462,016)</u>	<u>(1)</u>
Treasury shares	<u>(50,999)</u>	<u>-</u>	<u>(50,999)</u>	<u>-</u>
Total equity	<u>25,187,789</u>	<u>46</u>	<u>20,428,161</u>	<u>44</u>
<b>TOTAL</b>	<u>\$ 55,302,081</u>	<u>100</u>	<u>\$ 46,564,312</u>	<u>100</u>

The accompanying notes are an integral part of the financial statements.

(Concluded)



# ACCTON TECHNOLOGY CORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 22 and 32)	\$ 78,945,746	100	\$ 69,432,481	100
OPERATING COSTS (Notes 4, 11, 20, 23 and 32)	<u>62,721,034</u>	<u>80</u>	<u>55,789,511</u>	<u>81</u>
GROSS PROFIT	16,224,712	20	13,642,970	19
UNREALIZED REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES (Note 4)	<u>(225,437)</u>	<u>-</u>	<u>(158,201)</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>15,999,275</u>	<u>20</u>	<u>13,484,769</u>	<u>19</u>
OPERATING EXPENSES (Notes 4, 10, 20, 23, 32 and 35)				
Selling and marketing	1,315,387	1	1,241,976	2
General and administrative	1,548,737	2	1,662,372	2
Research and development	3,009,527	4	2,240,436	3
Expected credit (gain) loss	<u>(219)</u>	<u>-</u>	<u>174</u>	<u>-</u>
Total operating expenses	<u>5,873,432</u>	<u>7</u>	<u>5,144,958</u>	<u>7</u>
OPERATING INCOME	<u>10,125,843</u>	<u>13</u>	<u>8,339,811</u>	<u>12</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 12, 23 and 32)				
Interest income	502,019	1	129,639	-
Other income	117,896	-	68,460	-
Other gains and losses	(448,209)	(1)	273,474	-
Finance costs	(46,438)	-	(55,140)	-
Share of profit of subsidiaries and associates	<u>962,017</u>	<u>1</u>	<u>1,219,236</u>	<u>2</u>
Total non-operating income and expenses	<u>1,087,285</u>	<u>1</u>	<u>1,635,669</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	11,213,128	14	9,975,480	14
INCOME TAX EXPENSE (Notes 4 and 24)	<u>2,292,963</u>	<u>3</u>	<u>1,809,668</u>	<u>2</u>
NET INCOME FOR THE YEAR	<u>8,920,165</u>	<u>11</u>	<u>8,165,812</u>	<u>12</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 20 and 21)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(12,059)	-	20,266	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	138,398	-	(57,905)	-
Share of the other comprehensive loss of subsidiaries accounted for using the equity method	(10,963)	-	(31,751)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>(94,147)</u>	<u>-</u>	<u>122,181</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>21,229</u>	<u>-</u>	<u>52,791</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 8,941,394</u>	<u>11</u>	<u>\$ 8,218,603</u>	<u>12</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 15.99</u>		<u>\$ 14.64</u>	
Diluted	<u>\$ 15.86</u>		<u>\$ 14.45</u>	

The accompanying notes are an integral part of the financial statements.

# ACCTON TECHNOLOGY CORPORATION

## STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	Share Capital	Capital Surplus	Retained Earnings			Other Equity Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized (Loss) Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings				
BALANCE AT JANUARY 1, 2022	\$ 5,599,204	\$ 843,580	\$ 2,347,651	\$ 473,221	\$ 6,834,835	\$ (493,628 )	\$ (913 )	\$ (50,999 )	\$ 15,552,951
Adjustments to capital surplus due to the distribution of cash dividends to subsidiaries	-	13,256	-	-	-	-	-	-	13,256
Appropriation of 2021 earnings									
Legal reserve	-	-	470,713	-	(470,713)	-	-	-	-
Special reserve	-	-	-	21,320	(21,320)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(3,359,576)	-	-	-	(3,359,576 )
Net profit for the year ended December 31, 2022	-	-	-	-	8,165,812	-	-	-	8,165,812
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	20,266	122,181	(89,656 )	-	52,791
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	8,186,078	122,181	(89,656 )	-	8,218,603
Share-based payment arrangements	2,195	732	-	-	-	-	-	-	2,927
BALANCE AT DECEMBER 31, 2022	5,601,399	857,568	2,818,364	494,541	11,169,304	(371,447 )	(90,569 )	(50,999 )	20,428,161
Adjustments to capital surplus due to the distribution of cash dividends to subsidiaries	-	16,574	-	-	-	-	-	-	16,574
Appropriation of 2022 earnings									
Legal reserve	-	-	818,608	-	(818,608)	-	-	-	-
Special reserve	-	-	-	(32,525)	32,525	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(4,201,117)	-	-	-	(4,201,117 )
Net profit for the year ended December 31, 2023	-	-	-	-	8,920,165	-	-	-	8,920,165
Other comprehensive (loss) income for the year ended December 31, 2023, net of income tax	-	-	-	-	(12,059)	(94,147 )	127,435	-	21,229
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	8,908,106	(94,147 )	127,435	-	8,941,394
Share-based payment arrangements	2,165	612	-	-	-	-	-	-	2,777
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	9,546	-	(9,546 )	-	-
BALANCE AT DECEMBER 31, 2023	<u>\$ 5,603,564</u>	<u>\$ 874,754</u>	<u>\$ 3,636,972</u>	<u>\$ 462,016</u>	<u>\$15,099,756</u>	<u>\$ (465,594 )</u>	<u>\$ 27,320</u>	<u>\$ (50,999 )</u>	<u>\$ 25,187,789</u>

The accompanying notes are an integral part of the financial statements.

# ACCTON TECHNOLOGY CORPORATION

## STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 11,213,128	\$ 9,975,480
Adjustments for:		
Depreciation expense	609,430	565,628
Amortization expense	53,759	43,689
Expected credit (gain) loss	(219)	174
Net (profit) loss on fair value charges of financial assets designated as at fair value through profit or loss	(26,667)	16,281
Finance costs	46,438	55,140
Interest income	(502,019)	(129,639)
Dividend income	(14,360)	(10,995)
Share of profit of subsidiaries and associates	(962,017)	(1,219,236)
Gain on disposal of property, plant and equipment, net	(2,623)	(251)
Write-downs of inventories	492,151	214,070
Unrealized gain on the transactions with subsidiaries	239,687	158,201
Unrealized loss on foreign currency exchange	115,909	160,182
Amortization of grant revenue	(8,556)	(8,838)
Gain on lease modification	-	(1)
Changes in operating assets and liabilities		
Trade receivables, net	2,414,474	(3,846,938)
Receivables from related parties	(3,707,842)	(37,578)
Other receivables	7,297	(153,199)
Other receivables from related parties	(482,474)	67,429
Inventories	474,307	(32,063)
Prepayments	256	(112,368)
Other current assets	(8,694)	2,471
Contract liabilities	5,369,255	30,013
Trade payables	1,824,437	2,591,256
Trade payables to related parties	(1,821,041)	1,559,102
Accrued compensation of employees and remuneration of directors	149,459	432,409
Other payables	575,945	487,212
Other payables to related parties	174,091	29,126
Provisions	(3,227)	161,372
Refund liabilities	(53,066)	32,272
Net defined benefit liabilities	(2,251)	(1,790)
Cash generated from operations	16,164,967	11,028,611
Interest paid	(41,502)	(41,815)
Income tax paid	(1,720,409)	(812,578)
Net cash generated from operating activities	<u>14,403,056</u>	<u>10,174,218</u>

## CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of financial assets at fair value through other comprehensive income	(32,333)	(2,470)
Proceeds from sale of financial assets at fair value through other comprehensive income	42,458	-
Purchase of financial assets at amortized cost	(15,428,602)	(5,835,575)
Proceeds from sale of financial assets at amortized cost	14,630,107	327,297
Purchase of financial assets at fair value through profit or loss	(3,343,169)	(763,980)
Proceeds from sale of financial assets at fair value through profit or loss	1,627,570	576,012
Acquisition of subsidiary	(420,745)	(372,775)

(Continued)

# ACCTON TECHNOLOGY CORPORATION

## STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	2023	2022
Net cash outflow on disposal of subsidiaries	\$ 2,683	\$ -
Increase in prepayments for investment	-	(30,039)
Acquisition of property, plant and equipment	(1,440,607)	(789,407)
Proceeds from disposal of property, plant and equipment	3,638	363
(Increase) decrease in refundable deposits	(3,657)	3,202
Acquisition of intangible assets	(48,275)	(100,661)
Increase in other financial assets	(204)	-
Increase in other non-current assets	(21,470)	-
Interest received	490,487	89,634
Dividends received from investments accounted for using the equity method	2,037,622	221,515
Dividends received	<u>14,360</u>	<u>10,995</u>
Net cash used in investing activities	<u>(1,890,137)</u>	<u>(6,665,889)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	500,000	776,886
Repayments of short-term borrowings	(500,000)	(776,886)
Proceeds from long-term borrowings	100,000	2,500,000
Repayments of long-term borrowings	(2,800,557)	(175,325)
Repayment of the principal portion of lease liabilities	(161,505)	(141,850)
Dividends paid to owners of the Company	(4,201,117)	(3,359,576)
Employee share options	<u>2,777</u>	<u>2,927</u>
Net cash used in financing activities	<u>(7,060,402)</u>	<u>(1,173,824)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES</b>		
	<u>(172,091)</u>	<u>(26,528)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	5,280,426	2,307,977
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>4,745,645</u>	<u>2,437,668</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 10,026,071</u>	<u>\$ 4,745,645</u>

The accompanying notes are an integral part of the financial statements.

(Concluded)

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Accton Technology Corporation

### Opinion

We have audited the accompanying consolidated financial statements of Accton Technology Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of 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 Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 for the year ended December 31, 2023. 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.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2023 are stated as follows:

#### Revenue recognition

For the year ended December 31, 2023, the Group's net operating revenue was NT\$84,188,426 thousand. Refer to Notes 4, 24 and 39 to the consolidated financial statements for detailed information on accounting policies on revenue.

We evaluated the operating revenue of some of the major customers of the Company and its subsidiaries have grown significantly compared to 2022. Therefore, we considered the occurrence of operating revenue as a key audit matter.

Our audit procedures performed in respect of the above key audit matter included the following:

1. We obtained an understanding of the internal control design and operating procedures regarding the sales transaction cycle, and we assessed the effectiveness of the internal control operations.

2. We selected appropriate samples from sales and inspected and confirmed that purchase orders and delivery orders were consistent with invoices.
3. We selected samples of revenue details and confirmed that actual receipts and certificates of remittances were consistent with the recorded amount; we examined relevant documents and checked the credit period of receivables that had not been received.

### **Other Matter**

We have also audited the parent company only financial statements of Accton Technology Corporation as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

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

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

Those charged with governance (including 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 the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of 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.

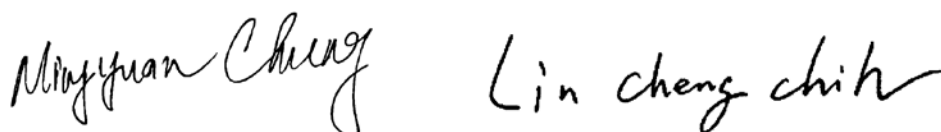
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we 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 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 for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Ming Yuan Chung and Cheng Chih Lin.



Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 7, 2024

Notice to Readers

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

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

# ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4, 6 and 33)	\$ 14,070,421	25	\$ 8,695,372	19
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 33)	1,786,172	3	218,035	-
Financial assets at fair value through other comprehensive income - current (Notes 4, 8 and 33)	306,112	-	183,224	-
Financial assets at amortized cost - current (Notes 4, 9 and 33)	8,169,991	14	5,918,726	13
Notes and trade receivables, net (Notes 4, 5, 10, 24 and 33)	11,118,994	20	13,138,205	29
Receivables from related parties (Notes 4, 5, 33 and 34)	122	-	1,143	-
Other receivables (Notes 4, 10, 26 and 33)	603,214	1	581,505	1
Other receivables from related parties (Notes 4, 33 and 34)	16	-	9,223	-
Inventories (Notes 4, 5 and 11)	13,550,704	24	12,788,108	28
Prepayments (Notes 18 and 34)	360,798	1	341,067	1
Other current assets-other	24,772	-	8,153	-
Total current assets	<u>49,991,316</u>	<u>88</u>	<u>41,882,761</u>	<u>91</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 33)	261,658	1	108,999	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 33)	46,909	-	22,472	-
Investments accounted for using the equity method (Notes 4 and 13)	7,751	-	10,387	-
Property, plant and equipment (Notes 4, 14 and 39)	3,181,458	6	1,804,418	4
Right-of-use assets (Notes 4, 15 and 39)	1,898,651	3	1,641,644	4
Goodwill (Notes 4, 16 and 39)	1,930	-	1,930	-
Intangible assets (Notes 4, 17 and 39)	154,420	-	165,985	1
Deferred income tax assets (Notes 4 and 26)	325,345	1	151,492	-
Prepayments for equipment (Note 39)	492,510	1	77,114	-
Refundable deposits (Notes 33 and 39)	112,548	-	80,835	-
Other financial assets - non-current (Notes 18, 33 and 35)	79,623	-	79,419	-
Other non-current assets-other (Notes 18 and 39)	<u>21,470</u>	<u>-</u>	<u>33,353</u>	<u>-</u>
Total non-current assets	<u>6,584,273</u>	<u>12</u>	<u>4,178,048</u>	<u>9</u>
<b>TOTAL</b>	<u>\$ 56,575,589</u>	<u>100</u>	<u>\$ 46,060,809</u>	<u>100</u>

(Continued)



# ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	2023		2022	
	Amount	%	Amount	%
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 19 and 33)	\$ 133,253	-	\$ -	-
Contract liabilities - current (Notes 4 and 24)	6,245,622	11	876,472	2
Trade payables (Note 33)	13,681,233	24	12,477,718	27
Accrued compensation of employees and remuneration of directors (Note 25)	1,690,169	3	1,514,916	3
Payables to contractors and equipment suppliers	205,572	-	60,692	-
Other payables (Notes 20 and 33)	3,426,176	6	2,993,251	7
Other payables to related parties (Notes 33 and 34)	531	-	-	-
Income tax payable (Notes 4 and 26)	2,803,761	5	2,071,691	5
Provisions - current (Notes 4 and 21)	304,128	1	264,711	1
Lease liabilities - current (Notes 4 and 15)	210,380	-	227,890	-
Deferred revenue - current (Notes 19 and 29)	8,303	-	8,838	-
Long-term borrowings - current portion (Notes 19, 29 and 33)	300,558	1	925,558	2
Refund liabilities - current (Note 24)	69,846	-	145,940	-
Total current liabilities	<u>29,079,532</u>	<u>51</u>	<u>21,567,677</u>	<u>47</u>
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings (Notes 19, 29 and 33)	537,747	1	2,605,332	6
Deferred income tax liabilities (Notes 4 and 26)	364,939	1	268,380	1
Lease liabilities - non-current (Notes 4 and 15)	1,381,397	2	1,167,014	2
Deferred revenue - non-current (Notes 19 and 29)	5,835	-	15,703	-
Net defined benefit liabilities - non-current (Notes 4 and 22)	17,534	-	7,726	-
Guarantee deposits (Note 33)	816	-	816	-
Total non-current liabilities	<u>2,308,268</u>	<u>4</u>	<u>4,064,971</u>	<u>9</u>
Total liabilities	<u>31,387,800</u>	<u>55</u>	<u>25,632,648</u>	<u>56</u>
<b>EQUITY (Notes 4, 23 and 28)</b>				
Share capital				
Ordinary shares	<u>5,603,564</u>	<u>10</u>	<u>5,601,399</u>	<u>12</u>
Capital surplus	<u>874,754</u>	<u>2</u>	<u>857,568</u>	<u>2</u>
Retained earnings				
Legal reserve	3,636,972	6	2,818,364	6
Special reserve	462,016	1	494,541	1
Unappropriated earnings	<u>15,099,756</u>	<u>27</u>	<u>11,169,304</u>	<u>24</u>
Total retained earnings	<u>19,198,744</u>	<u>34</u>	<u>14,482,209</u>	<u>31</u>
Other equity	<u>(438,274)</u>	<u>(1)</u>	<u>(462,016)</u>	<u>(1)</u>
Treasury shares	<u>(50,999)</u>	<u>-</u>	<u>(50,999)</u>	<u>-</u>
Total equity	<u>25,187,789</u>	<u>45</u>	<u>20,428,161</u>	<u>44</u>
<b>TOTAL</b>	<u>\$ 56,575,589</u>	<u>100</u>	<u>\$ 46,060,809</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements

(Concluded)

# ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 24, 34 and 39)	\$ 84,188,426	100	\$ 77,205,223	100
OPERATING COSTS (Notes 4, 11, 22, 25 and 34)	<u>64,925,625</u>	<u>77</u>	<u>60,686,961</u>	<u>78</u>
GROSS PROFIT	<u>19,262,801</u>	<u>23</u>	<u>16,518,262</u>	<u>22</u>
OPERATING EXPENSES (Notes 4, 10, 22, 25 and 34)				
Selling and marketing	1,913,778	2	1,840,534	2
General and administrative	2,067,547	2	2,073,295	3
Research and development	3,780,598	5	2,972,931	4
Expected credit gain	<u>(219)</u>	<u>-</u>	<u>(1,106)</u>	<u>-</u>
Total operating expenses	<u>7,761,704</u>	<u>9</u>	<u>6,885,654</u>	<u>9</u>
OPERATING INCOME	<u>11,501,097</u>	<u>14</u>	<u>9,632,608</u>	<u>13</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 13, 25 and 34)				
Interest income	639,337	1	179,228	-
Other income	87,808	-	99,428	-
Other gains and losses	(420,174)	(1)	433,860	1
Finance costs	(72,971)	-	(68,062)	-
Share of loss of associates	<u>(2,636)</u>	<u>-</u>	<u>(1,139)</u>	<u>-</u>
Total non-operating income and expenses	<u>231,364</u>	<u>-</u>	<u>643,315</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	11,732,461	14	10,275,923	14
INCOME TAX EXPENSE (Notes 4 and 26)	<u>2,812,296</u>	<u>3</u>	<u>2,110,111</u>	<u>3</u>
NET INCOME FOR THE YEAR	<u>8,920,165</u>	<u>11</u>	<u>8,165,812</u>	<u>11</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 22 and 23)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(12,059)	-	20,266	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	127,435	-	(89,656)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>(94,147)</u>	<u>-</u>	<u>122,181</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>21,229</u>	<u>-</u>	<u>52,791</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 8,941,394</u>	<u>11</u>	<u>\$ 8,218,603</u>	<u>11</u>
EARNINGS PER SHARE (Note 27)				
Basic	<u>\$ 15.99</u>		<u>\$ 14.64</u>	
Diluted	<u>\$ 15.86</u>		<u>\$ 14.45</u>	

The accompanying notes are an integral part of the consolidated financial statements.

# ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	Share Capital	Capital Surplus	Retained Earnings			Other Equity		Treasury Shares	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized (Loss) Gain on Financial Assets at Fair Value Through Other Comprehensive Income		
BALANCE AT JANUARY 1, 2022	\$ 5,599,204	\$ 843,580	\$2,347,651	\$ 473,221	\$ 6,834,835	\$ (493,628 )	\$ (913 )	\$ (50,999 )	\$ 15,552,951
Adjustments to capital surplus due to the distribution of cash dividends to subsidiaries	-	13,256	-	-	-	-	-	-	13,256
Appropriation of 2021 earnings									
Legal reserve	-	-	470,713	-	(470,713 )	-	-	-	-
Special reserve	-	-	-	21,320	(21,320 )	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(3,359,576 )	-	-	-	(3,359,576 )
Net profit for the year ended December 31, 2022	-	-	-	-	8,165,812	-	-	-	8,165,812
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	20,266	122,181	(89,656 )	-	52,791
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	8,186,078	122,181	(89,656 )	-	8,218,603
Share-based payment arrangements	2,195	732	-	-	-	-	-	-	2,927
BALANCE AT DECEMBER 31, 2022	5,601,399	857,568	2,818,364	494,541	11,169,304	(371,447 )	(90,569 )	(50,999 )	20,428,161
Adjustments to capital surplus due to the distribution of cash dividends to subsidiaries	-	16,574	-	-	-	-	-	-	16,574
Appropriation of 2022 earnings									
Legal reserve	-	-	818,608	-	(818,608 )	-	-	-	-
Special reserve	-	-	-	(32,525 )	32,525	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(4,201,117 )	-	-	-	(4,201,117 )
Net profit for the year ended December 31, 2023	-	-	-	-	8,920,165	-	-	-	8,920,165
Other comprehensive (loss) income for the year ended December 31, 2023, net of income tax	-	-	-	-	(12,059 )	(94,147 )	127,435	-	21,229
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	8,908,106	(94,147 )	127,435	-	8,941,394
Share-based payment arrangements	2,165	612	-	-	-	-	-	-	2,777
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	9,546	-	(9,546 )	-	-
BALANCE AT DECEMBER 31, 2023	\$ 5,603,564	\$ 874,754	\$3,636,972	\$ 462,016	\$ 15,099,756	\$ (465,594 )	\$ 27,320	\$ (50,999 )	\$ 25,187,789

The accompanying notes are an integral part of the consolidated financial statements.

# ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 11,732,461	\$ 10,275,923
Adjustments for:		
Depreciation expense	878,146	804,961
Amortization expense	75,303	61,693
Expected credit gain	(219)	(1,106)
Net (profit) loss on fair value changes of financial assets designated as at fair value through profit or loss	(19,531)	64,149
Finance costs	72,971	68,062
Interest income	(639,337)	(179,228)
Dividend income	(15,329)	(12,677)
Share of loss of associates	2,636	1,139
(Gain) loss on disposal of property, plant and equipment, net	(332)	2,699
Write-downs of inventories	490,282	201,622
Unrealized loss on foreign currency exchange	21,023	152,175
Amortization of grant revenue	(8,556)	(8,838)
Gain on lease modification	-	(1)
Changes in operating assets and liabilities		
Notes and trade receivables, net	1,899,594	(2,944,220)
Receivables from related parties	1,021	(1,104)
Other receivables	3,057	(144,198)
Other receivables from related parties	10,978	(145)
Inventories	(1,252,203)	247,108
Prepayments	(74,937)	(145,274)
Other current assets	(33,836)	9,886
Contract liabilities	5,368,769	34,836
Notes and trade payables	1,482,870	1,027,828
Accrued compensation of employees and remuneration of directors	175,253	461,876
Other payables	466,146	676,560
Other payables to related parties	(143)	-
Provisions	21,962	161,939
Refund liabilities	(59,223)	35,779
Net defined benefit liabilities	(2,251)	(1,790)
Cash generated from operations	20,596,575	10,849,654
Interest paid	(67,810)	(54,737)
Income tax paid	(2,157,520)	(1,071,555)
Net cash generated from operating activities	18,371,245	9,723,362
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	(32,333)	(30,290)
Proceeds from sale of financial assets at fair value through other comprehensive income	42,458	-
Purchase of financial assets at amortized cost	(17,698,321)	(6,241,187)

(Continued)

# ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Proceeds from sale of financial assets at amortized cost	\$ 15,422,560	\$ 1,163,599
Purchase of financial assets at fair value through profit or loss	(3,583,169)	(1,169,445)
Proceeds from sale of financial assets at fair value through profit or loss	1,881,904	1,118,644
Increase in prepayments for investment	-	(30,039)
Acquisition of property, plant and equipment	(2,244,885)	(951,531)
Proceeds from disposal of property, plant and equipment	13,278	6,106
(Increase) decrease in refundable deposits	(31,627)	3,447
Acquisition of intangible assets	(66,850)	(120,087)
Proceeds from disposal of intangible assets	8	-
Net cash inflow arising from merger	424	-
Increase in other financial assets	(204)	(3,318)
Interest received	615,486	136,933
Dividends received	<u>15,329</u>	<u>12,677</u>
Net cash used in investing activities	<u>(5,665,942)</u>	<u>(6,104,491)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	711,923	776,886
Repayments of short-term borrowings	(574,913)	(776,886)
Proceeds from long-term borrowings	100,000	2,500,000
Repayments of long-term borrowings	(2,800,557)	(175,325)
Repayments of the principal portion of lease liabilities	(310,239)	(263,711)
Dividends paid to owners of the Company	(4,184,543)	(3,346,320)
Employee share options	<u>2,777</u>	<u>2,927</u>
Net cash used in financing activities	<u>(7,055,552)</u>	<u>(1,282,429)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>(274,702)</u>	<u>101,186</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,375,049	2,437,628
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>8,695,372</u>	<u>6,257,744</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 14,070,421</u>	<u>\$ 8,695,372</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

**【 Attachment 4 】**

**Accton Technology Corporation**  
**Comparison Table of Amended Provisions of Articles of Association**

Article No.	Amended Provision	Current Provision	Explanatory Notes
2	<p>The Company undertakes the following businesses:</p> <p>(1) CC01060 Wired Communication Equipment and Apparatus Manufacturing</p> <p>(2) CC01070 Telecommunication Equipment and Apparatus Manufacturing</p> <p>(3) F401010 International Trade</p> <p>(4) CC01100 Restrained Telecom Radio Frequency Equipment and Materials Manufacturing</p> <p>(5) CC01080 Electronic Parts and Components Manufacturing</p> <p>(6) Research, develop, produce, manufacture, and sales on the following products:</p> <p>(i) Computer network system including hardware, system software, web application software, and network workstation.</p> <p>(ii) Customer premises equipment including hardware, system software and application software.</p> <p>(iii) Optoelectronic communication subsystem including optical network, optoelectronic communication module, fiber optic repeater.</p> <p>(iv) Application-specific integrated circuit (ASIC) related to the aforementioned products.</p> <p>(v) Uninterruptible power supply, power supply unit, and components relating to the aforementioned products.</p> <p>(vi) Integrated services digital network point-of-sale system</p>	<p>The Company undertakes the following businesses:</p> <p>(1) CC01060 Wired Communication Equipment and Apparatus Manufacturing</p> <p>(2) CC01070 Telecommunication Equipment and Apparatus Manufacturing</p> <p>(3) F401010 International Trade</p> <p>(4) CC01100 Restrained Telecom Radio Frequency Equipment and Materials Manufacturing</p> <p><del>(i) Radio transmitter</del></p> <p><del>(ii) Radio transceiver</del></p> <p><del>(iii) Radio receiver</del></p> <p><del>(iv) Radiation emitting industrial, scientific, medical electronic device</del></p> <p><del>(v) Other electronic device that generates wireless radiant energy</del></p> <p>(5) CC01080 Electronic Parts and Components Manufacturing</p> <p>(6) Research, develop, produce, manufacture, and sales on the following products:</p> <p>(i) Computer network system including hardware, system software, web application software, and network workstation.</p> <p>(ii) Customer premises equipment including hardware, system software and application software.</p> <p>(iii) Optoelectronic communication subsystem including optical network, optoelectronic communication module, fiber optic repeater.</p> <p>(iv) Application-specific integrated circuit (ASIC) related to the aforementioned products.</p> <p>(v) Uninterruptible power supply, power supply unit, and components relating to the aforementioned products.</p> <p>(vi) Integrated services digital network point-of-sale system</p>	<p>In response to amendment of related regulations</p>

	<p>(vii) Integrated services digital network demultiplexer</p> <p>(viii) Cellular mobile telephone network packet data system</p> <p>(ix) Wireless local area network</p> <p>(x) Wireless subscriber loop system</p> <p>(xi) Satellite phone and related communication equipment, product related technology consulting, installation, maintenance, engineering design service, consultancy service and network service, and technology transfer.</p> <p>(xii) Internet phone and related communication equipment, and product-related technology consulting, installation, maintenance, engineering design service, consultancy and network service, and technology transfer.</p> <p>(xiii) Import and export business related to the Company's business.</p>	<p>(vii) Integrated services digital network demultiplexer</p> <p>(viii) Cellular mobile telephone network packet data system</p> <p>(ix) Wireless local area network</p> <p>(x) Wireless subscriber loop system</p> <p>(xi) Satellite phone and related communication equipment, product related technology consulting, installation, maintenance, engineering design service, consultancy service and network service, and technology transfer.</p> <p>(xii) Internet phone and related communication equipment, and product-related technology consulting, installation, maintenance, engineering design service, consultancy and network service, and technology transfer.</p> <p>(xiii) Import and export business related to the Company's business.</p>	
3	The Company set up its headquarters at <u>Hsinchu County</u> and may establish subsidiaries at home or abroad where necessary, upon resolution of the Board of Directors and approval of the competent authority.	The Company set up its headquarters at <u>Hsinchu Science Park</u> and may establish subsidiaries at home or abroad where necessary, upon resolution of the Board of Directors and approval of the competent authority.	In cooperation with the practical operation's needs
28	<p>Act or other laws and regulations shall govern.</p> <p>.....</p> <p>The 34th amendment was on June 17, 2016. The 35th amendment was on June 13, 2018. The 36th amendment was on June 16, 2022. The 37th amendment was on June 15, 2023. <u>The 38th amendment was on June 13, 2024.</u></p>	<p>Act or other laws and regulations shall govern.</p> <p>.....</p> <p>The 34th amendment was on June 17, 2016. The 35th amendment was on June 13, 2018. The 36th amendment was on June 16, 2022. The 37th amendment was on June 15, 2023.</p>	Added the date of the latest amendment

## **Chapter 4 Appendices**



**Accton Technology Corporation**  
**Articles of Association (Before Amendment)**

**Chapter 1 General Provisions**

- Article 1 : The Company is established in accordance with the Company Act, with the name Accton Technology Corporation.
- Article 2 : The Company undertakes the following businesses:
1. CC01060 Wired Communication Equipment and Apparatus Manufacturing
  2. CC01070 Telecommunication Equipment and Apparatus Manufacturing
  3. F401010 International Trade
  4. CC01100 Restrained Telecom Radio Frequency Equipment and Materials Manufacturing
    - (1) Radio transmitter
    - (2) Radio transceiver
    - (3) Radio receiver
    - (4) Radiation-emitting industrial, scientific, medical electronic device
    - (5) other electronic device that generates wireless radiant energy
  5. CC01080 Electronic Parts and Components Manufacturing
  6. Research, develop, produce, manufacture, and sales on the following products:
    - (1) Computer network system including hardware, system software, web application software, and network workstation.
    - (2) Customer premises equipment including hardware, system software and application software.
    - (3) Optoelectronic communication subsystem including optical network, optoelectronic communication module, fiber optic repeater.
    - (4) Application-specific integrated circuit (ASIC) related to the aforementioned products.
    - (5) Uninterruptible power supply, power supply unit, and components relating to the aforementioned products.
    - (6) Integrated services digital network point-of-sale system
    - (7) Integrated services digital network demultiplexer
    - (8) Cellular mobile telephone network packet data system
    - (9) Wireless local area network
    - (10) Wireless subscriber loop system
    - (11) Satellite phone and related communication equipment, product related technology consulting, installation, maintenance, engineering design service, consultancy service and network service, and technology transfer.
    - (12) Internet phone and related communication equipment, and product-related technology consulting, installation, maintenance, engineering design service, consultancy and network service, and technology transfer.
    - (13) Import and export business related to the Company's business.
- Article 2-1 : The Company's total investment may exceed 40% of its paid-up capital.
- Article 2-2 : The Company may make endorsement/guarantee for external parties due to business requirements.
- Article 3 : The Company set up its headquarters at Hsinchu Science Park and may establish subsidiaries at home or abroad where necessary, upon resolution of the Board of Directors and approval of the competent authority.

- Article 4 : The Company's public notice shall be in accordance to the relevant regulations of the Company Act, unless otherwise stated by the competent authority for securities.

## **Chapter 2 Shareholding**

- Article 5 : The paid-up capital of the Company shall be NT\$8.8 billion, divided as 880,000,000 shares, with a par value of NT\$10 per share, and may be issued in installments. 87,000,000 shares from the total paid-up capital in the preceding paragraph shall be retained as subscription warrant, corporate bonds with warrants, and exercise of stock options for preferred shares with warrants, and may be issued in instalments by a resolution of the Board of Directors.
- Article 6 : The shares issued by the Company shall be registered shares. They shall be affixed with the signatures or personal seals by the chairman, assigned serial numbers, and shall be duly certified or authenticated by the institution which is competent to certify shares under the laws before issuance thereof.
- Article 6-1 : The Company may be exempted from printing any stock certificate for the shares issued. However, the Company shall appoint a centralized securities depository enterprise to register such shares.
- Article 6-2 : To transfer shares to employees at less than the average actual share repurchase price, the Company shall act pursuant to Article 10-1 and Article 13 of the Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies, and obtain the consent of at least two-thirds of the voting rights present at the most recent shareholders' meeting attended by shareholders representing a majority of total issued shares.
- Article 6-3 : To issue employee stock warrants with subscription price lower than market price, the Company shall act pursuant to Article 56-1 and Article 76 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, and obtain the consent of at least two-thirds of the voting rights represented at a shareholders' meeting attended by shareholders representing a majority of the total issued shares.
- Article 6-4 : The Company's transfer of bought-back shares, employees' subscription of new shares and the Company's share subscription warrant and restricted shares may be issued to employees of the parent or subsidiaries of the Company meeting certain specific requirements, and such requirements shall be determined by the Board of Directors.
- Article 7 : The transfer of shares shall be suspended within 60 days prior to the convening date of a general shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the Company for distribution of dividends, bonus, or other benefits.
- Article 7-1 : Share-related matters of the Company are handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies promulgated by the competent authorities.

## **Chapter 3 Shareholders' meeting**

- Article 8 : Shareholders' meetings comprise of two types: General shareholders' meeting and Special shareholders' meeting. General shareholders' meetings shall be convened once a year within six months from the end of each fiscal year. Special shareholders' meetings may be convened when necessary in accordance with the laws.
- Article 8-1: : A notice to convene a general shareholders' meeting shall be given to each shareholder no later than 30 days prior to the scheduled meeting date, and no later than 45 days for shareholders holding bearer share certificates. A notice to convene a special shareholders' meeting shall be given to each shareholder no later than 15 days prior to the scheduled meeting date, and no later than 30 days for shareholders holding bearer share certificates.
- Article 9 : A shareholder may appoint a proxy to attend a shareholders' meeting on his/her/its behalf by executing a proxy form stating therein the scope of power authorized to the proxy. Method of attendance by proxy, besides acting pursuant to the regulations stated in Article 177 of the Company Act, shall also follow the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies promulgated by the competent authority.
- Article 10 : Unless otherwise stated in relevant laws and regulations, a shareholder shall have one vote for each share held.

- Article 11 : Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent a majority of the total number of voting shares.
- Article 11-1 : When the Company holds a shareholders' meeting, the meeting may be held in means of visual communication, or other methods announced by Ministry of Economic Affairs.

#### **Chapter 4 Directors and Audit Committee**

- Article 12 : The Company shall have 5 to 9 directors, with at least 3 independent directors, and at least one-fifth of the board seats, for a term of 3 years. Election of directors adopts a candidate nomination system, and the shareholders shall elect the directors from among the nominees listed in the roster of director candidates, and the directors are eligible for re-election. Independent and non-independent directors are elected at the same time, but in separately calculated numbers.
- The nomination and election methods for director candidates, and independent director's professional qualifications, restrictions on both shareholding and concurrent positions held, and other matters to be complied, shall follow relevant laws and regulations such as Company Act and Securities and Exchange Act.
- Article 12-1 : The Company may take out directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy.
- Article 12-2 : The following relationships may not exist among more than half of the Company's directors:
- (1) Spouse
  - (2) Relatives within the second degree of kinship.
- Article 12-3 : The Company shall act pursuant to Article 14-4 of the Securities and Exchange Act and establish an Audit Committee, composing the entire number of independent directors.
- The number, term of office, responsibilities, and rules of procedures, of the Audit Committee, shall be separately stipulated under the Audit Committee Charter in accordance with the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.
- Article 13 : The Board of Directors shall elect a Chairman and a Vice Chairman of the Board Directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors. The Chairman of the Board of Directors shall internally preside the shareholders' meeting and the meeting of the Board of Directors, and shall externally represent the Company. When a director is absent, he/she shall appoint another director to attend the meeting as proxy by executing a proxy form stating the scope of power authorized to the proxy.
- The reasons for calling a Board of Directors and Audit Committee meeting shall be notified to each director at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice. The notice set forth in the preceding paragraph may be effected in writing, such as letter, fax, or e-mail. Except as otherwise stated in the Company Act, a resolution on a matter at a Board of Directors meeting requires the approval of a majority of the directors present at the meeting that shall be attended by a majority of all directors.
- Article 14 : In case the Chairman of the Board of Directors is on leave, absent, or cannot exercise his/her power and authority for any cause, his/her representative shall be selected according to Article 208 of the Company Act.

- Article 14-1 : The duties and power of the Board of Directors are as follows:
1. Review and approval of business plan.
  2. Review and approval of profit distribution.
  3. Review and approval of capital increase/decrease.
  4. Review and approval of important rules and regulations and contracts.
  5. Appointing or dismissal of the General Manager and Deputy General Managers.
  6. Establishing or abolishing branches.
  7. Review and approval of budget and final accounts.
  8. Review and approval of real estate purchase/sales and investment in other businesses.
  9. Appointment of directors and supervisors in subsidiaries and re-invested companies.
  10. Decisions of other important items.

- Article 15 : The Board of Directors is delegated to determine the remuneration to directors based on their involvement in the Company's business operation and their contributions to the Company with reference to the remuneration standard of the industry.

### **Chapter 5 Managers**

- Article 16 : The Company may have managerial personnel whose appointment, discharge and remuneration shall be handled in accordance with the Company Act.

### **Chapter 6 Accounting**

- Article 17 : Upon closing of each fiscal year of the Company, the Board of Directors shall prepare various reports and financial statements in accordance to the regulations:

1. Business report
2. Financial statements
3. Surplus earnings distribution or loss make-up proposal, to be submitted to the shareholders' meeting for approval.

- Article 18 : If the Company has gained profits within a fiscal year, 1% to 11.25% of the profits shall be reserved as the employees' compensation to employees of the parent or subsidiaries of the Company meeting certain specific requirements, and the Board of Directors shall decide whether to distribute in the form of shares or in cash. The Company may, upon resolution by the Board of Directors, reserve no more than 1.5% of the aforesaid profit as directors' compensation. Proposals for the distribution of employees' compensation and directors' compensation shall be submitted to the shareholders' meeting.

In case of accumulated loss, the Company shall reserve a specific amount to make up for losses. The Company shall then distribute employees and directors compensation according to aforementioned ratios.

### **Chapter 7 Supplementary Provisions**

- Article 19 : If earnings are found after closing the fiscal year, the Company shall first pay income taxes and make up for any accumulated losses, and then reserve 10% as statutory surplus reserve. However, when the statutory surplus reserve has reached the paid-in capital of the Company, the Company no longer has to reserve, and the rest may be reserved or reversed as special surplus reserve. If there are undistributed earnings left, it will be combined with accumulated undistributed earnings and the Board of Directors will propose an earnings distribution motion and ask the shareholders to resolve on the shareholders dividend proposal at the shareholders' meeting.

The Company's dividend policy shall be in line with its current and future development plan, taking into consideration the investment environment, capital requirements, domestic and overseas competition, and the interests of shareholders. Distribution of dividends and bonuses to shareholders may be in the form of cash or shares, and the cash dividend shall not be less than 50% of the total dividend.

- Article 20 : In regard to all matters not provided for in the Articles of Association, the Company Act or other laws and regulations shall govern.

Article 21 : The Articles of Association was established on The 1st amendment was on The second amendment was made on August 25, 1988. The third amendment was made on April 27, 1989. The fourth amendment was made on September 23, 1989. The fifth amendment was made on January 25, 1990. The sixth amendment was made on February 9, 1990. The seventh amendment was made on March 1, 1990. The eighth amendment was made on May 25, 1990. The ninth amendment was made on September 22, 1990. The tenth amendment was made on March 20, 1991. The eleventh amendment was made on April 13, 1992. The twelfth amendment was made on May 26, 1993. The thirteenth amendment was made on April 28, 1994. The fourteenth amendment was made on May 29, 1995. The fifteenth amendment was made on June 25, 1996. The sixteenth amendment was made on May 9, 1997. The seventeenth amendment was made on December 15, 1998. The eighteenth amendment was made on. The nineteenth amendment was made on. The twentieth amendment was made on. The twenty-first amendment was made on. The twenty-second amendment was made on. The twenty-third amendment was made on. The twenty-fourth amendment was made on. The twenty-fifth amendment was made on June 17, 2003. The twenty-sixth amendment was made on. The twenty-seventh amendment was made on June 15, 2004. The twenty-eighth amendment was made on. The 29th amendment was on June 4, 2010. The 30th amendment was on June 9, 2011. The 31st amendment was on June 19, 2012. The 32nd amendment was on June 13, 2014. The 33rd amendment was on June 10, 2015. The 34th amendment was on June 17, 2016. The 35th amendment was on June 13, 2018. The 36th amendment was on June 16, 2022. The 37th amendment was on June 15, 2023.

Accton Technology Corporation

Chairman: Kuan Xin Investment Corp.

Representative: Lin, Meen-Ron

## 【 Appendix 2 】

### **Accton Technology Corporation Rules of Procedure for Shareholders' Meetings**

- Article 1 : The Company's shareholders' meetings shall be handled as per the Rules.
- Article 2 : The rules and procedures for the Company's shareholders' meetings, except as otherwise provided by laws and regulations, or the articles of association, shall be in accordance with the Rules.
- Article 3 : For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.
- A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company 5 days before the date of the shareholders' meeting.
- When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.
- After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company 2 days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.
- After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting via visual communication network, a written notice of proxy cancellation shall be submitted to the Company 2 days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.
- Article 4 : The venue for a shareholders' meeting shall be at the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting shall begin no earlier than 9 a.m. and no later than 3 p.m.
- The aforementioned requirements on meeting venues are not applicable to meetings held via visual communication network.
- Article 5 : The Company shall indicate on the meeting notice the check-in time and location for shareholders, solicitors, and proxies (hereinafter collectively referred to as “shareholders”), and other matters for attention.
- The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.
- For meetings held via visual communication network, the shareholder attendance registrations will be accepted at least 30 minutes prior to the time the meeting commences on the meeting platform, and shareholders who completed the registration shall be deemed as attending in person.
- Shareholders shall attend shareholders' meetings with attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.
- The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
- The Company shall provide attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, ballots shall also be furnished.
- When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

For meetings held via visual communication network, if shareholders intend to participate via visual communication network, they shall sign up with the Company 2 days prior to the shareholders' meeting.

For meetings held via visual communication network, the meeting handbook, annual reports, and other relevant documents shall be uploaded onto the shareholders' video conferencing platforms at least 30 minutes prior to the time the meeting commences and shall be kept disclosed until the meeting adjournment.

Article 5-1 : When convening shareholders' meetings via visual communication network, the Company shall state the following matters in the shareholders meeting notices:

- I. Methods for shareholders to participate in meetings held via visual communication network and exercise rights.
- II. The following matters shall be coped with when there is a problem with the visual communication network for meetings or participating via visual communication network due to natural disasters, incidents or other force majeure events:
  - (I) The time to determine postponed and continued meetings due to the foregoing problems which cannot be solved, and the date for convening such postponed and continued meetings as required.
  - (II) Shareholders who have not registered to attend in the original shareholders' meeting via visual communication network shall not attend in the postponed and continued meetings.
  - (III) When a meeting is held via visual communication network, if a continued meeting cannot be held, the meeting shall continue after deducting the number of shares of shareholders who attend the meeting via visual communication network and when the total number of attending shares reaches the legal quota for the meeting. For shareholders who attend the meeting via visual communication network, their shares shall be counted in the total number of attending shares, provided that all the resolutions of such shareholders' meeting shall be deemed as waiver.
  - (IV) Where all motions have been declared without provisional motion, the manner in which they are handled.
- III. For meetings held via visual communication network, appropriate alternative plans to shareholders with difficulties in participate meetings via visual communication network shall be stated.

Article 6 : The Chairman of the Board shall chair shareholders' meetings if the meeting is convened by the Board of Directors. In the event the Chairman is on leave or unable to exercise his/her authority, the Vice Chairman, if available, shall act on his/her behalf. In the absence of a Vice Chairman, or the Vice Chairman is also on leave or unable to exercise his/her authority, the Chairman shall designate a managing director to act on his/her behalf. In the absence of Managing Directors, a director shall be designated. If none has been designated by the Chairman, a managing director or director shall be elected to act on the Chairman's behalf from among all managing directors or directors of the Company.

When a managing director or a director is to chair the meeting as described in the preceding paragraph, such managing director or director shall have held that position for at least six months and who is familiar with the financial and business conditions of the company. The same principle applies for representatives of juristic person directors.

Shareholders' meetings convened by the Board of Directors shall be attended by a majority of the directors.

For a shareholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting. However, if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

The Company may appoint its attorneys, certified public accountants (CPA), or other related persons to attend a shareholders' meeting in a non-voting capacity.

Article 7 : The Company shall make an audio and video recording of the entire shareholders' meeting, and retain it for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, it shall be retained until the conclusion of the litigation.

For meetings held via visual communication network, the Company shall record make and keep a record of the shareholder registration, meeting sign-ups, attendance registration, questions, voting, and vote counting results. Also, the Company shall keep uninterrupted audio and video recordings of the entire meeting procedure.

The aforementioned audio and video recordings shall be retained for the duration of the existence of the Company, and provide the audio and video recordings to the meeting agencies for retention.

For meetings held via visual communication network, the Company shall make records and video the background operation interface of the meeting platform.

Article 8 : Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book, sign-in cards handed in, and the sign-up records on the video conferencing platforms plus the number of shares whose voting rights are exercised by correspondence or electronically. If the chair does not accept the shareholder's proposal to count the number of attendees, the motion is deemed to have passed if a statutory number is reached during the vote.

If the chair does not accept the shareholder's proposal to count the number of attendees, the motion is deemed to have passed if a statutory number is reached during the vote.

The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. For meetings held via visual communication network, the adjournment of the meeting shall be announced separately on the video conferencing platforms.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. For meetings held via visual communication network, if shareholders intend to participate via visual communication network, they shall sign up again with the Company in accordance with the Rules.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 9 : If a shareholders' meeting is convened by the Board of Directors, the agenda shall be set by the Board of Directors. The motions (including special motions or amended motions) shall be passed one at a time, and the meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair according to statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote, and allow sufficient time for voting.

Article 10 : Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number) and account name. The order in which shareholders speak will be set by the chair.



A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or designate a relevant member of personnel to respond.

For meetings held via visual communication network, attending shareholders may raise questions in writing on the video conferencing platforms after the meeting is called to order and before the meeting is adjourned. No more than 2 questions may be raised for each motion, and each question shall not exceed 200 characters, and shall not be subject to paragraphs 1 through 5.

If the aforementioned questions do not violate the rules or exceed the scope of the agenda item, it is advised to disclose them on the video conferencing platforms for everyone's information.

Article 11 : Voting at a shareholders' meetings shall be calculated based the number of shares.

With respect to the resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, such a shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 12 : A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or shall be recused, or are deemed non-voting shares under Article 179, Paragraph 2 of the Company Act.

When the Company holds a shareholders' meeting, the shareholders shall exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. However, his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting are deemed to have been waived. Therefore, it is advised to refrain from proposing extraordinary motions, or amendments to original motions.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company 2 days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the

event that the shareholder intends to attend the shareholders' meeting in person or via visual communication network, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, 2 days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act, the Company's articles of association, and relevant laws and regulations, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the Market Observation Post System (MOPS).

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results and the number of votes, including weights, shall be announced on-site immediately and recorded.

For meetings held via visual communication network, after the announcement of voting procedure by the chair, a single vote counting shall be conducted and the results of the voting or election shall be announced.

For physical meetings held with visual communication network, if the shareholders, solicitor, or proxies who have signed up for attendance via visual communication network in accordance with Article 5 intend to attend the meeting in person, they shall cancel the signing-up in the same manner as the sign-up process 2 days before the meeting date. If the cancellation is completed after that time, the shareholders, solicitors, or proxies may only attend the meetings via visual communication network.

Shareholders, solicitors, or proxies who are attending the meeting via visual communication network, and do not cancel their intention of exercising voting rights by correspondence or electronic means, except for extraordinary motions, they shall not exercise their voting rights on the scheduled motions, propose amendments to the motions, or exercise their voting rights on amended motions.

Article 13 : The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of weight of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, it shall be retained until the conclusion of the litigation.

Article 14 : Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes mentioned in the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and meeting venue, For meetings held via visual communication network, besides the records as required in the preceding paragraph, the minutes shall also include the starting and ending time of the meetings, convening method of the meetings, full names of the chair and minute-taker(s), and the handling methods and the handling process in case of disruption to the video conferencing platforms or participation under the circumstances of calamities, incidents, or force majeure.

the chair's full name, the methods by which resolutions were adopted, and a summary of the meeting proceeding, and the voting results (including weights), and in case of elections, the number of weighted votes shall be disclosed. The aforementioned meeting minutes shall be retained for the duration of the existence of the Company.

When holding meetings via visual communication network, the Company shall carry out in accordance with the provisions of the preceding paragraph and provide appropriate alternative plans to shareholders with difficulties in attending meetings via visual communication network in the minute book.

Article 15 : The Company shall compile in the prescribed format a statistical statement of the number of the shares obtained by solicitors through solicitation, the number of shares represented by proxies, the number of shares attending by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders' meeting. For meetings held via visual communication network, the aforementioned documents shall be uploaded onto the shareholders' video conferencing platforms at least 30 minutes prior to the time the meeting commences and shall be kept disclosed until the meeting adjournment.

When the Company convenes a meeting via visual communication network, the number of attending shares shall be disclosed on the video conferencing platforms when the meeting is called to order. The number of attending shares recorded during the proceeding of the meeting shall also be disclosed.

If matters put to a resolution at a shareholders' meeting constitute material information identified by the laws and regulations, Taiwan Stock Exchange Corporation (Taipei Exchange), the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 16 : Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or armbands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructs the proceedings, and refuses to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder out from the venue of the meeting.

Article 17 : When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 18 : For meetings held via visual communication network, the Company shall disclose the voting and election results on the video conferencing platforms immediately after the voting, and the results shall be kept disclosed for at least 15 minutes after the chair declares the meeting adjourned.

Article 19 : When the Company convenes the meetings via visual communication network, the chair and the minute taker(s) shall be situated at the same location, and the chair shall announce the

address of such location when the meeting is called to order.

Article 20 : For meetings held via visual communication network, the Company may provide connection testing for shareholders prior to the meetings, and provide relevant instant services before or during the meetings to resolve any connection or technical issues.

For meetings held via visual communication network, when the meeting is called to order, the chair shall announce that of within five days of the new date for postponement or continual of meetings is not subject to Article 182 of the Company Act in circumstances where disruption to the video conferencing platforms or participation due to calamities, incidents, or force majeure occurs and lasts for more than 30 minutes before the chair declares meeting adjourned, unless postponement or continual of meetings are required in situations stipulated in Article 44-22, Paragraph 4 in the Regulations Governing the Administration of Shareholder Services of Public Companies.

For postponed or continued meetings mentioned in preceding paragraph, shareholders who have not registered to attend in the original shareholders' meeting via visual communication network shall not attend in the postponed and continued meetings.

In the postponed or continued meetings mentioned in paragraph 2, for shareholders who have registered to attend the original shareholders' meeting via visual communication network and have completed registration, but have not attended the postponed or continued meetings, their number of shares and voting rights exercised at the original shareholders' meeting shall be counted in the total number of shares and voting rights of the shareholders present at the postponed or continued meetings.

In the postponed, and continued meetings mentioned in paragraph 2, a new deliberation, or resolution is not required for completed voting, vote counting, and proposals whose voting results or list of elected directors are announced.

For physical meetings held with visual communication network, in circumstances where the meetings are unable to be continued via visual communication network under the situations mentioned in Paragraph 2, the meeting may proceed and no postponement or continual of meetings are required if the statutory quorum is met after deducting the number of shares attending via visual communication network.

In the event of continued meetings as mentioned in the preceding paragraph, if a shareholder attends the meeting via visual communication network, his shares shall be counted in the total number of attending shares, provided that all the resolutions of such shareholders' meeting shall be deemed as waiver.

When the Company carries out postponement or continual of meetings in accordance with paragraph 2, the postponement or continual of meetings shall be carried out pursuant to Article 44-20 Paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies. The Company shall conduct preliminary works in accordance with the original shareholders' meeting date and all rules and regulations.

The postponement and continual of meetings shall be conducted in accordance with Paragraph 2, and pursuant to the period stated in the later part in the Article 12, and Article 13, Paragraph 3 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, Article 44-5, Paragraph 2, Article 44-15, Article 44-17, Paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

Article 21 : For meetings held via visual communication network, the Company shall provide appropriate alternative plans to shareholders with difficulties in attending meetings via visual communication network.

Article 22 : The Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.

Article 23 : First amendment made on May 27, 1996. Second amendment made on June 3, 2002. Third amendment made on June 9, 2006. Fourth amendment made on June 19, 2012. Fifth amendment made on June 13, 2014. Sixth amendment made on June 13, 2018. Seventh amendment made on June 16, 2022.

**Accton Technology Corporation  
Procedures for Election of Directors**

Article 1 : The election of the Company's directors shall be conducted in accordance with these Procedures.

Article 2 : The election of the Company's directors (including independent directors) adopts a candidate nomination system.

The election of the Company's directors (including independent directors) adopts a cumulative voting system. Each share will have voting rights in number equal to the directors to be elected, and shall be cast for a single candidate or split among multiple candidates. According to the electronic communication platform and the voting results, those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes.

The election for independent and non-independent directors shall be held at the same time, but the numbers to be elected shall be calculated separately. Attendance card numbers printed on the ballots shall be used instead of recording the names of voting shareholders.

Article 2-1 : The nomination and election methods for director candidates, and independent director's professional qualifications, restrictions on both shareholding and concurrent positions held, and other matters to be complied with, shall follow relevant laws and regulations such as the Company Act and Securities and Exchange Act.

No more than half of the Company's directors shall have the following relationships.

I. Spouse

II. Relatives within the second degree of kinship.

Article 3 : Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the duties of a scrutineer and relevant duties.

Article 4 : Regarding the election of directors, when two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner. The chair shall draw lots on behalf of any absent persons.

Article 5 : Election ballots shall be prepared and issued by the board of directors. Attendance card numbers and the number of votes shall be clearly stated. Ballots shall not be prepared and issued for those who exercise voting rights by electronic means

Article 6 : For shareholder candidates, voters shall fill in the candidate's name and shareholder account number in the "candidate column". For non-shareholder candidates, the candidate's name and identification number shall be filled in.

However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be filled in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person

shareholder and the name of its representative shall be filled in. When there are multiple representatives, the names of each respective representative shall be filled in.

Stamps shall be used instead when the shareholder fills in the name, account number, and identification number of the candidate in the preceding paragraph.

Voters who vote by electronic means shall fill in the number of candidates and enter the number of voting rights that should be allocated. The number of candidates selected shall not exceed the number to be elected, the total number of voting rights allocated shall not exceed the total number of voting rights held by the voter.

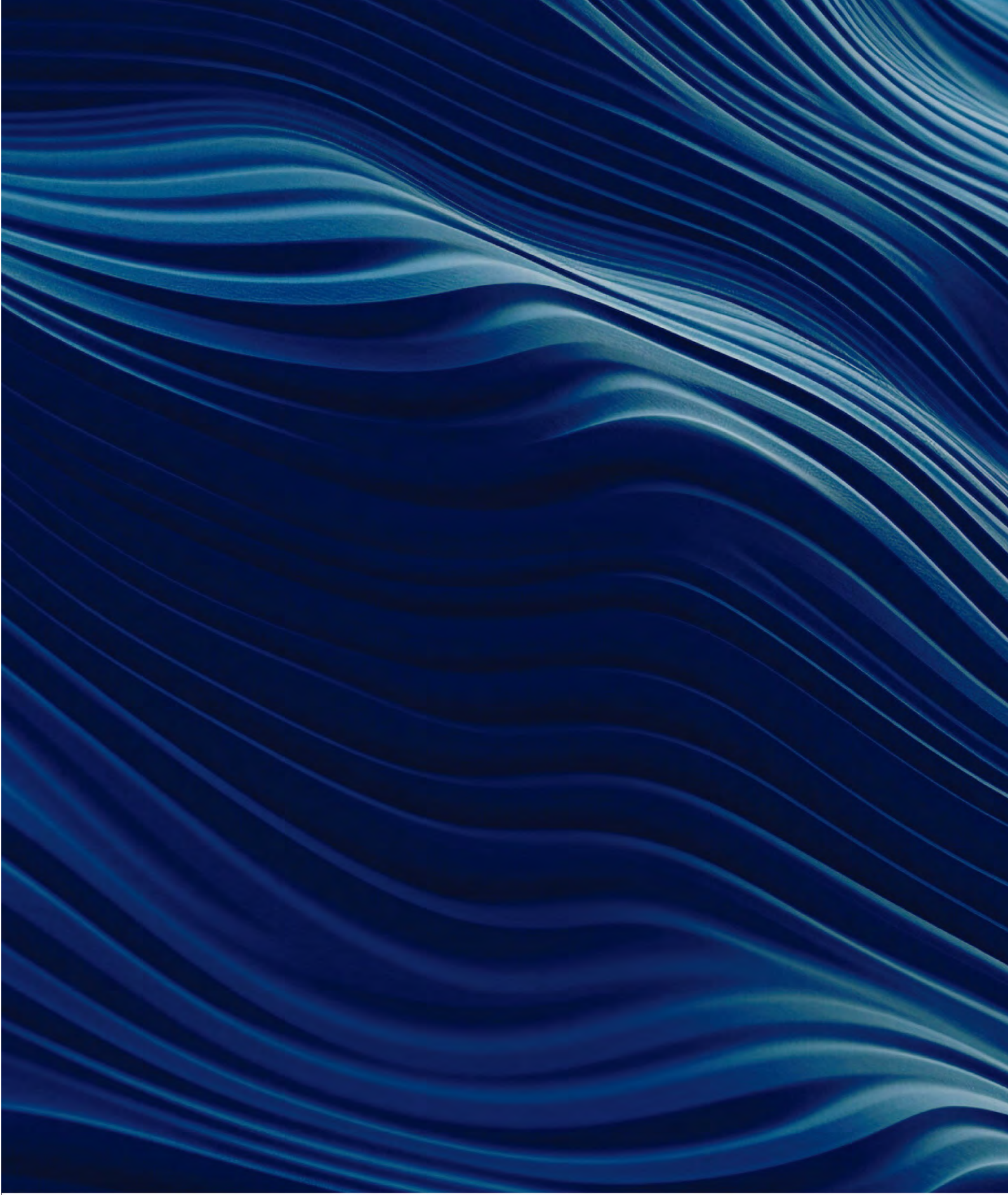
- Article 7 : Ballots are invalid under any of the following circumstances, the voting rights of which shall not be included under the name of such candidate:
1. Failure to comply with Article 5 of these Procedures.
  2. Voting for more than 2 candidates on the same ballot.
  3. Ballots that were not cast into the ballot box and blank ballots.
  4. Ballots with other unwanted words, apart from the candidate's name and its shareholder account number or identification number.
  5. The writing is unclear and indecipherable or has been altered.
  6. The name of the candidate filled in does not match those listed in the shareholder register; the candidate filled in is not a shareholder, and the name and identification number do not match.
  7. Failure to comply with Article 6.
  8. The name of the candidate filled in the ballot is identical to that of another shareholder, and no shareholder account number or identification number is provided in the ballot.
- Article 8 : After voting, the ballot will be opened on the spot under the supervision of a scrutineer. The results of the ballot will be announced by the chair or his designated person.
- Article 9 : The elected directors shall be issued a notice of election by the Company.
- Article 10 : Matters not stipulated in these Procedures are handled in accordance with the Company Act and relevant laws and regulations, the Company's Articles of Incorporation, and the Rules of Procedure for Shareholders Meetings.
- Article 11 : These Procedures, and any amendments thereto, shall be implemented after approval by a shareholders meeting.
- Article 12 : The first amendment was made on May 27, 1996. The second amendment was made on June 9, 2006. The third amendment was made on June 19, 2012. The fourth amendment was made on June 13, 2014. The fifth amendment was made on June 13, 2018.

**Accton Technology Corporation**  
**Shareholding Status of All Directors**  
**Book closure date of stock transfer: Apr. 15, 2024**

Job Title	Name	Number of Shares Held
Chairman	Kuan Xin Investment Corp. Legal Representative: Lin, Meen-Ron	7,070,000
Director	Ting Sing Co., Ltd. Representative : Du, Heng-Yi	2,351,562
Director	Huang, Kuo-Hsiu	820,763
Independent Director	Huang, Shu-Chieh	0
Independent Director	Lee, Fa-Yauh	0
Independent Director	Eizo Kobayashi	0
Independent Director	Ankur Singla	0
Total		10,242,325

Note: 1. As of Apr. 15, 2024, the total number of shares issued by the Company is 560,578,397.  
2. The independent directors selected by the Company exceed half of the seats of all directors, and an Audit Committee has been set up according to the law. The provision that the shareholding ratio of all directors and supervisors shall not be less than a certain ratio does not apply.





## **Accton Technology Corporation**

No.1, Creation 3rd Rd., Hsinchu Science Park,  
East Dist., Hsinchu City 30077

TEL: 03-577-0270

FAX: 03-578-0764

<http://www.accton.com>