

Convening method : physical shareholders meeting.

Meeting time : Jun 13, 2024 (Thursday) 9:00 a.m.

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

Quorum : 523,051,791 shares were represented by shareholders in person and by proxy(among them, 429,802,172 shares voted via electronic transmission), which are mounted to 93.67% of the Company's 558,368,530 issued and outstanding shares (deducting 2,209,867 shares held by the subsidiary, Accton Investment Corp. (BVI) from the Company's total issued shares of 560,578,397).

Directors present : Lin, Meen-Ron(Chairman) Du, Heng-Yi(Director) Huang, Kuo-Hsiu(Director) Huang, Shu-Chieh(Independent director and Chairman of Audit Committee) Lee, Fa-Yauh(Independent director) Jun Shi(President) Chen, Fang-I (CFO) Hung, Yao-Chin, Attorney-at-law of Hong Young Law Office Chung, Ming-Yuan, CPAs of Deloitte & Touche

Chairman : Kuan Xin Investment Corp. Representative: Lin, Meen-Ron Recorder : Hsu, Pei-Chun

**I.Call the Meeting to Order :** The Chairman announced that the aggregate shareholding of the shareholders present in person or proxy constituted a quorum. The Chairman called the meeting to order.

## II.Chairman Remarks: (Omitted)

## **III.Report items:**

- (1) Report on the Company's 2023 business. (see Attachment I)
- (2) Report on the Company's 2023 Audit Committee's Review Report. (see Attachment II)
- (3) Report on the Company's 2023 employees compensation and directors remuneration distribution.

## **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.

# **IV. 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 were attached hereto as Attachments I and III.
- III. Please adopt the proposal.
- **Resolution :** that the above proposal be and hereby was approved as proposed, with a total number of 523,051,791 voting rights.

Voting Results	Total represented share (including votes cast electronically)
Votes in favor :	458,515,000 votes (87.66 % of the total voting rights)
Votes against :	399,943 votes
Votes invalid :	0 votes
Votes abstained :	64,136,848 votes

### 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\$
Undistributed earnings of Previous Years		6,182,104,510
Add:		
Remeasurement of defined benefit Obligation	(12,058,628)	
Disposal of Investments in Equity Instruments at Fair Value	0 545 004	
through other Comprehensive Income	9,545,934	
Net Income of 2023	8,920,164,982	
Undistributed earnings for the Current Period		15,099,756,798
Less:		
10% Legal reserve	(891,765,229)	
Add:		
Special reserve	23,742,442	
Distributable earnings for the current period		14,231,734,011
Distribution item:		
Shareholders' dividends – Cash (NT\$10.0 per share)	5,603,833,970	
Unappropriated retained earnings at the end of period		8,627,900,041

**Resolution :** that the above proposal be and hereby was approved as proposed, with a total number of 523,051,791 voting rights.

Voting Results	Total represented share (including votes cast electronically)
Votes in favor :	461,972,902 votes (88.32 % of the total voting rights)
Votes against :	4,158 votes
Votes invalid :	0 votes
Votes abstained :	61,074,731 votes

# V.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. The comparison of the Articles of Association before and after the amendment is as follows :

Article No.	Amended Provision	Current Provision	Explanatory Notes
2	<ul> <li>The Company undertakes the following businesses:</li> <li>(1) CC01060 Wired Communication Equipment and Apparatus Manufacturing</li> <li>(2) CC01070 Telecommunication Equipment and Apparatus Manufacturing</li> <li>(3) F401010 International Trade</li> <li>(4) CC01100 Restrained Telecom Radio Frequency Equipment and Materials Manufacturing</li> </ul>	<ul> <li>The Company undertakes the following businesses:</li> <li>(1) CC01060 Wired Communication Equipment and Apparatus Manufacturing</li> <li>(2) CC01070 Telecommunication Equipment and Apparatus Manufacturing</li> <li>(3) F401010 International Trade</li> <li>(4) CC01100 Restrained Telecom Radio Frequency Equipment and Materials Manufacturing</li> <li>(i) Radio transmitter</li> <li>(ii) Radio transceiver</li> <li>(iii) Radio receiver</li> <li>(iv) Radiation emitting industrial, scientific, medical electronic device</li> </ul>	In response toamendment ofrelated regulations
	<ul> <li>(5) CC01080 Electronic Parts and Components Manufacturing</li> <li>(6) Research, develop, produce, manufacture, and sales on the following products: <ul> <li>(i) Computer network system including hardware, system software, web application software, and network workstation.</li> <li>(ii) Customer premises equipment including hardware, system software and application software.</li> <li>(iii) Optoelectronic communication subsystem including optical network, optoelectronic communication</li> </ul> </li> </ul>	<ul> <li>(v) Other electronic device that generates wireless radiant energy</li> <li>(5) CC01080 Electronic Parts and Components Manufacturing</li> <li>(6) Research, develop, produce, manufacture, and sales on the following products:</li> <li>(i) Computer network system including hardware, system software, web application software, and network workstation.</li> <li>(ii) Customer premises equipment including hardware, system software and application software.</li> <li>(iii) Optoelectronic communication subsystem including optical network,</li> </ul>	

### **Accton Technology Corporation**

	1 1 24 .	<b>.</b>	
	module, fiber optic repeater.	optoelectronic communication	
	(iv) Application-specific	module, fiber optic repeater.	
	integrated circuit (ASIC)	(iv) Application-specific	
	related to the aforementioned	integrated circuit (ASIC)	
	products.	related to the aforementioned	
	(v) Uninterruptible power supply,	products.	
	power supply unit, and	(v) Uninterruptible power supply,	
	components relating to the	power supply unit, and	
	aforementioned products.	components relating to the	
	(vi) Integrated services digital	aforementioned products.	
	network point-of-sale system	(vi) Integrated services digital	
	(vii) Integrated services digital	network point-of-sale system	
	network demultiplexer	(vii) Integrated services digital	
	(viii) Cellular mobile telephone	network demultiplexer	
	network packet data system	(viii) Cellular mobile telephone	
	(ix) Wireless local area network	network packet data system	
	(x) Wireless subscriber loop	(ix) Wireless local area network	
	system	(x) Wireless subscriber loop	
	(xi) Satellite phone and related	system	
	communication equipment,	(xi) Satellite phone and related	
	product related technology		
		communication equipment,	
	consulting, installation,	product related technology	
	maintenance, engineering	consulting, installation,	
	design service, consultancy	maintenance, engineering	
	service and network service,	design service, consultancy	
	and technology transfer.	service and network service,	
	(xii) Internet phone and related	and technology transfer.	
	communication equipment,	(xii) Internet phone and related	
	and product-related	communication equipment,	
	technology consulting,	and product-related technology	
	installation, maintenance,	consulting, installation,	
	engineering design service,	maintenance, engineering	
	consultancy and network	design service, consultancy	
	service, and technology	and network service, and	
	transfer.	technology transfer.	
	(xiii) Import and export business	(xiii) Import and export business	
	related to the Company's	related to the Company's	
	business.	business.	
			In
3	The Company set up its headquarters		In
	at <u>Hsinchu County</u> and may establish subsidiaries at home or abroad where	at Hsinchu <del>Science Park</del> and may	cooperation with the
		establish subsidiaries at home or	
	necessary, upon resolution of the		practical
	Board of Directors and approval of	resolution of the Board of Directors	operation's
	the competent authority.	11 1	needs
		authority.	
28	Act or other laws and regulations	Act or other laws and regulations	Added the
	shall govern.	shall govern.	date
			of the latest
		The 34th amendment was on June 17,	amendment
	2016. The 35th amendment was on	2016. The 35th amendment was on	
	June 13, 2018. The 36th amendment	June 13, 2018. The 36th amendment	
	was on June 16, 2022. The 37th	was on June 16, 2022. The 37th	
	amendment was on June 15, 2023.	amendment was on June 15, 2023.	
	The 38th amendment was on June 13,		
	2024.		
		1	

- IV. Submitted for resolution.
- **Resolution :** that the above proposal be and hereby was approved as proposed, with a total number of 523,051,791 voting rights.

Voting Results	Total represented share (including votes cast electronically)
Votes in favor :	461,874,692 votes (88.30 % of the total voting rights)
Votes against :	3,645 votes
Votes invalid :	0 votes
Votes abstained :	61,173,454 votes

# VI.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> <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

Category	Name	Academic Background	Experiences	Current Position	Shareholdings (Unit: Share)
Director	Ting Sing Co., Ltd. Representative : Du, Heng-Yi			<ul> <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>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 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>	2,351,562
Inde- pendent Director	Huang, Shu-Chieh	National Chiao Tung University EMBA	CEO of Deloitte & Touche Taiwan	•Independent Director of Accton Technology Corporation	0
Inde- pendent Director	Lee, Fa-Yauh		Acting Superintendent, Taipei Veterans General Hospital	<ul> <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

Inde- pendent Director	Eizo Kobayashi	Osaka University Bachelor of Solid State Physics	Chairman of ITOCHU Corporation	<ul> <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
Inde- pendent Director	Ankur Singla	Stanford University M.S., Electrical Engineering	<ul> <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> <li>President/CEO of Exaforce Inc.</li> <li>Independent Director of Accton Technology Corporation</li> </ul>	0

V. Please adopt this proposal.

### **Election results:**

Title	Account Number	Acconut (Name)	Elected Votes
Director	24318	Kuan Xin Investment Corp.	415,313,478
Director	712	Huang, Kuo-Hsiu	380,999,781
Independent Director	19490*****	Eizo Kobayashi	376,062,862
Independent Director	19770*****	Ankur Singla	372,733,432
Director	192084	Ting Sing Co., Ltd. Representative : Du, Heng-Yi	371,875,508
Independent Director	B1203*****	Huang, Shu-Chieh	365,491,171
Independent Director	A1043*****	Lee,Fa-Yauh	364,889,732

# VII.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 bee lifted below.

Category	Name of Candidate	Concurrent Position Held
Director	Huang, Kuo-Hsiu	<ul> <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> <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>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 Tai Wan 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>
Independent Director	Lee, Fa-Yauh	Independent Director of Aethertek
Independent Director	Eizo Kobayashi	<ul> <li>Independent Director of JAPAN AIRLINES</li> <li>Independent Director of JAPAN EXCHANGE GROUP,INC.</li> </ul>
Independent Director	Ankur Singla	President/CEO of Exaforce Inc.

IV. Submitted for resolution.

**Resolution :** that the above proposal be and hereby was approved as proposed, with a total number of 523,051,791 voting rights.

Voting Results	Total represented share (including votes cast electronically)
Votes in favor :	441,574,177 votes (84.42 % of the total voting rights)
Votes against :	5,571,096 votes
Votes invalid :	0 votes
Votes abstained :	75,906,518 votes

# **VIII.Extemporary Motions**

# IX. Meeting Adjourned : 9:41 am.

# There was no question raised by shareholders at this shareholders meeting.

\*\*In case of any discrepancy between the English and Chinese version of those minutes of 2024 Annual General Shareholders' Meeting of Accton Technology Corporation, the Chinese version shall prevail.

Meenson Lin

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

PeichunHan

Recorder : Hsu, Pei-Chun

# Attachments

# 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

# [Attachment 2]

# 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 Deloitee & 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

She-Chick Houng

Mar. 7, 2024

### **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.

Mingipuan Chung Lin chang chik

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.

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

	2023		2022		
ASSETS	Amount	%	Amount	%	
CURRENT ASSETS					
Corken ASSETS 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	φ 10,020,071	10	φ -,/-15,0-15	10	
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,	7 (20 120	14	10 165 006	22	
22 and 31)	7,638,138	14	10,165,896	22	
Receivables from related parties (Notes 4, 5, 31	6 206 705	11	2,941,831	6	
and 32) Other receivables, net (Notes 4, 10 and 31)	6,206,705 522,787	11	517,587	6 1	
Other receivables from related parties (Notes 4,	522,787	1	517,587	1	
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	43,231,690	78	35,181,182	76	
	,,				
NON-CURRENT ASSETS					
Financial assets at fair value through profit or					
loss - non-current (Notes 4, 7	244 (20)	1	04 507		
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	51,950	-	-	-	
method (Notes 4, 12 and 32)	7,296,598	13	8,078,275	18	
Property, plant and equipment (Notes 4, 13 and	,,,0,0,0	10	0,0,0,2,2	10	
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)	21,470		30,039		
Total non-current assets	12,070,391	22	11,383,130	24	
TOTAL	<u>\$ 55,302,081</u>	100	<u>\$ 46,564,312</u>	100	
			$(C \alpha)$	ntinued)	
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#### BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023		2022		
LIABILITIES AND EQUITY	Amount	%	Amount	%	
CURRENT LIABILITIES					
	\$ 6,197,366	11	\$ 828,111	2	
Contract liabilities - current (Notes 4 and 22)	. , ,	20	\$ 828,111 9,508,883	20	
Trade payables (Note 31)	11,054,225	20	9,508,885	20	
Trade payables to related parties (Notes 31 and	2 015 410	5	4 017 020	11	
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	1,490,111	5	1,546,052	5	
(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	2,080,214	5	2,132,207	5	
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	5	260,694	4	
Lease liabilities - current (Notes 4 and 14)	113,909	_	116,688	1	
Deferred revenue - current (Notes 17 and 27)	8,303		8,838	_	
Long-term borrowings - current portion (Notes	0,505	-	0,050	-	
4, 17, 27 and 31)	300,558	1	925,558	2	
Refund liabilities - current (Note 22)	17,106	-	70,172	-	
Total current liabilities	28,249,226	51	22,302,677	48	
NON-CURRENT LIABILITIES					
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	1,865,066	3	3,833,474	8	
Total liabilities	30,114,292	54	26,136,151	56	
EQUITY (Notes 4, 21 and 26)					
Share capital					
Ordinary shares	5,603,564	10	5,601,399	12	
Capital surplus	874,754	2	857,568	2	
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>	27	11,169,304	24	
Total retained earnings	19,198,744	35	14,482,209	31 (1)	
Other equity	(438,274)	<u>(1</u> )	(462,016)	<u>(1</u> )	
Treasury shares	<u>(50,999</u> )	-	<u>(50,999</u> )	-	
Total equity	25,187,789	46	20,428,161	44	
TOTAL	<u>\$ 55,302,081</u>	100	<u>\$ 46,564,312</u>	_100	

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

(Concluded)

### 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	%
OPED ATING DEVENUE (Notes 4, 22 and 22)	¢ 78 045 746	100	¢ 60 422 491	100
OPERATING REVENUE (Notes 4, 22 and 32) OPERATING COSTS (Notes 4, 11, 20, 23 and 32)	\$ 78,945,746 <u>62,721,034</u>	80	\$ 69,432,481 55,789,511	<u>81</u>
GROSS PROFIT	16,224,712	20	13,642,970	$\frac{81}{19}$
UNREALIZED REALIZED GAIN ON	10,224,712	20	15,042,970	19
TRANSACTIONS WITH SUBSIDIARIES (Note 4)	(225,437)	_	(158,201)	_
REALIZED GROSS PROFIT	15,999,275	20	13,484,769	19
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	(219)		174	
Total operating expenses	5,873,432	7	5,144,958	7
OPERATING INCOME	10,125,843	13	8,339,811	12
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	962,017	<u> </u>	1,219,236	2
Total non-operating income and expenses	1,087,285	1	1,635,669	2
PROFIT BEFORE INCOME TAX	11,213,128	14	9,975,480	14
INCOME TAX EXPENSE (Notes 4 and 24)	2,292,963	3	1,809,668	$\frac{2}{12}$
NET INCOME FOR THE YEAR OTHER COMPREHENSIVE INCOME (LOSS)	8,920,165	11	8,165,812	12
(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	(12,007)		_0,_00	
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	(94,147)		122,181	
Other comprehensive income for the year, net				
of income tax	21,229		52,791	
TOTAL COMPREHENSIVE INCOME FOR THE	¢ 0.041.204	11	¢ 0.010.000	10
YEAR	<u>\$ 8,941,394</u>	11	<u>\$ 8,218,603</u>	12
EARNINGS PER SHARE (Note 25)	¢ 15.00		¢ 1 <i>1 C 1</i>	
Basic Diluted	<u>\$ 15.99</u> <u>\$ 15.86</u>		<u>\$ 14.64</u> \$ 14.45	
Dinnen	<u>\$ 15.86</u>		<u>\$ 14.45</u>	

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

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

				Retained Earnings		Other I Exchange Differences on Translation of the Financial	Unrealized (Loss) Gain on Financial Assets at Fair Value Through Other		
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Statements of Foreign Operations	Comprehensive Income	Treasury Shares	Total Equity
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 Appropriation of 2021 earnings	-	13,256	-	-	-	-	-	-	13,256
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		<u> </u>			20,266	122,181	(89,656)		52,791
Total comprehensive income (loss) for the year ended December 31, 2022		<u> </u>		<u> </u>	8,186,078	122,181	(89,656)	<u> </u>	8,218,603
Share-based payment arrangements	2,195	732	<u> </u>			<u> </u>		<u> </u>	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		<u> </u>		<u> </u>	(12,059)	(94,147)	127,435		21,229
Total comprehensive income (loss) for the year									
ended December 31, 2023	<u> </u>				8,908,106	(94,147)	127,435	<u> </u>	8,941,394
Share-based payment arrangements	2,165	612	-	-	-	-	-	-	2,777
Disposal of investments in equity instruments at							(0 - 1 - 5		
fair value through other comprehensive income BALANCE AT DECEMBER 31, 2023	<u> </u>	<u>-</u> <u>\$ 874,754</u>	<u>\$ 3,636,972</u>	<u> </u>	<u>9,546</u> <u>\$15,099,756</u>	<u>- (465,594</u> )	(9,546) \$ 27,320	<u>-</u> (50,999)	<u>-</u> <u>\$ 25,187,789</u>

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

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

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
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	474,307 256	(32,063)
Prepayments Other current assets	(8,694)	(112,368) 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	14,403,056	10,174,218
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)

(Continued)

### 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	14,360	10,995
Net cash used in investing activities	(1,890,137)	(6,665,889)
CASH FLOWS FROM FINANCING ACTIVITIES		
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	2,777	2,927
Net cash used in financing activities	(7,060,402)	(1,173,824)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN		
CURRENCIES	(172,091)	(26,528)
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,280,426	2,307,977
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	4,745,645	2,437,668
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<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.

Mingyman Chung Lin chang chih

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.

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

	2023		2022		
ASSETS	Amount	%	Amount	%	
CURRENT ASSETS	\$ 14.070.421	25	¢ 9605 272	19	
Cash and cash equivalents (Notes 4, 6 and 33) Financial assets at fair value through profit or loss -	\$ 14,070,421	25	\$ 8,695,372	19	
current (Notes 4, 7 and 33)	1,786,172	3	218,035	_	
Financial assets at fair value through other	1,700,172	5	210,055	_	
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	16		0.000		
and 34)	16	-	9,223	-	
Inventories (Notes 4, 5 and 11)	13,550,704 360,798	24	12,788,108	28	
Prepayments (Notes 18 and 34) Other current assets-other	24,772	1	341,067	1	
Total current assets	49,991,316	88	<u>8,153</u> 41,882,761	<u>-</u> 91	
NON-CURRENT ASSETS	49,991,910	00	41,002,701		
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) Refundable deposits (Notes 33 and 39)	492,510	1	77,114 80,835	-	
Other financial assets - non-current (Notes 18, 33	112,548	-	80,855	-	
and 35)	79,623	_	79,419	_	
Other non-current assets-other (Notes 18 and 39)	21,470	_	33,353	-	
other non-current assets-other (roles 10 and 5))	21,470				
Total non-current assets	6,584,273	12	4,178,048	9	
TOTAL	<u>\$ 56,575,589</u>	_100	<u>\$ 46,060,809</u>	<u>   100    </u>	

(Continued)

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

	2023		2022		
LIABILITIES AND EQUITY	Amount	%	Amount	%	
CURRENT LIABILITIES					
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	15,001,255	24	12,477,710	21	
remuneration of directors (Note 25)	1,690,169	3	1,514,916	3	
	205,572	3	60,692	5	
Payables to contractors and equipment suppliers	,	6	2,993,251	- 7	
Other payables (Notes 20 and 33) Other payables to related partias (Notes 22 and	3,426,176	0	2,995,251	/	
Other payables to related parties (Notes 33 and	521				
34) Lucia (120)	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,	200 550			•	
29 and 33)	300,558	1	925,558	2	
Refund liabilities - current (Note 24)	69,846		145,940	<u> </u>	
Total current liabilities	29,079,532	51	21,567,677	47	
NON-CURRENT LIABILITIES					
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	2,308,268	4	4,064,971	<u>9</u> 56	
Total liabilities	31,387,800	55	25,632,648	56	
EQUITY (Notes 4, 23 and 28)					
Share capital					
Ordinary shares	5,603,564	10	5,601,399	12	
Capital surplus	874,754	2	857,568	2	
Retained earnings					
Legal reserve	3,636,972	6	2,818,364	6	
Special reserve	462,016	1	494,541	1	
Unappropriated earnings	15,099,756	27	11,169,304	24	
Total retained earnings	19,198,744	34	14,482,209	$\frac{31}{(1)}$	
Other equity	(438,274)	(1)	(462,016)	(1)	
Treasury shares	(50,999)		(50,999)		
Total equity	25,187,789	45	20,428,161	44	
TOTAL	<u>\$ 56,575,589</u>	100	<u>\$46,060,809</u>	100	

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

(Concluded)

### 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)	64,925,625	<u> </u>	60,686,961	78	
GROSS PROFIT	19,262,801	23	16,518,262	22	
OPERATING EXPENSES (Notes 4, 10, 22, 25 and 34) Selling and marketing General and administrative Research and development Expected credit gain	1,913,778 2,067,547 3,780,598 (219)	2 2 5	1,840,534 2,073,295 2,972,931 (1,106)	2 3 4	
Total operating expenses	7,761,704	9	6,885,654	9	
OPERATING INCOME	11,501,097	14	9,632,608	13	
NON-OPERATING INCOME AND EXPENSES (Notes 4, 13, 25 and 34) Interest income Other income Other gains and losses Finance costs Share of loss of associates Total non-operating income and expenses PROFIT BEFORE INCOME TAX INCOME TAX EXPENSE (Notes 4 and 26) NET INCOME FOR THE YEAR	639,33787,808(420,174)(72,971)(2,636)231,36411,732,4612,812,2968,920,165	$ \begin{array}{c} 1\\ (1)\\ -\\ -\\ -\\ -\\ -\\ -\\ -\\ -\\ -\\ -\\ -\\ -\\ -\\$	$179,228 \\99,428 \\433,860 \\(68,062) \\(1,139) \\\underline{643,315} \\10,275,923 \\\underline{2,110,111} \\8,165,812 \\$	$ \begin{array}{c}             1 \\                       $	
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 Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income Items that may be reclassified subsequently to profit or loss: Exchange differences on translation of the financial statements of foreign operations	(12,059) 127,435 (94,147)	-	20,266 (89,656) <u>122,181</u>	-	
Other comprehensive income for the year, net of income tax	21,229	<u> </u>	52,791		
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 8,941,394</u>	11	<u>\$ 8,218,603</u>	11	
EARNINGS PER SHARE (Note 27) Basic Diluted	<u>\$ 15.99</u> <u>\$ 15.86</u>		<u>\$ 14.64</u> <u>\$ 14.45</u>		

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

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

					Other E	anity			
				Retained Earnin	igs	Exchange Differences on Translation of the Financial Statements of	Unrealized (Loss) Gain on Financial Assets at Fair Value Through Other		
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Foreign Operations	Comprehensive Income	Treasury Shares	Total Equity
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					0.000.107	(0.1.1.7.)	107 107		0.011.001
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					0.544		(0.54( )		
fair value through other comprehensive income	-	- -	- +2 (2( 072	- ()	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 consolidated financial statements.

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

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 11,732,461	\$ 10,275,923
Adjustments for:	φ 11,752,101	\$ 10,275,925
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	()	(1,100)
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
CASH FLOWS FROM INVESTING ACTIVITIES		
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)

### 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 Proceeds from sale of financial assets at fair value through profit or	(3,583,169)	(1,169,445)
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	15,329	12,677
Net cash used in investing activities	(5,665,942)	(6,104,491)
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	2,777	2,927
Net cash used in financing activities	(7,055,552)	(1,282,429)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE		
OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(274,702)	101,186
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,375,049	2,437,628
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	8,695,372	6,257,744
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)