

**Accton Technology Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Six Months Ended June 30, 2024 and 2023
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Accton Technology Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Accton Technology Corporation and its subsidiaries as of June 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2024 and 2023, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as 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 International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Note 12 to the consolidated financial statements, the consolidated financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of June 30, 2024, and 2023, total assets of these non-significant subsidiaries were NT\$10,787,498 thousand and NT\$6,541,668 thousand, respectively, representing 16% and 14%, respectively, of the consolidated total assets, and total liabilities of these subsidiaries were NT\$2,510,312 thousand and NT\$1,735,468 thousand, respectively, both representing 6% of the consolidated total liabilities; for three months ended June 30, 2024 and 2023, the amounts of comprehensive income of these subsidiaries were NT\$47,528 thousand and NT\$106,179 thousand, respectively, representing 2% and 5%, respectively, of the consolidated total comprehensive income; for the six months ended June 30, 2024 and 2023, the amounts of comprehensive income of these subsidiaries were NT\$249,004 thousand and NT\$114,442 thousand, respectively, both representing 3% of the consolidated comprehensive income. As disclosed in Note 13 to the consolidated financial statements, some investments accounted for using the equity method in the consolidated financial statements were not reviewed. The aggregate carrying amount of these investments were NT\$7,294 thousand and NT\$10,081 thousand as of June 30, 2024 and 2023, respectively, and the share of profit and loss from associates accounted for using the equity method was NT\$(175) thousand and NT\$(255) thousand for the three months ended June 30, 2024 and 2023, respectively; the share of profit and loss from associates accounted for using the equity method was NT\$(457) thousand and NT\$(306) thousand for the six months ended June 30,

2024 and 2023, respectively.

Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statement of the non-significant subsidiaries and associates as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2024 and 2023, its consolidated financial performance for the three months ended June 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Ming Yuan Chung and Hsin Tung Lin.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 8, 2024

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 32)	\$ 13,506,980	20	\$ 14,070,421	25	\$ 11,469,097	24
Financial assets at fair value through profit or loss - current (Notes 7 and 32)	1,465,695	2	1,786,172	3	416,795	1
Financial assets at fair value through other comprehensive income - current (Notes 8 and 32)	232,859	-	306,112	-	257,107	-
Financial assets at amortized cost - current (Notes 9 and 32)	9,093,002	14	8,169,991	14	5,639,983	12
Notes and trade receivables, net (Notes 10 and 32)	14,475,463	21	11,118,994	20	12,079,165	25
Receivables from related parties (Notes 32 and 33)	37	-	122	-	112	-
Other receivables (Notes 10 and 32)	521,529	1	603,214	1	429,332	1
Other receivables from related parties (Notes 32 and 33)	16	-	16	-	3,270	-
Inventories (Note 11)	16,528,352	25	13,550,704	24	12,948,219	27
Prepayments (Note 18)	256,585	-	360,798	1	250,681	-
Other financial assets - current (Notes 18, 32 and 34)	32,344	-	-	-	-	-
Other current assets-other	28,853	-	24,772	-	34,720	-
Total current assets	56,141,715	83	49,991,316	88	43,528,481	90
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 32)	269,865	-	261,658	1	111,441	-
Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 32)	3,151,913	5	46,909	-	22,472	-
Financial assets at amortized cost - non-current (Notes 9 and 32)	1,054,024	2	-	-	-	-
Investments accounted for using the equity method (Note 13)	7,294	-	7,751	-	10,081	-
Property, plant and equipment (Notes 14 and 25)	4,233,680	6	3,181,458	6	2,305,596	5
Right-of-use assets (Note 15)	1,830,126	3	1,898,651	3	1,556,581	3
Goodwill (Note 16)	1,930	-	1,930	-	1,930	-
Intangible assets (Note 17)	135,712	-	154,420	-	157,680	1
Deferred income tax assets (Notes 4 and 26)	286,413	1	325,345	1	133,003	-
Prepayments for equipment	281,386	-	492,510	1	184,031	1
Refundable deposits (Note 32)	138,199	-	112,548	-	121,752	-
Other financial assets - non-current (Notes 18, 32 and 34)	66,543	-	79,623	-	79,623	-
Other non-current assets-other (Note 18)	21,108	-	21,470	-	2,149	-
Total non-current assets	11,478,193	17	6,584,273	12	4,686,339	10
TOTAL	\$ 67,619,908	100	\$ 56,575,589	100	\$ 48,214,820	100

LIABILITIES AND EQUITY	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	%	Amount	%	Amount	%
CURRENT LIABILITIES						
Short-term borrowings (Notes 19 and 32)	\$ 99,971	-	\$ 133,253	-	\$ 31,475	-
Contract liabilities - current (Note 24)	7,913,269	12	6,245,622	11	964,641	2
Trade payables (Note 32)	17,241,240	26	13,681,233	24	13,550,771	28
Accrued compensation of employees and remuneration of directors (Note 25)	1,781,084	3	1,690,169	3	1,639,526	3
Payables to contractors and equipment suppliers (Note 32)	228,086	-	205,572	-	54,950	-
Cash dividends payable (Note 23)	5,581,743	8	-	-	4,184,543	9
Other payables (Notes 20 and 32)	2,810,543	4	3,426,176	6	2,668,723	6
Other payables to related parties (Notes 32 and 33)	353	-	531	-	-	-
Income tax payable (Notes 4 and 26)	1,721,556	3	2,803,761	5	1,504,577	3
Provisions - current (Note 21)	293,153	-	304,128	1	253,464	1
Lease liabilities - current (Note 15)	184,037	-	210,380	-	193,998	-
Deferred revenue - current (Notes 19 and 29)	6,651	-	8,303	-	8,551	-
Long-term borrowings - current portion (Notes 19, 29 and 32)	300,558	-	300,558	1	300,558	1
Refund liabilities - current (Note 24)	59,034	-	69,846	-	176,926	-
Total current liabilities	38,221,278	56	29,079,532	51	25,532,703	53
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 19, 29 and 32)	390,385	1	537,747	1	685,523	1
Deferred income tax liabilities (Notes 4 and 26)	718,817	1	364,939	1	322,684	1
Lease liabilities - non-current (Note 15)	1,406,622	2	1,381,397	2	1,149,147	2
Deferred revenue - non-current (Notes 19 and 29)	2,426	-	5,835	-	9,866	-
Net defined benefit liabilities - non-current (Notes 4 and 22)	16,569	-	17,534	-	6,558	-
Guarantee deposits (Note 32)	816	-	816	-	912	-
Total non-current liabilities	2,535,635	4	2,308,268	4	2,174,690	4
Total liabilities	40,756,913	60	31,387,800	55	27,707,393	57
EQUITY (Notes 23 and 28)						
Share capital						
Ordinary shares	5,605,784	8	5,603,564	10	5,601,589	12
Capital surplus	897,466	2	874,754	2	874,201	2
Retained earnings						
Legal reserve	4,528,737	7	3,636,972	6	3,636,972	7
Special reserve	438,274	-	462,016	1	462,016	1
Unappropriated earnings	13,458,956	20	15,099,756	27	10,473,711	22
Total retained earnings	18,425,967	27	19,198,744	34	14,572,699	30
Other equity	1,984,777	3	(438,274)	(1)	(490,063)	(1)
Treasury shares	(50,999)	-	(50,999)	-	(50,999)	-
Total equity	26,862,995	40	25,187,789	45	20,507,427	43
TOTAL	\$ 67,619,908	100	\$ 56,575,589	100	\$ 48,214,820	100

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

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 24 and 33)	\$ 24,412,390	100	\$ 20,119,767	100	\$ 43,260,102	100	\$ 39,805,355	100
OPERATING COSTS (Notes 11, 22 and 25)	19,227,584	79	15,622,887	78	34,142,420	79	30,997,233	78
GROSS PROFIT	5,184,806	21	4,496,880	22	9,117,682	21	8,808,122	22
OPERATING EXPENSES (Notes 10, 22, 25 and 33)								
Selling and marketing	528,035	2	446,137	2	964,346	2	847,447	2
General and administrative	511,099	2	557,265	3	1,117,287	3	1,046,330	3
Research and development	1,098,890	4	890,671	4	2,068,024	5	1,725,566	4
Expected credit (gain) loss	(1,147)	-	1,590	-	(1,128)	-	1,367	-
Total operating expenses	2,136,877	8	1,895,663	9	4,148,529	10	3,620,710	9
OPERATING INCOME	3,047,929	13	2,601,217	13	4,969,153	11	5,187,412	13
NON-OPERATING INCOME AND EXPENSES (Notes 13, 25 and 33)								
Interest income	214,062	1	153,285	1	425,820	1	293,735	1
Other income	18,686	-	29,711	-	57,940	-	42,658	-
Other gains and losses	115,139	-	301,967	1	754,725	2	123,802	-
Finance costs	(20,220)	-	(14,184)	-	(41,126)	-	(36,321)	-
Share of loss of associates	(175)	-	(255)	-	(457)	-	(306)	-
Total non-operating income and expenses	327,492	1	470,524	2	1,196,902	3	423,568	1
PROFIT BEFORE INCOME TAX	3,375,421	14	3,071,741	15	6,166,055	14	5,610,980	14
INCOME TAX EXPENSE (Notes 4 and 26)	794,263	3	826,845	4	1,341,363	3	1,328,919	3
NET INCOME	2,581,158	11	2,244,896	11	4,824,692	11	4,282,061	11
OTHER COMPREHENSIVE INCOME (LOSS) (Note 23)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(510,101)	(2)	32,421	-	2,168,630	5	83,819	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	59,172	-	(120,224)	-	260,786	1	(102,320)	-
Other comprehensive income, net of income tax	(450,929)	(2)	(87,803)	-	2,429,416	6	(18,501)	-
TOTAL COMPREHENSIVE INCOME	\$ 2,130,229	9	\$ 2,157,093	11	\$ 7,254,108	17	\$ 4,263,560	11
EARNINGS PER SHARE (Note 27)								
Basic	\$ 4.62		\$ 4.02		\$ 8.64		\$ 7.67	
Diluted	\$ 4.61		\$ 4.00		\$ 8.59		\$ 7.61	

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

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (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, 2023	\$ 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 income for the six months ended June 30, 2023	-	-	-	-	4,282,061	-	-	-	4,282,061
Other comprehensive (loss) income for the six months ended June 30, 2023, net of income tax	-	-	-	-	-	(102,320)	83,819	-	(18,501)
Total comprehensive (loss) income for the six months ended June 30, 2023	-	-	-	-	4,282,061	(102,320)	83,819	-	4,263,560
Share-based payment arrangements	190	59	-	-	-	-	-	-	249
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	9,546	-	(9,546)	-	-
BALANCE AT JUNE 30, 2023	<u>\$ 5,601,589</u>	<u>\$ 874,201</u>	<u>\$ 3,636,972</u>	<u>\$ 462,016</u>	<u>\$ 10,473,711</u>	<u>(\$ 473,767)</u>	<u>(\$ 16,296)</u>	<u>(\$ 50,999)</u>	<u>\$ 20,507,427</u>
BALANCE AT JANUARY 1, 2024	\$ 5,603,564	\$ 874,754	\$ 3,636,972	\$ 462,016	\$ 15,099,756	(\$ 465,594)	\$ 27,320	(\$ 50,999)	\$ 25,187,789
Adjustments to capital surplus due to the distribution of cash dividends to subsidiaries	-	22,091	-	-	-	-	-	-	22,091
Appropriation of 2023 earnings									
Legal reserve	-	-	891,765	-	(891,765)	-	-	-	-
Special reserve	-	-	-	(23,742)	23,742	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(5,603,834)	-	-	-	(5,603,834)
Net income for the six months ended June 30, 2024	-	-	-	-	4,824,692	-	-	-	4,824,692
Other comprehensive income for the six months ended June 30, 2024, net of income tax	-	-	-	-	-	260,786	2,168,630	-	2,429,416
Total comprehensive income for the six months ended June 30, 2024	-	-	-	-	4,824,692	260,786	2,168,630	-	7,254,108
Share-based payment arrangements	2,220	621	-	-	-	-	-	-	2,841
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	6,365	-	(6,365)	-	-
BALANCE AT JUNE 30, 2024	<u>\$ 5,605,784</u>	<u>\$ 897,466</u>	<u>\$ 4,528,737</u>	<u>\$ 438,274</u>	<u>\$ 13,458,956</u>	<u>(\$ 204,808)</u>	<u>\$ 2,189,585</u>	<u>(\$ 50,999)</u>	<u>\$ 26,862,995</u>

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

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	Six Months Ended June 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 6,166,055	\$ 5,610,980
Adjustments for:		
Depreciation expense	481,613	422,572
Amortization expense	39,520	36,600
Expected credit (gain) loss	(1,128)	1,367
Net gain on financial assets and liabilities at fair value through profit or loss	(44,083)	(4,905)
Finance costs	41,126	36,321
Interest income	(425,820)	(293,735)
Dividend income	(8,744)	(56)
Share of loss of associates	457	306
Loss (gain) on disposal of property, plant and equipment, net	1,498	(4,161)
Write-downs of inventories	63,729	223,481
Unrealized gain on foreign currency exchange	(254,677)	(212,910)
Amortization of grant revenue	(4,186)	(4,277)
Changes in operating assets and liabilities		
Notes and trade receivables, net	(3,050,166)	1,346,385
Receivables from related parties	85	1,031
Other receivables	149,200	180,085
Other receivables from related parties	-	7,724
Inventories	(3,048,638)	(382,255)
Prepayments	104,213	97,348
Other current assets	(4,081)	(24,463)
Contract liabilities	1,667,647	87,788
Notes and trade payables	3,015,638	774,751
Accrued compensation of employees and remuneration of directors	90,915	124,610
Other payables	(666,084)	(341,065)
Other payables to related parties	(178)	(674)
Provisions	(11,151)	(11,283)
Refund liabilities	(12,676)	30,155
Net defined benefit liabilities	(965)	(1,168)
Cash generated from operations	4,289,119	7,700,552
Interest paid	(39,829)	(33,284)
Income tax paid	(2,585,373)	(1,823,240)
Net cash generated from operating activities	<u>1,663,917</u>	<u>5,844,028</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(320,738)	(403)
Proceeds from sale of financial assets at fair value through other comprehensive income	39,815	42,458
Purchase of financial assets at amortized cost	(10,749,717)	(7,162,117)

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ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	Six Months Ended June 30	
	2024	2023
Proceeds from sale of financial assets at amortized cost	8,939,441	7,601,511
Purchase of financial assets at fair value through profit or loss	(952,098)	(210,348)
Proceeds from sale of financial assets at fair value through profit or loss	1,289,308	14,051
Acquisition of property, plant and equipment	(1,112,225)	(898,111)
Proceeds from disposal of property, plant and equipment	1,552	11,928
Increase in refundable deposits	(25,443)	(40,623)
Acquisition of intangible assets	(20,161)	(31,508)
Proceeds from disposal of intangible assets	-	8
Net cash inflow arising from merger	-	424
Increase in other financial assets	(19,264)	(204)
Decrease in other non-current assets	362	-
Interest received	369,634	279,886
Dividends received	8,744	56
Net cash used in investing activities	(2,550,790)	(392,992)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	44,931	57,473
Repayments of short-term borrowings	(70,836)	(29,588)
Proceeds from long-term borrowings	-	100,000
Repayments of long-term borrowings	(150,279)	(2,650,279)
Guarantee deposits received	-	96
Repayments of the principal portion of lease liabilities	(109,693)	(114,131)
Employee share options	2,841	249
Net cash used in financing activities	(283,036)	(2,636,180)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	606,468	(41,131)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(563,441)	2,773,725
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	14,070,421	8,695,372
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 13,506,980	\$ 11,469,097

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

(Concluded)

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Accton Technology Corporation (the “Company”) was incorporated in Hsinchu Science-based Industrial Park in February 1988. The Company develops, manufactures and sells innovative high-quality products for computer network systems and wireless land area network (LAN) hardware and software products and renders related technical consulting and engineering design services.

The Company’s shares have been listed on the Taiwan Stock Exchange since November 5, 1995.

The Company together with the entities controlled by the Company are hereinafter referred to collectively as the “Group”.

The functional currency of the Group is the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on August 8, 2024.

3. APPLICATION OF NEW AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note)

Note : An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
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Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as ‘other’ only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” endorsed and issued into effect by the FSC. The consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements prepared under the IFRS Accounting Standards endorsed.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values and net defined benefit liabilities that are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

See Note 12 and Tables 7 and 8 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

In addition to the description below, please refer to the summary of significant accounting policies in the 2023 consolidated financial statements.

1) Classification of current and non-current assets and liabilities

Current assets include:

- a) Assets held primarily for the purpose of trading;
- b) Assets expected to be realized within 12 months after the reporting period; and
- c) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- a) Liabilities held primarily for the purpose of trading;
- b) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- c) Liabilities for which the Group does not have an unconditional right to defer settlement for

at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification

Assets and liabilities that are not classified as current are classified as non-current.

2) Retirement benefits

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

3) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same material accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2023.

6. CASH AND CASH EQUIVALENTS

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand	\$ 1,499	\$ 1,780	\$ 1,390
Checking accounts and demand deposits	3,980,030	3,596,922	3,117,822
Cash equivalents			
Time deposits with original maturities of less than 3 months	8,744,001	10,231,719	7,802,785
Repurchase agreements collateralized by bonds	781,450	240,000	547,100
	<u>\$ 13,506,980</u>	<u>\$ 14,070,421</u>	<u>\$ 11,469,097</u>

The market rate intervals of cash in bank and bank overdrafts at the end of the reporting period were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Bank balance	0.001%-5.490%	0.001%-5.780%	0.001%-5.390%
Repurchase agreements collateralized by bonds	1.000%-5.380%	0.930%-0.940%	0.960%-4.900%

Cash and cash equivalents are assessed for impairment. The Group considers its cash and cash equivalents as low credit risk; thus, no allowance for impairment loss was recognized.

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Mutual funds	<u>\$ 1,465,695</u>	<u>\$ 1,786,172</u>	<u>\$ 416,795</u>
<u>Financial assets at FVTPL - non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Domestic and foreign unlisted shares	\$ 152,479	\$ 125,129	\$ 111,441
Foreign convertible bonds	79,100	79,100	-
Structured products	<u>38,286</u>	<u>57,429</u>	<u>-</u>
	<u>\$ 269,865</u>	<u>\$ 261,658</u>	<u>\$ 111,441</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Current</u>			
Domestic and foreign investments			
Listed shares and emerging market shares	<u>\$ 232,859</u>	<u>\$ 306,112</u>	<u>\$ 257,107</u>
<u>Non-current</u>			
Foreign investments			
Foreign listed shares	\$ 2,765,123	\$ -	\$ -
Foreign unlisted shares	386,790	46,909	22,472
	<u>\$ 3,151,913</u>	<u>\$ 46,909</u>	<u>\$ 22,472</u>

The Group holds listed (unlisted) shares and emerging market shares of domestic and foreign for strategic purposes and expects to profit from the investment. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
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Current

Time deposits with original maturity of more than 3 months (Note 1)	\$ 9,093,002	\$ 8,169,991	\$ 5,639,983
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Non-current

Corporate bonds (Note 2)	\$ 761,188	\$ -	\$ -
Government bonds/Agency bonds (Note 3)	292,836	-	-
	<u>\$ 1,054,024</u>	<u>\$ -</u>	<u>\$ -</u>

Note 1: The ranges of interest rates for time deposits with original maturities of more than 3 months were 0.25%-5.77%, 0.25%-5.77% and 0.25%-5.34% per annum as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively.

Note 2: For the six months ended June 2024, the Group purchased corporate bonds with par values ranging from \$500 thousand to \$3,000 thousand, with maturities of 1.6 to 5 years. The bonds have coupon rates ranging from 3.125% to 5.500%, and effective interest rates ranging from 4.492% to 5.500%.

Note 3: For the six months ended June 2024, the Group purchased government bonds with par values ranging from \$1,000 thousand to \$1,300 thousand, with maturities of 3 to 10 years. The bonds have coupon rates ranging from 3.125% to 4.625%, and effective interest rates ranging from 4.112% to 4.642%.

Financial assets at amortized cost are assessed for impairment. The Group considers its financial assets at amortized cost as low credit risk; thus, no allowance for impairment loss was recognized. Refer to Note 32 for information relating to the credit risk management and assessed impairment for financial assets at amortized cost.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Notes receivable</u>			
Notes receivable - operating	\$ -	\$ 475	\$ 31
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 14,490,871	\$ 11,134,357	\$ 12,096,498
Less: Allowance for impairment loss	(15,408)	(15,838)	(17,364)
	<u>\$ 14,475,463</u>	<u>\$ 11,118,519</u>	<u>\$ 12,079,134</u>
<u>Other receivables</u>			
At amortized cost			
Gross carrying amount	\$ 524,575	\$ 606,260	\$ 432,378
Less: Allowance for impairment loss	(3,046)	(3,046)	(3,046)
	<u>\$ 521,529</u>	<u>\$ 603,214</u>	<u>\$ 429,332</u>

a. Notes and trade receivables

The average credit period of sales of goods is 30 days, and some customers have credit period of 45 to 90 days after the end of the month. No interest is charged on trade receivables. The Group adopted a

policy to obtain sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information and its own historical transaction records to rate its major customers.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the past default experience of the customer, the customer's current financial position, as well as the economic condition of the industry in which the customer operates. The Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base. The Group estimates expected credit losses based on the number of days for which receivables are past due.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

June 30, 2024

	<u>Not Past Due</u>	<u>1 to 60 Days Past Due</u>	<u>61 to 180 Days Past Due</u>	<u>Over 180 Days Past Due</u>	<u>Total</u>
Gross carrying amount	\$ 13,481,980	\$ 994,700	\$ 4,813	\$ 9,378	\$ 14,490,871
Loss allowance (Lifetime ECLs)	-	(5,704)	(326)	(9,378)	(15,408)
Amortized cost	<u>\$ 13,481,980</u>	<u>\$ 988,996</u>	<u>\$ 4,487</u>	<u>\$ -</u>	<u>\$ 14,475,463</u>

December 31, 2023

	<u>Not Past Due</u>	<u>1 to 60 Days Past Due</u>	<u>61 to 180 Days Past Due</u>	<u>Over 180 Days Past Due</u>	<u>Total</u>
Gross carrying amount	\$ 10,382,899	\$ 740,927	\$ 8	\$ 10,523	\$ 11,134,357
Loss allowance (Lifetime ECLs)	-	(5,314)	(1)	(10,523)	(15,838)
Amortized cost	<u>\$ 10,382,899</u>	<u>\$ 735,613</u>	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ 11,118,519</u>

June 30, 2023

	<u>Not Past Due</u>	<u>1 to 60 Days Past Due</u>	<u>61 to 180 Days Past Due</u>	<u>Over 180 Days Past Due</u>	<u>Total</u>
Gross carrying amount	\$ 11,355,361	\$ 699,202	\$ 29,752	\$ 12,183	\$ 12,096,498
Loss allowance (Lifetime ECLs)	-	(3,534)	(1,647)	(12,183)	(17,364)
Amortized cost	<u>\$ 11,355,361</u>	<u>\$ 695,668</u>	<u>\$ 28,105</u>	<u>\$ -</u>	<u>\$ 12,079,134</u>

The movements of the loss allowance of trade receivables were as follows:

**For the Six Months Ended
June 30**

	<u>2024</u>	<u>2023</u>
Balance at January 1	\$ 15,838	\$ 16,275
Add: Amounts (reversed) provisioned	(1,128)	1,367
Foreign exchange gains and losses	<u>698</u>	<u>(278)</u>
Balance at June 30	<u>\$ 15,408</u>	<u>\$ 17,364</u>

b. Other receivables

The average credit period of sales of goods is 30 days, and some customers have credit period of 30 to 45 days after the end of the month. No interest is charged on other receivables. The Group adopted a policy to obtain sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The movements of the loss allowance of other receivables were as follows:

	For the Six Months Ended June 30	
	<u>2024</u>	<u>2023</u>
Balance at January 1 and June 30	<u>\$ 3,046</u>	<u>\$ 3,046</u>

As of June 30, 2024, December 31, 2023 and June 30, 2023, the amount of allowance losses did not include individual impairment of other receivables that were subject to risk control due to tight cash flow from customers.

11. INVENTORIES

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Merchandise	\$ 3,416,733	\$ 2,426,943	\$ 1,219,285
Finished goods	4,259,989	2,697,338	2,187,113
Work in process	1,419,860	723,969	1,330,286
Raw materials	<u>7,431,770</u>	<u>7,702,454</u>	<u>8,211,535</u>
	<u>\$ 16,528,352</u>	<u>\$ 13,550,704</u>	<u>\$ 12,948,219</u>

The cost of inventories recognized as cost of goods sold for the three months ended June 30, 2024 and 2023, which amounted to \$19,227,584 thousand, \$15,622,887 thousand, respectively; and \$34,142,420 thousand and \$30,997,233 thousand for the six months ended June 30, 2024 and 2023, respectively. The cost of inventories recognized as cost of goods sold consisted an inventory write-down for the three months ended June 30, 2024 and 2023, which amounted to \$47,477 thousand, \$172,346 thousand, respectively; and \$63,729 thousand and \$223,481 thousand for the six months ended June 30, 2024 and 2023, respectively.

12. SUBSIDIARIES

The subsidiaries in the consolidated financial statement:

Note 1: The financial statements of the non-material subsidiaries for the six months ended June 30, 2024, and 2023 were not reviewed by the CPAs, except Joy Tech and Accton Global.

Investor	Investee	Main Business	% of Ownership			Remark
			June 30, 2024	December 31, 2023	June 30, 2023	
The Company	Accton Century Holding (BVI) Co., Ltd. ("Accton Century")	Investment holding company	100	100	100	-
	Edgecore Networks Corp. ("Edgecore Networks")	Research, development, design, manufacture and selling of switching hubs	100	100	100	-
	Accton Global, Inc. ("Accton Global")	Selling and marketing of high-quality LAN hardware and software products	100	100	100	Note 1
	Accton Manufacturing and Service, Inc. ("AMS")	Manufacture and selling of switching hubs	100	100	100	-
	Accton Investment Corp. ("Accton Investment")	Investment holding company	100	100	100	-
	Accton Technology (China) Co., Ltd. ("Accton China")	Investment holding company	100	100	100	-
	Accton Technology Corp. USA ("Accton USA")	Service of technique of high-quality LAN hardware and software products	100	100	100	-
	Accton Logistics Corp. ("AL")	Selling and marketing of high-quality LAN hardware and software products	100	100	100	-
	Nocsys Inc. ("Nocsys")	Investment holding company	-	-	100	Note 2
	E-Direct Corp. ("E-Direct")	Provides services in information software and information technology	100	100	100	-
	Vietnam Accton Technology Co., Ltd. ("Accton Vietnam")	Research, development, design, manufacture and selling of switching hubs	100	100	100	-
	Metalligence Technology Corp. ("Metalligence")	Provides e-commerce apps, information software and advertising services	100	100	100	-
	ACCE Technology Corp. (ACCE)	Investment holding company	100	-	-	Note 3
	Accton Asia Investments Corp. ("Accton Asia")	Investment holding company	100	100	100	-
	Accton Asia Joy Technology (Shenzhen) Co., Ltd. ("Joy Tech")	Selling and producing of high-end network switches	100	100	100	Note 1
Joy Tech	ATAN NetworKs Co., Ltd. ("ATAN")	Sale of network products	100	100	100	-
Accton China	Accton Technology Co., Ltd. ("Accton SH")	Sale of network products	100	100	100	-
Accton SH	MuXi Technology Co., Ltd. ("MuXi")	Sale of network products	100	100	100	-
Edgecore Networks	Edgecore Networks Singapore Pte. Ltd. ("Edgecore Singapore")	Selling and marketing of high-quality LAN hardware and software products	100	100	100	-
	Edgecore Americas Networking Corp. ("Edgecore Americas")	Selling and marketing of high-quality LAN hardware and software products	100	100	100	-
	Edgecore Networks India Pvt. Ltd. ("Edgecore India")	Research, development, design, manufacture and selling of switching hubs	100	100	100	-
ACCE	GoldiLink Technology Corp. ("GoldiLink")	Research, development, design, manufacture and selling of optical modules	100	-	-	Note 4

Note 2: In December 2023, Nocsys Inc. completed its liquidation procedures.

Note 3: In February 2024, ACCE Technology Corp. completed the capital injection.

Note 4: In May 2024, GoldiLink completed its registration of establishment.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2024	December 31, 2023	June 30, 2023
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Associates that are not individually material	\$ 7,294	\$ 7,751	\$ 10,081
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On the date of balance sheet, the percentage of the Group's ownership and voting rights to the associates as follows:

Name of Associate	Main Business	Location	June 30, 2024	December 31, 2023	June 30, 2023
Oenix Biomed Co., Ltd.	Research and development of health care services and equipment	Taipei	40%	40%	40%
CheerLife Technology Corp.	Provides e-commerce apps, information software and advertising services	Taipei	20%	20%	20%

14. PROPERTY, PLANT AND EQUIPMENT

Assets used by the Group

	Buildings	Machinery and Equipment	Molding Equipment	Testing Equipment	Transportation Equipment	Office Equipment	Leasehold Improvements	Other Equipment	Construction in Progress	Total
<u>Cost</u>										
Balance at January 1, 2024	\$ 408,702	\$ 2,552,887	\$ 564,782	\$ 693,417	\$ 39,895	\$ 256,409	\$ 637,620	\$ 480,353	\$ 1,592,280	\$ 7,226,345
Additions	23,222	175,024	40,683	73,114	1,923	17,455	248,421	17,064	747,636	1,344,542
Reductions	-	(42,846)	(8,190)	(3,834)	(2,357)	(6,350)	(37,393)	(7,825)	-	(108,795)
Reclassified	1,611,027	-	-	-	-	-	-	-	(1,611,027)	-
Effect of foreign currency exchange differences	-	59,367	2,249	1,762	322	2,579	11,691	14,958	-	92,928
Balance at June 30, 2024	<u>\$ 2,042,951</u>	<u>\$ 2,744,432</u>	<u>\$ 599,524</u>	<u>\$ 764,459</u>	<u>\$ 39,783</u>	<u>\$ 270,093</u>	<u>\$ 860,339</u>	<u>\$ 504,550</u>	<u>\$ 728,889</u>	<u>\$ 8,555,020</u>
<u>Accumulated depreciation</u>										
Balance at January 1, 2024	\$ 298,510	\$ 1,822,356	\$ 374,405	\$ 536,638	\$ 34,271	\$ 195,618	\$ 464,998	\$ 318,091	\$ -	\$ 4,044,887
Additions	7,082	133,340	47,526	35,311	1,363	14,999	30,915	33,245	-	303,781
Reductions	-	(41,668)	(7,879)	(3,814)	(2,136)	(6,156)	(36,402)	(7,690)	-	(105,745)
Effect of foreign currency exchange differences	-	51,493	2,024	1,033	235	2,127	10,961	10,544	-	78,417
Balance at June 30, 2024	<u>\$ 305,592</u>	<u>\$ 1,965,521</u>	<u>\$ 416,076</u>	<u>\$ 569,168</u>	<u>\$ 33,733</u>	<u>\$ 206,588</u>	<u>\$ 470,472</u>	<u>\$ 354,190</u>	<u>\$ -</u>	<u>\$ 4,321,340</u>
Carrying amount at June 30, 2024	<u>\$ 1,737,359</u>	<u>\$ 778,911</u>	<u>\$ 183,448</u>	<u>\$ 195,291</u>	<u>\$ 6,050</u>	<u>\$ 63,505</u>	<u>\$ 389,867</u>	<u>\$ 150,360</u>	<u>\$ 728,889</u>	<u>\$ 4,233,680</u>
Carrying amount at December 31, 2023 and January 1, 2024	<u>\$ 110,192</u>	<u>\$ 730,531</u>	<u>\$ 190,377</u>	<u>\$ 156,779</u>	<u>\$ 5,624</u>	<u>\$ 60,791</u>	<u>\$ 172,622</u>	<u>\$ 162,262</u>	<u>\$ 1,592,280</u>	<u>\$ 3,181,458</u>
<u>Cost</u>										
Balance at January 1, 2023	\$ 406,064	\$ 2,312,530	\$ 551,435	\$ 616,569	\$ 41,596	\$ 248,592	\$ 519,008	\$ 383,566	\$ 418,613	\$ 5,497,973
Additions	664	90,354	37,259	39,639	215	7,143	86,189	36,440	487,554	785,457
Reductions	(2,370)	(14,024)	(42,632)	(1,519)	(2,155)	(4,572)	(92)	(2,994)	-	(70,358)
Reclassified	-	-	-	(339)	339	-	-	1,928	-	1,928
Effect of foreign currency exchange differences	-	(26,800)	(810)	(839)	(127)	(1,140)	(4,106)	(5,377)	-	(39,199)
Balance at June 30, 2023	<u>\$ 404,358</u>	<u>\$ 2,362,060</u>	<u>\$ 545,252</u>	<u>\$ 653,511</u>	<u>\$ 39,868</u>	<u>\$ 250,023</u>	<u>\$ 600,999</u>	<u>\$ 413,563</u>	<u>\$ 906,167</u>	<u>\$ 6,175,801</u>
<u>Accumulated depreciation</u>										
Balance at January 1, 2023	\$ 287,382	\$ 1,671,286	\$ 383,486	\$ 488,340	\$ 33,105	\$ 174,202	\$ 387,649	\$ 268,105	\$ -	\$ 3,693,555
Additions	6,960	109,151	38,325	32,320	1,910	17,588	40,111	28,578	-	274,943
Reductions	(2,218)	(7,798)	(42,587)	(1,519)	(2,155)	(4,568)	(92)	(1,654)	-	(62,591)
Effect of foreign currency exchange differences	-	(24,457)	(674)	(366)	(87)	(958)	(4,811)	(4,349)	-	(35,702)
Balance at June 30, 2023	<u>\$ 292,124</u>	<u>\$ 1,748,182</u>	<u>\$ 378,550</u>	<u>\$ 518,775</u>	<u>\$ 32,773</u>	<u>\$ 186,264</u>	<u>\$ 422,857</u>	<u>\$ 290,680</u>	<u>\$ -</u>	<u>\$ 3,870,205</u>
Carrying amount at June 30, 2023	<u>\$ 112,234</u>	<u>\$ 613,878</u>	<u>\$ 166,702</u>	<u>\$ 134,736</u>	<u>\$ 7,095</u>	<u>\$ 63,759</u>	<u>\$ 178,142</u>	<u>\$ 122,883</u>	<u>\$ 906,167</u>	<u>\$ 2,305,596</u>

The above items of property, plant and equipment used by the Group are depreciated on a straight-line basis over the estimated useful lives as follows:

Buildings

2-56 years

Machinery and equipment	2-10 years
Molding equipment	1-10 years
Testing equipment	1-8 years
Transportation equipment	5-10 years
Office equipment	1-8 years
Leasehold improvements	1-10 years
Other equipment	2-8 years

The buildings held by the Group that consisted of main buildings, electric equipment and construction, are depreciated over their estimated useful lives of 56 years and 9-22 years, respectively, using the straight-line method.

The above items of property, plant and equipment were not used as collateral.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Carrying amount</u>			
Land	\$ 1,069,767	\$ 1,084,969	\$ 1,100,171
Buildings	757,060	809,165	449,336
Transportation equipment	3,299	4,517	5,735
Other equipment	<u>-</u>	<u>-</u>	<u>1,339</u>
	<u>\$ 1,830,126</u>	<u>\$ 1,898,651</u>	<u>\$ 1,556,581</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Additions to right-of-use assets			<u>\$ 99,269</u>	<u>\$ 84,246</u>
Depreciation charge for right-of-use assets				
Land	\$ 7,601	\$ 7,601	\$ 15,202	\$ 15,202
Buildings	81,223	64,690	161,412	129,725
Transportation equipment	609	609	1,218	1,095
Other equipment	<u>-</u>	<u>803</u>	<u>-</u>	<u>1,607</u>
	<u>\$ 89,433</u>	<u>\$ 73,703</u>	<u>\$ 177,832</u>	<u>\$ 147,629</u>

b. Lease liabilities

June 30, 2024 ¹⁹ -	December 31, 2023	June 30, 2023
----------------------------------	----------------------	------------------

<u>Carrying amount</u>			
Current	\$ 184,037	\$ 210,380	\$ 193,998
Non-current	\$ 1,406,622	\$ 1,381,397	\$ 1,149,147

Range of discount rates for lease liabilities was as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Land	2.37%-2.80%	2.37%-2.80%	2.37%-2.80%
Buildings	0.85%-9.60%	0.85%-9.60%	0.85%-8.02%
Transportation equipment	2.14%-2.77%	2.14%-2.77%	2.14%-2.77%
Other equipment	-	-	1.89%

c. Material lease-in activities and terms

The Group leases land and buildings for the use of plants and offices with lease terms of 5 to 40 years. The lease contract for land located in Republic of China specifies that lease payments will be adjusted on the basis of changes in announced land value prices. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

d. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Expenses relating to short-term leases	\$ 10,303	\$ 22,034	\$ 18,223	\$ 29,550
Total cash outflow for leases	\$ 82,089	\$ 90,127	\$ 163,173	\$ 165,705

The Group's leases of certain office equipment and other assets which qualify as short-term leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

16. GOODWILL

	For the Six Months Ended June 30	
<u>Cost</u>	2024	2023
Balance at January 1 and June 30	\$ 1,930	\$ 1,930

The Group recognized that there was no impairment loss of the recoverable amount of the assessed goodwill for the six months ended June 30, 2024 and 2023.

17. INTANGIBLE ASSETS

	Technology License Fees	Computer Software	Total
<u>Cost</u>			
Balance at January 1, 2024	\$ 15,577	\$ 290,545	\$ 306,122
Additions	-	20,161	20,161
Reductions	-	(24,516)	(24,516)
Effect of foreign currency exchange differences	-	2,574	2,574
Balance at June 30, 2024	<u>\$ 15,577</u>	<u>\$ 288,764</u>	<u>\$ 304,341</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2024	\$ 6,586	\$ 145,116	\$ 151,702
Additions	1,612	37,908	39,520
Reductions	-	(24,516)	(24,516)
Effect of foreign currency exchange differences	-	1,923	1,923
Balance at 30 June, 2024	<u>\$ 8,198</u>	<u>\$ 160,431</u>	<u>\$ 168,629</u>
Carrying amount at June 30, 2024	<u>\$ 7,379</u>	<u>\$ 128,333</u>	<u>\$ 135,712</u>
Carrying amount at January 1, 2024 and December 31, 2023	<u>\$ 8,991</u>	<u>\$ 145,429</u>	<u>\$ 154,420</u>
<u>Cost</u>			
Balance at January 1, 2023	\$ 15,577	\$ 243,766	\$ 259,343
Additions	-	31,508	31,508
Reductions	-	(9,751)	(9,751)
Reclassified	-	(2,867)	(2,867)
Effect of foreign currency exchange differences	-	(962)	(962)
Balance at June 30, 2023	<u>\$ 15,577</u>	<u>\$ 261,694</u>	<u>\$ 277,271</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2023	\$ 3,363	\$ 89,995	\$ 93,358
Additions	1,612	34,988	36,600
Reductions	-	(9,743)	(9,743)
Effect of foreign currency exchange differences	-	(624)	(624)
Balance at June 30, 2023	<u>\$ 4,975</u>	<u>\$ 114,616</u>	<u>\$ 119,591</u>
Carrying amount at June 30, 2023	<u>\$ 10,602</u>	<u>\$ 147,078</u>	<u>\$ 157,680</u>

The above items of intangible assets are amortized on a straight-line basis over the estimated useful lives as follows:

Technology license fees	3-5 years
Computer software	1-6 years

The above items of intangible assets were not used as collateral.

18. PREPAYMENTS AND OTHER ASSETS

	<u>June 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>June 30,</u> <u>2023</u>
<u>Current</u>			
Prepayments			
Excess VAT paid	\$ 150,786	\$ 259,168	\$ 147,527
Prepayments for software maintenance fees	35,551	39,781	28,737
Prepayments for purchases	20,041	14,186	16,059
Others	50,207	47,663	58,358
	<u>\$ 256,585</u>	<u>\$ 360,798</u>	<u>\$ 250,681</u>
Other financial assets			
Pledged time deposits	<u>\$ 32,344</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Non-current</u>			
Other financial assets			
Pledged time deposits	<u>\$ 66,543</u>	<u>\$ 79,623</u>	<u>\$ 79,623</u>
Other assets			
Prepayments for software maintenance fees	\$ 21,108	\$ 21,470	\$ -
Others	-	-	2,149
	<u>\$ 21,108</u>	<u>\$ 21,470</u>	<u>\$ 2,149</u>

19. BORROWINGS

a. Short-term borrowings

	<u>June 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>June 30,</u> <u>2023</u>
Unsecured credit borrowings	<u>\$ 99,971</u>	<u>\$ 133,253</u>	<u>\$ 31,475</u>

The effective interest rates on bank loans as of June 30, 2024, December 31, 2023 and June 30, 2023 were 1.35%, 1.35% - 3.50% and 1.35% per annum, respectively.

b. Long-term borrowings

	Maturity Date	Significant Covenant	June 30, 2024	December 31, 2023	June 30, 2023
Unsecured bank borrowings	2026.06.15	From June 2022, there are 49 monthly payments of principal and interest.	\$ 489,796	\$ 612,245	\$ 734,694
Unsecured bank borrowings	2026.04.15	From June 2022, there are 47 monthly payments of principal and interest.	102,043	129,872	157,702
Unsecured bank borrowings	2030.02.16	From February 2026, the 1st to 16th quarterly payments are 4% of the principal, and the 17th quarterly payments are 36% of the principal.	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Long-term borrowings			691,839	842,117	992,396
Less: Discounts on government grants (Note 29)			(896)	(3,812)	(6,315)
Less: Current portion			<u>(300,558)</u>	<u>(300,558)</u>	<u>(300,558)</u>
			<u>\$ 390,385</u>	<u>\$ 537,747</u>	<u>\$ 685,523</u>

The intervals of effective borrowing rates as of June 30, 2024, December 31, 2023 and June 30, 2023 were 0.725%-2.310%, 0.600%-2.184% and 0.600%-2.182%, respectively.

The loan agreements require the maintenance of a current ratio, debt ratio, and interest coverage ratio based on the Group's annual and quarterly consolidated financial statements. As of June 30, 2024, December 31, 2023 and June 30, 2023, the Group had met the financial ratio covenants.

20. OTHER LIABILITIES

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Other payables			
Temporary receipts from customers	\$ 673,828	\$ 992,477	\$ 726,424
Payable for salaries and bonuses	450,587	651,510	405,426
Temporary credit and agency receipt	104,026	113,908	203,149
Payable for import/export	89,680	53,221	64,860
Payable for insurance	63,573	104,345	101,297
Payable for service	57,421	60,555	46,925
Others	<u>1,371,428</u>	<u>1,450,160</u>	<u>1,120,642</u>
	<u>\$ 2,810,543</u>	<u>\$ 3,426,176</u>	<u>\$ 2,668,723</u>

21. PROVISIONS

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Warranties	\$ 293,153	\$ 304,128	\$ 253,464

Warranties

For the Six Months Ended June 30, 2024

Balance at January 1, 2024	\$ 304,128
Additional provisions recognized	52,454
Amounts used	(63,605)
Effect of foreign currency exchange differences	176
Balance at December 31, 2024	\$ 293,153

For the Six Months Ended June 30, 2023

Balance at January 1, 2023	\$ 264,711
Additional provisions recognized	43,382
Amounts used	(54,665)
Effect of foreign currency exchange differences	36
Balance at December 31, 2023	\$ 253,464

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties and under local sale of goods legislation. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

22. RETIREMENT BENEFIT PLANS

For the three months ended June 30, 2024 and 2023, the pension expenses of defined benefit plans were \$301 thousand and \$159 thousand, respectively. For the six months ended June 30, 2024 and 2023, the pension expenses of defined benefit plans were \$602 thousand and \$318 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2023 and 2022, respectively.

23. EQUITY

a. Ordinary shares

	June 30, 2024	December 31, 2023	June 30, 2023
Authorized shares (in thousands)	880,000	880,000	880,000
Authorized capital	\$ 8,880,000	\$ 8,800,000	\$ 8,800,000
Issued and fully paid shares (in thousands)	560,578	560,356	560,159
Issued capital	\$ 5,605,784	\$ 5,603,564	\$ 5,601,589

A holder of issued ordinary shares with par value of \$10 is entitled to vote and to receive dividends.

The authorized shares include 87,000 thousand shares allocated for the exercise of employee share options.

Exercise of employee share options is the main reason for the share movement.

b. Capital surplus

	June 30, 2024	December 31, 2023	June 30, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Issuance of ordinary shares	\$ 539,079	\$ 538,458	\$ 537,905
Treasury share transactions	122,058	99,967	99,967
Employee share options	223,136	222,048	221,082
<u>May only be used to offset a deficit</u>			
Changes in percentage of ownership interests in subsidiaries (2)	8,113	8,113	8,113
<u>May not be used for any purpose</u>			
Employee share options	5,080	6,168	7,134
	<u>\$ 897,466</u>	<u>\$ 874,754</u>	<u>\$ 874,201</u>

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital and to once a year).

2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulted from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for by using the equity method.

A reconciliation of the carrying amounts at the beginning and at the ended of June 30, 2024 and 2023, for each class of capital surplus was as follows:

	Premium on Issuance of Shares	Treasury Shares	Employee Share Options	Change in Percentage of Ownership Interests in Subsidiaries	Employee Share Options - May not be used for any Purpose
Balance at January 1, 2024	\$ 538,458	\$ 99,967	\$ 222,048	\$ 8,113	\$ 6,168
Employee share options exercised	621	-	1,088	-	(1,088)
Cash dividends received by subsidiaries from parent company	-	22,091	-	-	-
Balance at June 30, 2024	<u>\$ 539,079</u>	<u>\$ 122,058</u>	<u>\$ 223,136</u>	<u>\$ 8,113</u>	<u>\$ 5,080</u>

(Continued)

Premium on Treasury Employee Change in Employee
- 25 -

	Issuance of Shares	Shares	Share Options	Percentage of Ownership Interests in Subsidiaries	Share Options - May not be used for any Purpose
Balance at January 1, 2023	\$ 537,846	\$ 83,393	\$ 220,988	\$ 8,113	\$ 7,228
Employee share options exercised	59	-	94	-	(94)
Cash dividends received by subsidiaries from parent company	<u>-</u>	<u>16,574</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at June 30, 2023	<u>\$ 537,905</u>	<u>\$ 99,967</u>	<u>\$ 221,082</u>	<u>\$ 8,113</u>	<u>\$ 7,134</u>

(Concluded)

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 25-7.

The Company's Articles stipulate that the dividend policy must comply with present and future development plans and take investment environment, demand of funds, domestic and foreign competition, and shareholders' interests into consideration. The shareholder's compensation can be appropriated by way of cash dividends or share dividends, with provision that the percentage of cash dividends must exceed 50% of total dividends.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

When a special reserve is appropriated for cumulative net debit balance reserves from prior period, the special reserve is only appropriated from the prior unappropriated earnings.

The appropriations of earnings for 2023 and 2022, which were approved in the shareholders' meetings on June 13, 2024 and June 15, 2023, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For Year 2023	For Year 2022	For Year 2023	For Year 2022
Legal reserve	\$ 891,765	\$ 818,608	\$ -	\$ -
Reversal of special reserve	(23,742)	(32,525)	-	-
Cash dividends	5,603,834	4,201,117	9.9956	7.4998

d. Special reserves

		For the Six Months Ended June 30	
		2024	2023
Balance at January 1		\$ 462,016	\$ 494,541
Reversal of appropriations in respect of Debits to other equity items		<u>(23,742)</u>	<u>(32,525)</u>
Balance at June 30		<u>\$ 438,274</u>	<u>\$ 462,016</u>
e. Other equity items			
1) Exchange differences on the translation of the financial statements of foreign operations			
		For the Six Months Ended June 30	
		2024	2023
Balance at January 1		\$ (465,594)	\$ (371,447)
Recognized for the period			
Exchange differences on the translation of the financial statements of foreign operations		<u>260,786</u>	<u>(102,320)</u>
Balance at June 30		<u>\$ (204,808)</u>	<u>\$ (473,767)</u>
2) Unrealized valuation gain (loss) on financial assets at FVTOCI			
		For the Six Months Ended June 30	
		2024	2023
Balance at January 1		\$ 27,320	\$ (90,569)
Recognized for the period			
Unrealized gain (loss) - equity instruments		2,168,630	83,819
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal		<u>(6,365)</u>	<u>(9,546)</u>
Balance at June 30		<u>\$2,189,585</u>	<u>\$ (16,296)</u>
f. Treasury shares			

The Company's shares held by its subsidiaries on the balance sheet date were as follows:

Nambe of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Value
<u>June 30, 2024</u>			
Accton Investment	2,210	<u>\$ 50,999</u>	<u>\$ 1,226,476</u>
<u>December 31, 2023</u>			
Accton Investment	2,210	<u>\$ 50,999</u>	<u>\$ 1,155,760</u>
<u>June 30, 2023</u>			
Accton Investment	2,210	<u>\$ 50,999</u>	<u>\$ 771,244</u>

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise

shareholders' rights on these shares, such as the rights to dividends and to vote. The subsidiaries holding treasury shares, however, are bestowed shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

24. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Revenue from the sale of goods	\$ 24,392,855	\$ 20,102,105	\$ 43,220,868	\$ 39,768,168
Other operating revenue	<u>19,535</u>	<u>17,662</u>	<u>39,234</u>	<u>37,187</u>
	<u>\$ 24,412,390</u>	<u>\$ 20,119,767</u>	<u>\$ 43,260,102</u>	<u>\$ 39,805,355</u>

a. Contract information

Revenue from the sale of goods comes from sales of network communication equipment. Based on the different trading conditions of the network communication equipment, sales of goods are recognized as revenue when they are delivered to the customer's specific location and the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. When the customer initially purchases the goods, the transaction price received is recognized as a contract liability until the goods have been delivered to the customer.

The Group recognized the estimated possible sales return and discount of the refundable liabilities. As of June 30, 2024, December 31, 2023 and June 30, 2023, for information on the refund liability which amounted to \$59,034 thousand, \$69,846 thousand and \$176,926 thousand, respectively.

b. Contact balances

	June 30, 2024	December 31, 2023	June 30, 2023	January 01, 2023
Trade receivables (Note 10)	<u>\$ 14,475,463</u>	<u>\$ 11,118,519</u>	<u>\$ 12,079,134</u>	<u>\$ 13,135,959</u>
Contract liabilities - current				
Sale of goods	<u>\$ 7,913,269</u>	<u>\$ 6,245,622</u>	<u>\$ 964,641</u>	<u>\$ 876,472</u>

As of December 31, 2023 and 2022, the sales of goods amount from contract liabilities as follows:

	For the Six Months Ended June 30	
	2024	2023
<u>From contract liabilities</u>		
Sale of goods	<u>\$ 590,162</u>	<u>\$ 90,289</u>

c. Disaggregation of revenue

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
<u>By Product</u>				
Switch	\$ 14,201,324	\$ 14,752,283	\$ 24,767,965	\$ 27,857,251
Network Application	8,168,141	3,478,847	13,733,498	7,958,434
Metro Access Switch	1,284,674	1,144,931	2,539,735	2,580,062
Wireless	119,464	270,125	231,995	558,201
Other	638,787	473,581	1,986,909	851,407
	<u>\$ 24,412,390</u>	<u>\$ 20,119,767</u>	<u>\$ 43,260,102</u>	<u>\$ 39,805,355</u>
<u>By Region</u>				
Americas	\$ 17,581,430	\$ 14,435,713	\$ 30,140,699	\$ 28,324,099
Asia	3,641,744	2,634,483	7,160,897	5,039,527
Europe	2,817,665	2,840,500	5,271,019	5,943,935
Taiwan (Company location)	368,498	190,998	679,498	471,446
Other	3,053	18,073	7,989	26,348
	<u>\$ 24,412,390</u>	<u>\$ 20,119,767</u>	<u>\$ 43,260,102</u>	<u>\$ 39,805,355</u>

25. NET PROFIT

Net profit attributable to:

a. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Bank deposits	\$ 207,328	\$ 153,240	\$ 418,811	\$ 293,662
Financial assets at amortized cost	6,673	-	6,906	-
Others	61	45	103	73
	<u>\$ 214,062</u>	<u>\$ 153,285</u>	<u>\$ 425,820</u>	<u>\$ 293,735</u>

b. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Grant income (Note 29)	\$ 4,387	\$ 2,553	\$ 7,226	\$ 5,915
Dividends	8,716	29	8,744	56
Others	5,583	27,129	41,970	36,687
	<u>\$ 18,686</u>	<u>\$ 29,711</u>	<u>\$ 57,940</u>	<u>\$ 42,658</u>

c. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Net foreign exchange gain	\$ 125,038	\$ 297,984	\$ 737,275	\$ 124,889
Net gain (loss) on fair value changes of financial assets				
Financial assets mandatorily classified as at FVTPL	13,701	4,666	44,083	4,905
Others	(23,600)	(683)	(26,633)	(5,992)
	<u>\$ 115,139</u>	<u>\$ 301,967</u>	<u>\$ 754,725</u>	<u>\$ 123,802</u>

d. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Interest on lease liabilities	\$ 17,659	\$ 10,876	\$ 35,257	\$ 22,024
Interest on bank loans	2,841	3,573	6,421	14,686
	20,500	14,449	41,678	36,710
Less: Amounts included in the cost of qualifying assets	(280)	(265)	(552)	(389)
	<u>\$ 20,220</u>	<u>\$ 14,184</u>	<u>\$ 41,126</u>	<u>\$ 36,321</u>

Information on capitalized interest is as follows:

	For the Six Months Ended June 30	
	2024	2023
Capitalized interest amount	\$ 552	\$ 389
Capitalization rate	2.184%-2.310%	2.182%

e. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
An analysis of depreciation by function				
Operating costs	\$ 128,468	\$ 105,100	\$ 244,026	\$ 207,744
Operating expenses	120,176	107,592	237,587	214,828
	<u>\$ 248,644</u>	<u>\$ 212,692</u>	<u>\$ 481,613</u>	<u>\$ 422,572</u>
An analysis of amortization by function				
Operating costs	\$ 1,985	\$ 1,773	\$ 4,016	\$ 3,574
Operating expenses	18,187	16,798	35,504	33,026
	<u>\$ 20,172</u>	<u>\$ 18,571</u>	<u>\$ 39,520</u>	<u>\$ 36,600</u>

f. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Short-term benefits	\$ 1,753,364	\$ 1,657,140	\$ 3,472,978	\$ 3,281,417
Post-employment benefits (Note 22)				
Defined contribution plan	40,223	63,778	96,895	127,648
Defined benefit plans	301	159	602	318
Total employee benefits expense	<u>\$ 1,793,888</u>	<u>\$ 1,721,077</u>	<u>\$ 3,570,475</u>	<u>\$ 3,409,383</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 430,840	\$ 508,228	\$ 869,339	\$ 1,007,116
Operating expenses	1,363,048	1,212,849	2,701,136	2,402,267
	<u>\$ 1,793,888</u>	<u>\$ 1,721,077</u>	<u>\$ 3,570,475</u>	<u>\$ 3,409,383</u>

g. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrued compensation of employees and remuneration of directors at rates of no less than 1%-11.25% and no higher than 1.5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The accrual compensation of employees and the remuneration of directors for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, were as follows:

Accrual rate

	For the Six Months Ended June 30	
	2024	2023
Compensation of employees	11.25%	11.25%
Remuneration of directors	0.53%	0.57%

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Compensation of employees	\$ 393,085	\$ 371,680	\$ 738,127	\$ 693,188
Remuneration of directors	\$ -	\$ -	\$ 35,000	\$ 35,000

If there is a change in the amounts after the annual consolidated financial statements authorized for issue, the differences will be recorded as a change in the accounting estimate.

The compensation of employees and remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Company's board of directors on March 7, 2024 and March 9, 2023, respectively, were as follows:

	For the Year Ended December 31			
	2023		2022	
	Cash	Share	Cash	Share
Compensation of employees	\$ 1,425,819	\$ -	\$ 1,269,568	\$ -
Remuneration of directors	\$ 35,000	-	\$ 40,000	-

There is no difference between the amounts of compensation of employees and remuneration of directors solved by the board of directors and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

Information on compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

26. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of tax expense recognized are as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Current tax				
In respect of the period	\$ 983,398	\$ 638,467	\$ 1,459,839	\$ 1,086,092
Income tax on unappropriated earnings	41,739	169,946	41,739	169,946
Adjustments for prior years	-	30	-	30
Deferred tax				
In respect of the period	(230,874)	18,402	(160,215)	72,851
Income tax expense recognized in profit or loss	\$ 794,263	\$ 826,845	\$ 1,341,363	\$ 1,328,919

b. Income tax recognized in other comprehensive income:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Deferred Income Tax				
Unrealized gains (loss) on investments in equity instruments at fair value through other comprehensive income	\$ (115,448)	\$ -	\$ 553,025	\$ -

c. Income tax assessments

The tax authorities have examined income tax returns of the Company and Edgecore Networks through 2021 and examined income tax returns of E-Direct through 2022.

27. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Basic earnings per share	\$ 4.62	\$ 4.02	\$ 8.64	\$ 7.67
Diluted earnings per share	\$ 4.61	\$ 4.00	\$ 8.59	\$ 7.61

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

Net Profit for the Period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Earnings used in the computation of basic and diluted earnings per share	\$ 2,581,158	\$ 2,244,896	\$ 4,824,692	\$ 4,282,061
<u>The weighted average number of ordinary shares outstanding (in thousand shares) was as follows:</u>				

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	558,293	557,949	558,239	557,944
Effect of potentially dilutive ordinary shares				
Employee share options	745	1,112	827	1,113
Compensation of employees	1,330	1,986	2,334	3,553
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>560,368</u>	<u>561,047</u>	<u>561,400</u>	<u>562,610</u>

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

28. SHARE-BASED PAYMENT ARRANGEMENTS

Qualified employees of the Company and its subsidiaries were granted 20,000 thousand options on September 4, 2014. Each option entitles the holder to subscribe for one ordinary share of the Company. The options granted are valid for 10 years and exercisable at certain percentages after the second anniversary from the grant date.

Information on employee share options was as follows:

	For the Year Ended December 31, 2014	
	Number of Options (In Thousands)	Weighted- average Exercise Price (NT\$)
<u>For the six months ended June 30, 2024</u>		
Balance at January 1	962	\$ 12.80
Options exercised	<u>(222)</u>	12.80
Balance at June 30	<u>740</u>	12.80
<u>For the six months ended June 30, 2023</u>		
Balance at January 1	1,178	\$ 13.10
Options exercised	<u>(19)</u>	13.10
Balance at June 30	<u>1,159</u>	13.10

The number of outstanding share options and the exercise prices have been adjusted to reflect the share dividends and the cancellation of ordinary shares according to plan.

Information on outstanding options as of June 30, 2024 was as follows:

	Options Outstanding			Options Exercisable	
	Number Outstanding (In Thousands)	Expected Remaining Contractual Life (In Years)	Weighted-average Exercise Price (NT\$)	Number Exercisable (In Thousands)	Weighted-average Exercise Price (NT\$)
Exercise Price (NT\$)					
<u>2014 option plan</u>					
\$ 12.80	<u>740</u>	0.19	\$ 12.80	<u>740</u>	\$ 12.80

Options granted in 2014 were priced using the Black-Scholes pricing model. The inputs to the model were as follows:

	<u>2014</u>
Grant-date share price (\$)	\$ 17.90
Exercise price (\$)	17.90
Expected volatility	22.30%
Expected life	10 years
Expected dividend yield	-
Risk-free interest rate	1.63%

The grant-date share fair price was measured by market-based method.

Expected volatility was based on the same industry company historical share price volatility over the past 1 year.

Compensation cost recognized was none for the three months ended June 30, 2024 and 2023, and for the six months ended June 30, 2024 and 2023.

29. GOVERNMENT GRANTS

As of June 30, 2024, the Company obtained a government preferential interest rate loan of \$1,218,000 thousand from the “Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan” for capital expenditure and operating turnover. The loan will be settled in three to seven years through installments. At the time of borrowing, the market interest rate was 1.10%-1.29%. Based on this, the fair value of the loan is estimated to be \$1,162,931 thousand. The difference between the amount obtained and the fair value of the loan is \$55,069 thousand, which is regarded as a government low-interest loan and recognized as deferred income. The Company recognized other income, which amounted to \$2,082 thousand and \$2,137 thousand for the three months ended June 30, 2024 and 2023, respectively; and \$4,186 thousand and \$4,277 thousand for the six months ended June 30, 2024 and 2023, respectively. The Company recognized interest expense of the loan, which amounted to \$1,952 thousand and \$2,873 thousand for the three months ended June 30, 2024 and 2023, respectively; and \$4,602 thousand and \$6,631 thousand for the six months ended June 30, 2024 and 2023, respectively.

If the Company fails to meet the key points of the above project during the loan period and the National Development Fund terminates the government grant, then the Company should pay the original interest rate plus the annual interest rate.

For the three months ended June 30, 2023, and for the six months ended June 30, 2023, the Company recognized the amount of \$60 thousand and \$795 thousand as other income for the grant of “The Taiwan Industry Innovation Platform Program” and the grant of labor allowance from the government received.

Joy Tech recognized other income for the grants business development and labor allowance from the local

government, which amounted to \$2,305 thousand and \$356 thousand for the three months ended June 30, 2024 and 2023, respectively; and \$3,040 thousand and \$843 thousand for the six months ended June 30, 2024 and 2023, respectively.

30. DISPOSAL OF SUBSIDIARY

On December 29, 2023, the Group completed the liquidation of its subsidiary, Nocsys Inc.

a. Analysis of assets and liabilities on the date of liquidation

	Nocsys Inc.
Current assets	
Cash and cash equivalents	\$ 2,683
Net assets disposed of	<u>\$ 2,683</u>

b. Gain on liquidation of subsidiary

	Nocsys Inc.
Consideration received	\$ 2,683
Net assets disposed of	<u>(2,683)</u>
Gain on disposal	<u>\$ -</u>

31. CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group has necessary financial resources and operational plan to cover all required funds for the next 12 months, including capital expenditures, research and development plan, debt repayment and dividends, etc.

Based on the Group's business model and working capital sources, the Group has no significant changes except for shareholders' share dividends and exercise of employee share options.

32. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

June 30, 2024

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at amortized costs					
Corporate bonds	\$ 761,188	\$ -	\$ 758,784	\$ -	\$ 758,784
Government bond/Agency bonds	<u>292,836</u>	<u>-</u>	<u>295,063</u>	<u>-</u>	<u>295,063</u>
	<u>\$ 1,054,024</u>	<u>\$ -</u>	<u>\$ 1,053,847</u>	<u>\$ -</u>	<u>\$ 1,053,847</u>

The fair value of Level 2 refers to the reference price provided by the issuing bank.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy
June 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	\$ 1,465,695	\$ -	\$ -	\$ 1,465,695
Unlisted shares	-	-	152,479	152,479
Convertible bonds	-	-	79,100	79,100
Structured products	-	-	38,286	38,286
Total	<u>\$ 1,465,695</u>	<u>\$ -</u>	<u>\$ 269,865</u>	<u>\$ 1,735,560</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	\$ 2,997,982	\$ -	\$ -	\$ 2,997,982
Unlisted shares	-	-	386,790	386,790
	<u>\$ 2,997,982</u>	<u>\$ -</u>	<u>\$ 386,790</u>	<u>\$ 3,384,772</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	\$ 1,786,172	\$ -	\$ -	\$ 1,786,172
Unlisted shares	-	-	125,129	125,129
Convertible bonds	-	-	79,100	79,100
Structured products	-	-	57,429	57,429
	<u>\$ 1,786,172</u>	<u>\$ -</u>	<u>\$ 261,658</u>	<u>\$ 2,047,830</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	\$ 306,112	\$ -	\$ -	\$ 306,112
Foreign unlisted shares	-	-	46,909	46,909
	<u>\$ 306,112</u>	<u>\$ -</u>	<u>\$ 46,909</u>	<u>\$ 353,021</u>

June 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	\$ 416,795	\$ -	\$ -	\$ 416,795
Unlisted shares	-	-	111,441	111,441
	<u>\$ 416,795</u>	<u>\$ -</u>	<u>\$ 111,441</u>	<u>\$ 528,236</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	\$ 257,107	\$ -	\$ -	\$ 257,107
Foreign unlisted shares	-	-	22,472	22,472
	<u>\$ 257,107</u>	<u>\$ -</u>	<u>\$ 22,472</u>	<u>\$ 279,579</u>

There were no transfers between Level 1 and 2 for the six months ended June 30, 2024 and 2023.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the six months ended June 30, 2024

Financial Assets	Financial Assets at FVTPL			Financial Assets at FVTOCI
	Structured Products	Stocks	Bonds	Stocks
Balance at January 1, 2024	\$ 57,429	\$ 125,129	\$ 79,100	\$ 46,909
Recognized in other gains and losses	-	27,386	-	-
Recognized in unrealized gain or loss on investments in equity instruments at fair value through other comprehensive income (loss)	-	-	-	-
Purchases	-	2,098	-	320,738
Sales	-	(2,134)	-	-
Transfer	(19,143)	-	-	19,143
Balance at June 30, 2024	<u>\$ 38,286</u>	<u>\$ 152,479</u>	<u>\$ 79,100</u>	<u>\$ 386,790</u>

For the six months ended June 30, 2023

Financial Assets	Financial Assets at FVTPL Stocks	Financial Assets at FVTOCI Stocks
Balance at January 1, 2023	\$ 108,999	\$ 22,472
Recognized in other gains and losses	<u>2,442</u>	<u>-</u>
Balance at June 30, 2023	<u>\$ 111,441</u>	<u>\$ 22,472</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

- a) Some foreign unlisted equity securities are determined by using the Hybrid method which is to calculate the overall equity value of the target company based on the recent transaction and issue price. Then the Group assesses the net of these investment targets to determine the fair value of the equity investments to reflect the overall value.
- b) Some of the fair values of unlisted equity securities for both domestic and foreign were determined using the market approach based on the transaction price of the comparable standard and financial information of the underlying company and the market peers. Market multipliers, such as price-to-earnings ratio, price-to-book ratio, price-to-sales ratio or other financial ratios, are used to analyze and evaluate.

	June 30, 2024	June 30, 2023
Price book ratio	2.255-3.589	2.880-2.980
Price-to-sales ratio	1.07-2.05	0.95-1.08
Liquidity discount	20%	20%

c) Categories of financial instruments

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 1,735,560	\$ 2,047,830	\$ 528,236
Financial assets at amortized cost (Note 1)	38,888,137	34,154,929	29,822,334
Financial assets at FVTOCI			
Equity instruments	3,384,772	353,021	279,579

Financial liabilities

Amortized cost (Note 2)	21,071,952	18,285,886	17,292,912
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Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes and trade receivables (including related parties), other receivables (including related parties), time deposits with original maturity of more than 3 months, pledged time deposits and refundable deposits.

Note 2: The balances included financial liabilities at amortized cost, which comprise trade payables, payables to contractors and equipment suppliers, other payables (including related parties), short-term borrowings, long-term borrowings - current portion, long-term borrowings and guarantee deposits.

d) Financial risk management objectives and policies

The Group's financial risk management objective is to manage all risks that are relevant to operating activities, like foreign currency risk, interest rate risk, credit risk and liquidity risk. The Group strives to identify, assess and avoid the uncertainty in market to minimize the potential adverse impact of market. Important financial activities of the Group are approved by the board of directors and reviewed for compliance with internal controls and relevant regulations and management practices. The Group abides by the relevant financial procedures on overall financial risk management and division of responsibilities when implementing financial plans.

The Group's policies on market risk (including currency risk, interest rate risk, and other price risk), credit risk and liquidity risk are as follows:

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Group entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

There has been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group has foreign currency denominated sales and purchases, which exposed the Group to foreign currency risk. To protect against reductions in value and the volatility of future cash flows caused by changes in foreign exchange rates, the Group utilizes short-term loans in

foreign currency and derivative financial instruments (including forward exchange contracts) to hedge its currency exposure.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 37.

Sensitivity analysis

The Group is mainly exposed to the USD, RMB and JPY.

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and forward contracts and their adjusted translation at the end of the year for a 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit associated with the New Taiwan dollar weakening 1% against the relevant currency. For a 1% strengthening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balance below would be negative.

	<u>USD Impact</u>		<u>RMB Impact</u>		<u>JPY Impact</u>	
	<u>For the Six Months</u>		<u>For the Six Months</u>		<u>For the Six Months</u>	
	<u>Ended June 30</u>		<u>Ended June 30</u>		<u>Ended June 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Profit or loss	\$ 90,327	\$ 102,746	\$ 5	\$ 5,911	\$ (947)	\$ 403

b) Interest rate risk

Interest rates of the Group's bank loans are fixed and variable, and have little effect on changing in interest rates, so the Group has not engaged in any hedging activities.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting periods were as follows:

	<u>June 30,</u>	<u>December 31,</u>	<u>June 30,</u>
	<u>2024</u>	<u>2023</u>	<u>2023</u>
Fair value interest rate risk			
Financial assets	\$ 19,674,364	\$ 18,581,833	\$ 13,929,491
Financial liabilities	1,590,659	1,618,882	1,374,620
Cash flow interest rate risk			
Financial assets	3,777,715	3,347,258	2,964,682
Financial liabilities	790,914	944,453	986,081

Sensitivity analysis

The sensitivity analysis below was based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For variable interest rate assets, the analysis was prepared assuming the amount of each asset outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 0.1% basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the six months ended June 30, 2024 and 2023 would have increased/decreased by \$1,493 thousand and \$989 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments. The Group's equity price risk was mainly concentrated in equity instruments operating in electronic industry quoted in the Taiwan Stock Exchange and Greta Securities Market.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 1% higher/lower, the post-tax other comprehensive income for the six months ended June 30, 2024 and 2023 would have increased/decreased by \$29,980 thousand and \$2,571 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in financial losses to the Group. The Group is exposed to credit risks from operating activities, primarily accounts receivable, and from investing activities, primarily deposits, fixed-income investments and other financial instruments with banks. Credit risk is managed separately for business related and financial related exposures. As of the end of the reporting period, the Company's maximum credit risk exposure is equal to the carrying amount of financial assets.

Business related credit risk

In order to mitigate credit risk, the Group has made the management of credit policy to ensure that appropriate action is taken to recover overdue receivables. In addition, the Group reviews the recoverable amounts of each trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Group considers the credit risk is significantly reduced.

The Group's trade receivables outstanding arose from trading with its customers spreading across diverse industries and geographical areas. The balances are monitored on an ongoing basis by evaluating the customers' financial conditions. The Group will purchase the credit guarantee insurance contract if necessary.

Under its credit policy, the Group evaluates the credit grade of new customers individually before determining payments and other transaction terms. For this evaluation, the Group acquires external information from credit rating agencies and banks. If this information is not available, the Group will use other publicly available financial information and its own trading records to rate its customers. The Group reviews credits and trades of each customer regularly and does not trade with the customers that do not meet the credit grade in advance.

The Group estimated the allowance for impairment loss recognized on trade receivables, other receivables and investments.

Financial credit risk

The Group invests only in debt instruments with credit ratings of investment grade or higher and low credit risk, based on impairment assessments. Credit rating information is provided by independent rating agencies. The Group regularly monitors external ratings and other financial indicators such as bond yield curves and significant information regarding the debt issuers to assess whether there has been a significant increase in credit risk since the initial recognition of the debt instruments.

The Group assesses the 12-month expected credit loss and lifetime expected credit loss based on the probability of default and loss given default provided by external credit rating agencies, along with the current financial condition of the debtors and industry outlook forecasts.

Category	Description	Basis for Recognizing Expected Credit Loss
Performing	Credit rating is investment grade on valuation date	12 months expected credit loss
Doubtful	Credit rating is non-investment grade on valuation date	Lifetime expected credit loss-not credit impaired
In default	Credit rating is CC or below on valuation date	Lifetime expected credit loss-credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery	Amount is written off

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of June 30, 2024, December 31, 2023 and June 30, 2023, the Group had available unutilized bank loan facilities set out in (b) below.

a) Liquidity and interest risk rate tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

June 30, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1+ Years	Total
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 9,351,116	\$ 6,864,851	\$ 4,063,843	\$ 816	\$ 20,280,626
Lease liabilities	16,376	34,792	197,411	1,985,234	2,233,813
Variable interest rate liabilities	<u>25,718</u>	<u>51,390</u>	<u>329,681</u>	<u>400,113</u>	<u>806,902</u>
	<u>\$ 9,393,210</u>	<u>\$ 6,951,033</u>	<u>\$ 4,590,935</u>	<u>\$ 2,386,163</u>	<u>\$ 23,321,341</u>

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 years	5-10 years	10-15 years	15-20 years	20+ years
Lease liabilities	\$ 248,579	\$ 457,367	\$ 616,654	\$ 89,125	\$ 351,625	\$ 470,463
Variable interest rate liabilities	<u>406,789</u>	<u>355,501</u>	<u>44,612</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 655,368</u>	<u>\$ 812,868</u>	<u>\$ 661,266</u>	<u>\$ 89,125</u>	<u>\$ 351,625</u>	<u>\$ 470,463</u>

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1+ Years	Total
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 7,646,070	\$ 6,446,605	\$ 3,220,285	\$ 816	\$ 17,313,776
Lease liabilities	12,612	37,855	248,648	1,964,664	2,263,779
Variable interest rate liabilities	25,831	51,464	336,323	552,083	965,701
Fixed interest rate liabilities	<u>29</u>	<u>60</u>	<u>27,111</u>	<u>-</u>	<u>27,200</u>
	<u>\$ 7,684,542</u>	<u>\$ 6,535,984</u>	<u>\$ 3,832,367</u>	<u>\$ 2,517,563</u>	<u>\$ 20,570,456</u>

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 years	5-10 years	10-15 years	15-20 years	20+ years
Lease liabilities	\$ 299,115	\$ 435,312	\$ 614,543	\$ 89,125	\$ 351,625	\$ 474,059
Variable interest rate liabilities	413,618	552,083	-	-	-	-
Fixed interest rate liabilities	<u>27,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 739,933</u>	<u>\$ 987,395</u>	<u>\$ 614,543</u>	<u>\$ 89,125</u>	<u>\$ 351,625</u>	<u>\$ 474,059</u>

June 30, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1+ Years	Total
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 7,703,592	\$ 5,289,357	\$ 3,281,495	\$ 912	\$ 16,275,356
Lease liabilities	13,980	34,382	185,746	1,642,634	1,876,742
Variable interest rate liabilities	25,697	51,392	230,508	705,152	1,012,749
Fixed interest rate liabilities	<u>30</u>	<u>62</u>	<u>31,663</u>	<u>-</u>	<u>31,755</u>
	<u>\$ 7,743,299</u>	<u>\$ 5,375,193</u>	<u>\$ 3,729,412</u>	<u>\$ 2,348,698</u>	<u>\$ 19,196,602</u>

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 years	5-10 years	10-15 years	15-20 years	20+ years
Lease liabilities	\$ 234,108	\$ 281,844	\$ 431,751	\$ 89,125	\$ 351,625	\$ 488,289
Variable interest rate liabilities	307,597	643,424	61,728	-	-	-
Fixed interest rate liabilities	<u>31,755</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 573,460</u>	<u>\$ 925,268</u>	<u>\$ 493,479</u>	<u>\$ 89,125</u>	<u>\$ 351,625</u>	<u>\$ 488,289</u>

b) Financing facilities

	June 30, 2024	December 31, 2023	June 30, 2023
Unsecured bank overdraft facilities:			
Amount used	\$ 791,810	\$ 975,370	\$ 1,023,871
Amount unused	<u>10,714,592</u>	<u>10,143,310</u>	<u>9,863,208</u>
	<u>\$ 11,506,402</u>	<u>\$ 11,118,680</u>	<u>\$ 10,887,079</u>

The Group does not have bank loan facilities which may be extended by mutual agreements on June 30, 2024, December 31, 2023 and June 30, 2023.

33. TRANSACTIONS WITH RELATED PARTIES

Intercompany balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated upon consolidation; therefore, those items are not disclosed in this note. The following is a summary of transactions between the Company and other related parties:

a. Related party name and categories

Related Party Name	Related Party Categories
Noctilucent Systems (Shanghai) Limited	Substantial related party
Oenix Biomed Co., Ltd.	Associate
Metalligence Technology Corp.	Subsidiary (Note)
CheerLife Technology Corp.	Associate

Note: Since April 2023, Metalligence Technology Corp. has been classified from an associate into a subsidiary.

b. Sales

Line Item	Related Party Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2024	2023	2024	2023
Sales	Oenix Biomed Co., Ltd.	\$ 233	\$ 847	\$ 288	\$ 1,193
	Metalligence Technology Corp.	-	-	-	580
	CheerLife Technology Corp.	-	(1,883)	-	(1,883)
		<u>\$ 233</u>	<u>\$ (1,036)</u>	<u>\$ 288</u>	<u>\$ (110)</u>

The price of the Group's sales to related parties is based on the agreed terms; therefore, there is no appropriate transaction object to compare.

c. Operating expense

Line Item	Related Party Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2024	2023	2024	2023
Operating expense	CheerLife Technology Corp.	\$ 2,300	\$ 2,384	\$ 4,744	\$ 2,384
	Metalligence Technology Corp.	-	-	-	957
		<u>\$ 2,300</u>	<u>\$ 2,384</u>	<u>\$ 4,744</u>	<u>\$ 3,341</u>

The transactions of the Group to related parties are based on the agreed terms.

d. Non-operating income and expenses

Line Item	Related Party Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2024	2023	2024	2023
Other revenue	Oenix Biomed Co., Ltd.	\$ 23	\$ 23	\$ 46	\$ 46
	CheerLife Technology Corp.	-	(99)	-	(24)
		<u>\$ 23</u>	<u>\$ (76)</u>	<u>\$ 46</u>	<u>\$ 22</u>

The non-significant transactions of the Group to related parties are based on the agreed terms.

e. Receivables from related parties

Line Item	Related Party Name	June 30, 2024	December 31, 2023	June 30, 2023
Trade receivables from related parties	Oenix Biomed Co., Ltd.	<u>\$ 37</u>	<u>\$ 122</u>	<u>\$ 112</u>

The Group's collection conditions for related parties are 75 days to 90 days after delivery.

f. Other receivables from related parties

Line Item	Related Party Name	June 30, 2024	December 31, 2023	June 30, 2023
Other receivables from related parties	Oenix Biomed Co., Ltd.	\$ 16	\$ 16	\$ 16
	Noctilucent Systems (Shanghai) Limited	-	-	3,254
		<u>\$ 16</u>	<u>\$ 16</u>	<u>\$ 3,270</u>

The transactions between the Group and related parties are based on the agreed terms.

g. Other payables to related parties

Line Item	Related Party Name	June 30, 2024	December 31, 2023	June 30, 2023
Other payables to related parties	CheerLife Technology Corp.	<u>\$ 353</u>	<u>\$ 531</u>	<u>\$ -</u>

The transactions between the Group and related parties are based on the agreed terms.

h. Remuneration of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 61,655	\$ 52,666	\$ 137,563	\$ 130,885
Termination benefits	285	304	557	595
	<u>\$ 61,940</u>	<u>\$ 52,970</u>	<u>\$ 138,120</u>	<u>\$ 131,480</u>

The compensation to directors and other key management personnel were determined by the Compensation Committee of the Company in accordance with the individual performance and the market trends.

34. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for the tariff guarantee and performance guarantee:

	June 30, 2024	December 31, 2023	June 30, 2023
Pledged time deposits (classified as other financial assets)	<u>\$ 98,887</u>	<u>\$ 79,623</u>	<u>\$ 79,623</u>

35. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

As of June 30, 2024, the Company needed to issue a letter of guarantee from the bank to the customs for the import/export of goods that amounted to \$30,000 thousand.

As of June 30, 2024, Edgecore Networks needed to issue a letter of guarantee from the bank to the customs for the import/export of goods that amounted to \$300 thousand.

The Company is building a new plant, and the total estimated value of the signed construction contract was \$2,650,000 thousand. As of June 30, 2024, the unrecognized amount was \$1,040,464 thousand.

36. OTHER ITEMS

On February 15, 2023, the president of the ROC announced the amendments to the “Climate Change Response Act”, which added the provision of carbon fee collection. Subsequently, on April 29, 2024, the Ministry of Environment announced the draft “Regulations Governing the Collection of Carbon Fees”, “Regulations for Administration of Voluntary Reduction Plans” and “Designated Greenhouse Gas Reduction Goal for Entities Subject to Carbon Fees”. According to the draft “Regulations Governing the Collection of Carbon Fees”, companies belonging to the power generation industry and large-scale operators in the manufacturing industry, with total annual greenhouse gas emissions generated by direct emissions and indirect emissions that occur through the use of purchased electricity exceeding 25,000 metric tons of carbon dioxide equivalent (tCO₂e), shall pay carbon fees if their plants are the emission sources subject to inventory, registration and inspection as announced by the Ministry of Environment.

Based on the emissions of the Group in the past year, the Group expects that the aforementioned threshold will be reached in 2024. However, because the aforementioned drafts are still in the stage of draft preview and the rates of the carbon fee have not yet been announced, the Group is not able to reasonably estimate the impact of carbon fees.

37. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

June 30, 2024

	Foreign Currency (In thousand)	Exchange Rate	Carrying Amount (In thousand)
<u>Financial assets</u>			
Monetary items			
USD	\$ 773,055	32.45 (USD:NTD)	\$ 25,085,622
USD	792	4.445 (RMB:NTD)	25,706
		7.3003 (USD:RMB)	
JPY	68,139	0.2017 (JPY:NTD)	13,744
RMB	108	4.4450 (RMB:NTD)	482
USD	11	0.001255 (VND:NTD)	356
		25,856.57 (USD:VND)	

Financial liabilities

Monetary items			
USD	459,447	32.45 (USD:NTD)	14,909,060
USD	36,054	4.445 (RMB:NTD)	1,169,938
		7.3003 (USD:RMB)	
JPY	501,155	0.001255 (VND:NTD)	101,083
		160.717 (JPY:VND)	

December 31, 2023

	Foreign Currency (In thousand)	Exchange Rate	Carrying Amount (In thousand)
<u>Financial assets</u>			
Monetary items			
USD	\$ 744,342	30.705 (USD:NTD)	\$ 22,855,020
RMB	41,116	4.327 (RMB:NTD)	177,908
USD	3,078	4.327 (RMB:NTD)	94,496
		7.0961 (USD:RMB)	
JPY	44,736	0.2172 (JPY:NTD)	9,717

Financial liabilities

Monetary items			
USD	388,055	30.705 (USD:NTD)	11,915,242
USD	46,401	4.327 (RMB:NTD)	1,424,755
		7.0961 (USD:RMB)	
JPY	417,833	0.001245 (VND:NTD)	90,753
		174.46 (JPY:VND)	
JPY	17,740	0.2172 (JPY:NTD)	3,853

June 30, 2023

	Foreign Currency (In thousand)	Exchange Rate	Carrying Amount (In thousand)
<u>Financial assets</u>			
Monetary items			
USD	\$ 739,491	31.14 (USD:NTD)	\$ 23,027,759
USD	199,497	4.2820 (RMB:NTD)	6,212,347
		7.2723 (USD:RMB)	
RMB	138,037	4.2820 (RMB:NTD)	591,074
USD	2,504	0.001305 (VND:NTD)	77,972
		23,862.07 (USD:VND)	
JPY	333,898	0.2150 (JPY:NTD)	71,788
EUR	51	33.81 (EUR:NTD)	1,724
HKD	18	4.2820 (RMB:NTD)	71
		0.9281 (HKD:RMB)	

Financial liabilities

Monetary items			
USD	545,915	31.14 (USD:NTD)	16,999,798
USD	65,630	4.2820 (RMB:NTD)	2,043,718
		7.2723 (USD:RMB)	
JPY	126,289	0.001305 (VND:NTD)	31,475
		164.75 (JPY:VND)	
HKD	3,917	4.2820 (RMB:NTD)	15,568
		0.9281 (HKD:RMB)	

The Group is mainly exposed to the USD and the RMB. The following information was aggregated by the functional currencies of the entities in the Group, and the exchange rates between the respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

For the Three Months Ended June 30				
Functional Currency	2024		2023	
	Exchange Rate (Functional Currency: Presentation Currency)	Net Foreign Exchange Gain (Loss)	Exchange Rate (Functional Currency: Presentation Currency)	Net Foreign Exchange Gain (Loss)
NTD	1 (NTD:NTD)	\$ 129,257	1 (NTD:NTD)	\$ 124,526
RMB	4.5522 (RMB:NTD)	1,789	4.3820 (RMB:NTD)	173,964
USD	32.355 (USD:NTD)	(1)	30.705 (USD:NTD)	(7)
VND	0.001258 (VND:NTD)	(6,007)	0.0013 (VND:NTD)	(499)
		<u>\$ 125,038</u>		<u>\$ 297,984</u>
For the Six Months Ended June 30				
Functional Currency	2024		2023	
	Exchange Rate (Functional Currency: Presentation Currency)	Net Foreign Exchange Gain (Loss)	Exchange Rate (Functional Currency: Presentation Currency)	Net Foreign Exchange Gain (Loss)
NTD	1 (NTD:NTD)	\$ 742,678	1 (NTD:NTD)	\$ 4,420
RMB	4.4898 (RMB:NTD)	19,545	4.4123 (RMB:NTD)	120,872
USD	31.901 (USD:NTD)	(9)	30.550 (USD:NTD)	(8)
VND	0.00126 (VND:NTD)	(24,939)	0.0013 (VND:NTD)	(395)
		<u>\$ 737,275</u>		<u>\$ 124,889</u>

38. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and b. information on investees:

- 1) Financing provided to others (None)
- 2) Endorsements/guarantees provided (Table 1)
- 3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures) (Table 2)
- 4) Marketable securities acquired and disposed of at costs or prices at least NT\$300 million or 20% of the paid-in capital
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (Table 3)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
- 9) Trading in derivative instruments. (Note 32)
- 10) Other: Intercompany relationships and significant intercompany transactions (Table 6)
- 11) Information on investees (excluding any investee company in mainland China) (Table 7)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 8)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses. (Table 6)
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 9)
- e. The Company's shares held by its subsidiaries: The Company's shares held by its subsidiaries for investing (Note 23)

39. SEGMENT INFORMATION

For resources allocation and performance assessment, the Group's chief operating decision maker reviews operating results and financial information. The focus is on the operating results of each plant operated by the Company and its subsidiaries. Thus, each plant is an operating segment of the Group. As each plant shares similar economic characteristics, produces similar products by using similar production processes and all products produced are distributed and sold to the same level of customers through a centralized sales function, the Group's segments are aggregated into a single reportable segment.

The revenue, operating results and financial information of each plant presented to the chief operating decision maker are consistent with the information in the consolidated financial statements. The segment revenue and operating results are shown in the consolidated income statements for the three months ended June 30, 2024 and 2023, and for the six months ended June 30, 2024 and 2023. The segment assets are shown in the consolidated balance sheets as of June 30, 2024, December 31, 2023 and June 30, 2023.

TABLE 1

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

**ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of Various Foreign Currencies/New Taiwan Dollars)**

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 2)										
0	Accton Technology Corporation	Accton Global, Inc.	2	\$ 2,686,299	\$ 97,350 (USD 3,000)	\$ 97,350 (USD 3,000)	\$ -	\$ -	0.36	\$ 8,058,898	Yes	No	No
0	Accton Technology Corporation	Vietnam Accton Technology Co., Ltd.	2	2,686,299	957,275 (USD 29,500)	957,275 (USD 29,500)	99,972	-	3.56	8,058,898	Yes	No	No
1	Accton Global, Inc.	Accton Logistics Corporation	4	121,868	6,258 (USD 200)	-	-	-	-	121,868	No	No	No
2	Joy Technology (ShenZhen) Co., Ltd.	MuXi Technology Co., Ltd.	4	2,707,259	591,916 (RMB 130,000)	204,894 (RMB 45,000)	-	-	7.57	2,707,259	No	No	Yes

Note 1: The description of the number column is as follows:

- 1) Lender is numbered as 0.
- 2) Investee is numbered sequentially from 1.

Note 2: The following seven items are relationship of endorsement guarantors and endorsed objects:

- 1) The company with business contact.
- 2) The company directly and indirectly holds more than 50% of the shares of the voting rights.
- 3) Directly and indirectly holds more than 50% of the shares of the voting rights to the company.
- 4) The company directly and indirectly holds more than 90% of the shares of the voting rights.
- 5) The company that is mutually protected under contractual requirements based on the needs of the contractor.
- 6) The company that is endorsed by its all-funded shareholders in accordance with its shareholding ratio because of the joint investment relationship.
- 7) Performance guarantees for the sale of presale contracts under the Consumer Protection Act.

Note 3: The limit on amount of endorsement and guarantee is explained below:

- 1) In accordance with the company’s procedure for endorsement and guarantee, the ceiling on total endorsement and guarantee to all parties is 30% of its net sales value; the ceiling on single guarantee object to all parties is 10% of its net assets value.
- 2) The policy for endorsement and guarantee granted by subsidiaries to the company whose voting shares are directly or indirectly wholly-owned is not limited by the above description.

TABLE 2

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2024
(In Thousands of Various Foreign Currencies/New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2024				Note
				Shares/Units (Thousands)	Carrying Amount	Percentage of Ownership	Fair Value	
Accton Technology Corporation	<u>Fund</u>							
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	44,599	\$ 684,902	-	\$ 684,902	Note 5
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss - current	27,144	352,481	-	352,481	Note 5
	Taishin Ta-Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	8,902	130,917	-	130,917	Note 5
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,627	110,650	-	110,650	Note 5
	Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss - current	5,119	80,139	-	80,139	Note 5
	JPMorgan Funds - US Aggregate Bond Fund	-	Financial assets at fair value through profit or loss - current	48	26,516	-	26,516	Note 5
	JPMorgan (Taiwan) First Money Market Fund	-	Financial assets at fair value through profit or loss - current	648	10,066	-	10,066	Note 5
	<u>Share</u>							
	First Hi-Tec Enterprise Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	1,496	147,044	2%	147,044	Note 4
	Cathay Financial Holding Co., Ltd. - preference shares	-	Financial assets at fair value through other comprehensive income - current	830	50,713	-	50,713	Note 4
	Marvell Technology Inc.	-	Financial assets at fair value through other comprehensive income - current	5	11,161	-	11,161	Note 4
	Clientron Corp.	-	Financial assets at fair value through other comprehensive income - current	289	3,759	-	3,759	Note 6
	Cathay Financial Holding Co., Ltd. - preference share B	-	Financial assets at fair value through other comprehensive income - current	35	2,050	-	2,050	Note 4
	TechnoConcepts Inc.	-	Financial assets at fair value through other comprehensive income - current	597	-	-	-	Note 3
	Lumilens Inc. preference shares	-	Financial assets at fair value through other comprehensive income - non-current	6,376	296,562	13%	296,562	Note 3
	Neuroblade Ltd. preference shares	-	Financial assets at fair value through other comprehensive income - non-current	330	24,176	1%	24,176	Note 3

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2024				Note
				Shares/Units (Thousands)	Carrying Amount	Percentage of Ownership	Fair Value	
Accton Technology Corporation	Reed Semiconductor Corp. - preference share	-	Financial assets at fair value through other comprehensive income - non-current	250	\$ 31,930	1%	\$ 31,930	Note 3
	Enfabrica Corp.	-	Financial assets at fair value through other comprehensive income - non-current	308	19,143	-	19,143	Note 3
	Worldgate Communication, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	3,200	-	-	-	Note 3
	Pershing Systems Corp.	-	Financial assets at fair value through profit or loss - non-current	2,942	118,077	9%	118,077	Note 3
	i Pass Corporation	-	Financial assets at fair value through profit or loss - non-current	1,140	-	1%	-	Note 3
	Wave-In Communication Inc.	-	Financial assets at fair value through profit or loss - non-current	1,318	15,131	7%	15,131	Note 3
	Linker Corporation	-	Financial assets at fair value through profit or loss - non-current	469	-	2%	-	Note 3
	Global Channel Resource Pte. Ltd.	-	Financial assets at fair value through profit or loss - non-current	500	-	7%	-	Note 3
	Stratus Medicine Inc.	-	Financial assets at fair value through profit or loss - non-current	833	-	4%	-	Note 3
	Zentera Systems, Inc.	-	Financial assets at fair value through profit or loss - non-current	400	-	3%	-	Note 3
	Xingtera Technology Optimizes	-	Financial assets at fair value through profit or loss - non-current	478	-	1%	-	Note 3
	Midfin Systems Inc.	-	Financial assets at fair value through profit or loss - non-current	1,084	-	4%	-	Note 3
	MiTAC Information Technology Corp.	-	Financial assets at fair value through profit or loss - non-current	300	-	-	-	Note 3
	Clop Technologies Pte. Ltd.	-	Financial assets at fair value through profit or loss - non-current	2,000	-	9%	-	Note 3
	Acute Technology Corp.	-	Financial assets at fair value through profit or loss - non-current	2,650	-	15%	-	Note 3
	Microlinks Technology Corp.	-	Financial assets at fair value through profit or loss - non-current	138	-	2%	-	Note 3
	Peracom Networks, Inc.	-	Financial assets at fair value through profit or loss - non-current	2,931	-	-	-	Note 3
	MoBitS Electronics, Inc.	-	Financial assets at fair value through profit or loss - non-current	387	-	5%	-	Note 3
	VODTEL Communication Inc.	-	Financial assets at fair value through profit or loss - non-current	122	-	3%	-	Note 3
	Noctilucent (HK) Limited	-	Financial assets at fair value through profit or loss - non-current	-	-	19%	-	Note 3
	<u>Structured Products</u>							
	Enfabrica Corp.	-	Financial assets at fair value through profit or loss - non-current	-	38,286	-	38,286	Note 3
	<u>Convertible Bonds</u>							
	AVIZ Networks Inc.	-	Financial assets at fair value through profit or loss - non-current	-	47,505	-	47,505	Note 3
	Shoreline AI, Inc.	-	Financial assets at fair value through profit or loss - non-current	-	31,595	-	31,595	Note 3
	<u>Bonds</u>							
	US Treasury Bonds	-	Financial assets at amortized cost - non-current	9,300	292,836	-	295,063	Note 3
	Citigroup Global Markets Holdings Inc.	-	Financial assets at amortized cost - non-current	6,000	194,550	-	193,755	Note 3

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2024				Note
				Shares/Units (Thousands)	Carrying Amount	Percentage of Ownership	Fair Value	
Accton Investment Corp.	Wells Fargo & Company	-	Financial assets at amortized cost - non-current	5,500	\$ 177,313	-	\$ 176,412	Note 3
	Westpac Banking Corp.	-	Financial assets at amortized cost - non-current	4,500	148,400	-	148,309	Note 3
	HSBC Global Investment Funds	-	Financial assets at amortized cost - non-current	4,000	130,334	-	129,217	Note 3
	Berkshire Hathaway Inc.	-	Financial assets at amortized cost - non-current	2,000	62,568	-	62,875	Note 3
	Toyota Motor Credit Corp.	-	Financial assets at amortized cost - non-current	1,000	31,962	-	32,070	Note 3
	National Australia Bank Ltd	-	Financial assets at amortized cost - non-current	500	16,061	-	16,146	Note 3
	<u>Shares</u> Accton Technology Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	2,210	50,999	-	1,226,476	Note 4
	Astera Labs, Inc.	-	Financial assets at fair value through other comprehensive income - current	1,408	2,765,123	-	2,765,123	Note 4
	Xsight Labs Ltd. - preference share D-1	-	Financial assets at fair value through profit or loss - non-current	8	2,098	-	2,098	Note 3
	Xsight Labs Ltd. - preference share D	-	Financial assets at fair value through profit or loss - non-current	125	-	-	-	Note 3
	Quantun Machines Ltd. - preference share A	-	Financial assets at fair value through profit or loss - non-current	217	-	1%	-	Note 3
	Pavilion Data Systems - preference share C	-	Financial assets at fair value through profit or loss - non-current	336	-	1%	-	Note 3
	Dustphotonics, Inc. - preference share A	-	Financial assets at fair value through profit or loss - non-current	38	-	-	-	Note 3
	Dustphotonics, Inc. - preference share B	-	Financial assets at fair value through profit or loss - non-current	5	-	-	-	Note 3
	Aspac Communications, Inc.	-	Financial assets at fair value through profit or loss - non-current	120	-	-	-	Note 3
	Kai Chieh International Investment Ltd.	-	Financial assets at fair value through profit or loss - non-current	46	-	-	-	Note 3
	MoBitS Electronics, Inc.	-	Financial assets at fair value through profit or loss - non-current	232	-	3%	-	Note 3
	Fulfillment Plus Inc.	-	Financial assets at fair value through profit or loss - non-current	500	-	2%	-	Note 3
	@Network, Inc.	-	Financial assets at fair value through profit or loss - non-current	100	-	-	-	Note 3
	Telectronics International, Inc.	-	Financial assets at fair value through profit or loss - non-current	286	-	2%	-	Note 3
	Itelco Communication, Inc. - preference shares	-	Financial assets at fair value through profit or loss - non-current	202	-	-	-	Note 3
	Network Excellence For Enterprises Corp. - preference shares	-	Financial assets at fair value through profit or loss - non-current	600	-	-	-	Note 3
	Caspain Networks, Inc.	-	Financial assets at fair value through profit or loss - non-current	2	-	-	-	Note 3
	Truetel Communications Inc.	-	Financial assets at fair value through profit or loss - non-current	600	-	3%	-	Note 3
	Voipack Corporation - preference shares	-	Financial assets at fair value through profit or loss - non-current	1,075	-	-	-	Note 3
	Ip Unity - preference shares	-	Financial assets at fair value through profit or loss - non-current	68	-	-	-	Note 3
	Peracom Networks, Inc.	-	Financial assets at fair value through profit or loss - non-current	2,629	-	-	-	Note 3

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2024				Note
				Shares/Units (Thousands)	Carrying Amount	Percentage of Ownership	Fair Value	
Accton Investment Corp.	Discovery Times Ltd.	-	Financial assets at fair value through profit or loss - non-current	-	\$ -	-	\$ -	Note 3
	Engim, Inc. - preference shares A	-	Financial assets at fair value through profit or loss - non-current	455	-	-	-	Note 3
	Engim, Inc. - preference shares A-1	-	Financial assets at fair value through profit or loss - non-current	2,308	-	-	-	Note 3
	Softfoundry International Pte. Ltd.	-	Financial assets at fair value through profit or loss - non-current	833	-	-	-	Note 3
	MiTAC Information Technology Corp.	-	Financial assets at fair value through profit or loss - non-current	15	-	-	-	Note 3
	E2O Communications Inc.	-	Financial assets at fair value through profit or loss - non-current	30	-	-	-	Note 3
	<u>Convertible Bonds</u> Awoo Japan	-	Financial assets at fair value through profit or loss - non-current	-	-	-	-	Note 3
Accton Century holding (BVI) Co., Ltd.	<u>Shares</u> @ Network, Inc.	-	Financial assets at fair value through profit or loss - non-current	167	-	-	-	Note 3
	3CX Inc.	-	Financial assets at fair value through profit or loss - non-current	375	-	-	-	Note 3
	Discovery Times Alpha Ltd.	-	Financial assets at fair value through profit or loss - non-current	-	-	-	-	Note 3
	Telmax Communications Corp.	-	Financial assets at fair value through profit or loss - non-current	613	-	-	-	Note 3
	Programmable Silicon Solutions	-	Financial assets at fair value through profit or loss - non-current	143	-	-	-	Note 3
	Aviva Communications INC. - preference shares	-	Financial assets at fair value through profit or loss - non-current	30	-	-	-	Note 3
	Conveigh Inc.	-	Financial assets at fair value through profit or loss - non-current	765	-	-	-	Note 3
	Fortress	-	Financial assets at fair value through profit or loss - non-current	-	-	-	-	Note 3
	<u>Shares</u> Zhuhai Jinfangda Technology Co., Ltd.	-	Financial assets at fair value through profit or loss - non-current	-	-	18%	-	Note 3
Edgecore Networks Corp.	<u>Fund</u> CTBC Hua Win Money Market Fund		Financial assets at fair value through profit or loss - non-current	6,148	70,024	-	70,024	Note 5
	<u>Shares</u> ALFA Network Inc.	-	Financial assets at fair value through profit or loss - non-current	969	17,173	19%	17,173	Note 3
	AVIZ Networks Inc. - preference shares	-	Financial assets at fair value through other comprehensive income - non-current	4,065	14,979	-	14,979	Note 3
Accton Manufacturing and Service, Inc.	<u>Shares</u> Humax Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	369	18,132	-	18,132	Note 4
	Wedge Networks	-	Financial assets at fair value through profit or loss - non-current	250	(USD 559) -	1%	(USD 559) -	Note 3

(Concluded)

Note 1: As of June 30, 2024 the above marketable securities have not been pledged or mortgaged.

Note 2: For information on subsidiaries and associates, refer to Tables 7 and 8.

Note 3: The market value was based on the carrying amount as of June 30, 2024.

Note 4: The market value was based on the closing price as of June 30, 2024.

Note 5: The market value was based on the net asset value of the fund as of June 30, 2024.

Note 6: The market value was based on the average quoted price as of June 30, 2024.

TABLE 3

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of Foreign Currencies/ New Taiwan Dollars)

Company Name	Types of Property	Transaction Date	Transaction Amount (Note)	Payment Term	Counter-party	Nature of Relationship	Previous Transaction of Related Counter-party				Pricing Reference	Purpose of Acquisition	Other Terms
							Owner	Relationship	Transfer Date	Amount			
Accton Technology Corporation	Buildings	January 1, 2024 – June 30, 2024	\$ 328,514 (Note 1)	Payment will be made monthly after acceptance according to the progress of the project	Xu Yuan Construction Engineering Co., Ltd.	None	Not applicable	Not applicable	Not applicable	Not applicable	Bid price	Operating purpose	None
Vietnam Accton Technology Co., Ltd	Buildings and right-of-use assets-land	June 21, 2024 (Note 2)	377,000 (USD 12,164) (Note 2)	(Note 2)	CNCTech Group Joint Stock Company	None	Not applicable	Not applicable	Not applicable	Not applicable	Bid price	Operating purpose	None

Note 1: The payment was made for the engineering and construction order.

Note 2: According to the anticipated transaction information approved by the board directors of the Company, the actual terms of the transaction will be based on the contract. The contract is unsigned yet.

TABLE 4

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Trade Receivables (Payables)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Accton Technology Corporation	Joy Technology (Shenzhen) Co., Ltd.	Indirect subsidiary	Purchase	\$ 3,468,337	10	45 days after the invoice date	Specified at each transaction	45 days after the invoice date	\$ (1,444,358)	8	-
	Vietnam Accton Technology Co., Ltd.	Subsidiary	Purchase	1,852,098	5	90 days after the invoice date	Specified at each transaction	90 days after the invoice date	(1,035,701)	6	-
	Accton Global, Inc.	Subsidiary	Sale	8,723,017	20	75 days after the delivery date	Specified at each transaction	75 days after the delivery date	6,740,345	47	-
	Edgecore Networks Corp.	Subsidiary	Sale	2,036,315	5	60 days after the delivery date	Specified at each transaction	60 days after the delivery date	553,061	4	-
Joy Technology (Shenzhen) Co., Ltd.	MuXi Technology Co., Ltd.	Held by the same ultimate holding company	Sale	2,338,628	5	Monthly 45 days	Specified at each transaction	Monthly 45 days	1,344,911	9	-
	Accton Technology Co., Ltd.	Held by the same ultimate holding company	Sale	854,682	2	90 days after the delivery date	Specified at each transaction	90 days after the delivery date	1,004,583	7	-
Edgecore Networks Corporation	Edgecore Americas Networking Corp.	Subsidiary	Sale	805,264	2	75 days after the invoice date	Specified at each transaction	75 days after the invoice date	150,458	1	-

TABLE 5

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2024
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance (Note 3)	Turnover Rate (Note 1)	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Accton Technology Corporation	Accton Global, Inc.	Subsidiary	\$ 6,740,345	2.83	\$ 2,301,814	Strengthen collection	\$ 1,967,568	\$ -
	Vietnam Accton Technology Co., Ltd.	Subsidiary	1,521,055	Note 2	745,309	Strengthen collection	-	-
Joy Technology (Shenzhen) Co., Ltd.	Edgecore Networks Corp.	Subsidiary	570,073	5.45	-	-	-	-
	Accton Technology Corporation	Ultimate parent company	1,444,947	3.54	-	-	-	-
	MuXi Technology Co., Ltd.	Held by the same ultimate holding company	1,344,911	4.11	416,345	Strengthen collection	416,345	-
	Accton Technology Co., Ltd.	Held by the same ultimate holding company	1,004,583	1.88	349,722	Strengthen collection	100,330	-
Edgecore Networks Corp. Accton Technology Co., Ltd.	Vietnam Accton Technology Co., Ltd.	Held by the same ultimate holding company	144,613	Note 2	70,041	Strengthen collection	-	-
	Edgecore Americas Networking Corp.	Subsidiary	151,580	6.98	-	-	-	-
	Joy Technology (Shenzhen) Co., Ltd.	Held by the same ultimate holding company	776,391	-	-	Strengthen collection	-	-
MuXi Technology Co., Ltd.	Joy Technology (Shenzhen) Co., Ltd.	Held by the same ultimate holding company	763,850	-	123,261	Strengthen collection	-	-
Vietnam Accton Technology Co., Ltd.	Accton Technology Corporation	Ultimate parent company	1,035,701	4.70	-	-	-	-

Note 1: The calculation of turnover days excludes other receivables.

Note 2: The ending balance is primarily consisted of other receivables, which is not applicable for the calculation of turnover days.

Note 3: Receivables from related parties include trade receivables from related parties and other receivables from related parties.

TABLE 6

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars)**

No.	Investee Company	Counterparty	Relationship (Note 3)	Transaction Details			
				Financial Statements Accounts	Amount	Payment Terms	% of Total Sales or Assets
0	Accton Technology Corporation	Accton Global, Inc.	1	Sales	\$ 8,723,017	Note 1	20
		Edgecore Networks Corp.	1	Sales	2,036,315	Note 1	5
		Accton Manufacturing and Service, Inc.	1	Sales	31,172	Note 1	-
		Accton Technology Co., Ltd.	1	Sales	19,397	Note 1	-
		ATAN NetworKs Co., Ltd.	1	Sales	15,033	Note 1	-
		Joy Technology (Shenzhen) Co., Ltd.	1	Purchases and processing	3,468,337	Note 1	8
		Vietnam Accton Technology Co., Ltd.	1	Purchases and processing	1,852,098	Note 1	4
		Edgecore Networks Corp.	1	Purchases and processing	41,549	Note 1	-
		Accton Technology Corp. USA	1	Operating expenses	126,654	Note 1	-
		Accton Technology Co., Ltd.	1	Operating expenses	26,225	Note 1	-
		Vietnam Accton Technology Co., Ltd.	1	Non-operating income	25,497	Note 1	-
		Accton Global, Inc.	1	Trade receivables from related parties	6,740,345	Note 2	10
		Edgecore Networks Corp.	1	Trade receivables from related parties	553,061	Note 2	1
		Accton Manufacturing and Service, Inc	1	Trade receivables from related parties	29,823	Note 2	-
		ATAN NetworKs Co., Ltd.	1	Trade receivables from related parties	14,635	Note 2	-
		Accton Technology Co., Ltd.	1	Trade receivables from related parties	10,817	Note 2	-
		Accton Logistics Corp.	1	Trade receivables from related parties	10,403	Note 2	-
		Vietnam Accton Technology Co., Ltd.	1	Other receivables from related parties	1,520,001	Note 2	2
		Joy Technology (Shenzhen) Co., Ltd.	1	Other receivables from related parties	61,690	Note 2	-
		Edgecore Networks Corp.	1	Other receivables from related parties	17,012	Note 2	-
		Joy Technology (Shenzhen) Co., Ltd.	1	Trade payables to related parties	1,444,358	Note 1	2
		Vietnam Accton Technology Co., Ltd.	1	Trade payables to related parties	1,035,701	Note 1	2
		Accton Technology Corp. USA	1	Other payables to related parties	222,453	Note 1	-
		Edgecore Networks Corp.	1	Other payables to related parties	39,532	Note 1	-
		Accton Technology Co., Ltd.	1	Other payables to related parties	26,194	Note 1	-
		Accton Investment Corp	1	Other payables to related parties	22,091	Note 1	-
1	Joy Technology (Shenzhen) Co., Ltd.	MuXi Technology Co., Ltd.	3	Sales	2,338,628	Note 1	5
		Accton Technology Co., Ltd.	3	Sales	854,682	Note 1	2
		ATAN NetworKs Co., Ltd.	3	Purchases and processing	10,139	Note 1	-
		MuXi Technology (Nanjing) Co., Ltd.	3	Trade receivables from related parties	1,344,911	Note 1	2
		Accton Technology Co., Ltd.	3	Trade receivables from related parties	1,004,583	Note 1	1
		Vietnam Accton Technology Co., Ltd.	3	Other receivables from related parties	142,558	Note 1	-
		Accton Technology Co., Ltd.	3	Trade payables to related parties	775,942	Note 1	1
		MuXi Technology (Nanjing) Co., Ltd.	3	Trade payables to related parties	763,850	Note 1	1
		Edgecore Americas Networking Corp.	3	Sales	805,264	Note 1	2
		Edgecore Networks India Pte. Ltd.	3	Sales	14,179	Note 1	-
2	Edgecore Networks Corp.	Edgecore Americas Networking Corp.	3	Trade receivables from related parties	150,458	Note 1	-
		Edgecore Networks India Pte. Ltd.	3	Trade receivables from related parties	36,009	Note 1	-
		ATAN NetworKs Co., Ltd.	3	Trade receivables from related parties	28,253	Note 1	-
		Edgecore Networks Singapore Pte. Ltd.	3	Other payables to related parties	18,592	Note 1	-
		MuXi Technology (Nanjing) Co., Ltd.	3	Sales	93,673	Note 1	-
		ATAN NetworKs Co., Ltd.	3	Trade receivables from related parties	33,992	Note 1	-

Note 1: Intercompany transactions between the Company and its subsidiaries are based on the agreed terms; therefore, there is no appropriate transaction object to compare.

Note 2: Transaction settlement was from 60 to 90 days after the product is shipped from the point of departure.

Note 3: No. 1 represents the transaction between the parent company and its subsidiary.

No. 3 represents the transaction between the subsidiaries.

(Concluded)

TABLE 7

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES (EXCLUDING ANY INVESTEEES COMPANY IN MALNLAND CHINA)
 FOR THE SIX MONTHS ENDED JUNE 30, 2024
 (In Thousands of Foreign Currencies/New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of June 30, 2024			Net Income (Loss) of the Investee	Investment Gain (Loss) Recognized	Note
				June 30, 2024	December 31, 2023	Number of Shares (Thousands)	% of Ownership	Carrying Amount			
Accton Technology Corporation	Accton Century Holding (BVI) Co., Ltd.	British Virgin Islands	Investment holding company	\$ 1,664,416	\$ 1,664,416	51,973	100	\$ 2,760,650	\$ (38,450)	\$ (61,573)	Notes 1 and 3
	Edgecore Networks Corp.	Hsinchu	Research, development, design, manufacture and selling of switching hubs	650,000	650,000	50,000	100	2,417,437	503,262	503,262	Note 1
	Accton Manufacturing and Service, Inc.	USA	Manufacture and selling of switching hubs	769,644	769,644	24,149	100	89,749	10,818	10,818	Note 1
	Accton Technology (China) Co., Ltd.	Cayman Islands	Investment holding company	279,635	279,635	6,600	100	140,062	18,786	18,786	Note 1
	Accton Technology Corp. USA	USA	Service of technique of high-quality LAN hardware and software products	342,132	342,132	2,199	100	204,424	2,563	2,563	Note 1
	Accton Investment Corp.	British Virgin Islands	Investment holding company	79,676	79,676	1,004	100	3,081,989	42,234	20,143	Note 1
	Accton Logistics Corp.	USA	Selling and marketing of high-quality LAN hardware and software products	89,267	89,267	1	100	127,155	(58)	(58)	Note 1
	Accton Global, Inc.	USA	Selling and marketing of high-quality LAN hardware and software products	35,316	35,316	10	100	(388,257)	11,230	11,230	Note 2
	ACCE Technology Corp.	Cayman Islands	Investment holding company	43,596	-	1,400	100	43,973	377	377	Notes 1 and 4
	E-Direct Corp.	Taipei	Provides services in information software and information technology	12,556	43,075	800	100	48,673	10,982	10,982	Note 1
	Metalligence Technology Corp.	Taipei	Provides e-commerce apps, information software and advertising services	430	430	215	100	(1,355)	-	-	Note 1
	CheerLife Technology Corp.	Taipei	Provides e-commerce apps, information software and advertising services	70	70	7	20	-	-	-	Note 5
	Oenix Biomed Co., Ltd.	Taipei	Research and development of health care services and equipment	20,000	20,000	2,000	40	7,294	(1,143)	(457)	Note 1
	Vietnam Accton Technology Co., Ltd.	Vietnam	Research, development, design, manufacture and selling of switching hubs	793,520	793,520	-	100	345,796	(150,561)	(152,680)	Notes 1 and 3
Accton Century Holding (BVI) Co., Ltd.	Accton Asia Investments Corp.	British Virgin Islands	Investment holding company	1,366,340 (USD 42,106)	1,366,340 (USD 42,106)	42,106	100	2,729,965	(46,138)	(46,138)	Note 1
Edgecore Networks Corp.	Edgecore Networks Singapore Pte. Ltd.	Singapore	Selling and marketing of high-quality LAN hardware and software products	22,466	22,466	3,557	100	32,967	758	758	Note 1
	Edgecore Americas Networking Corp.	USA	Selling and marketing of high-quality LAN hardware and software products	19,795 (USD 610)	19,795 (USD 610)	10	100	150,143	54,049	54,049	Note 1
	Edgecore Networks India Pvt. Ltd.	India	Research, development, design, manufacture and selling of switching hubs	15,039	15,039	3,885	100	714	(3,209)	(3,209)	Note 1
Accton Technology Corp	GoldiLink Technology Corp.	Hsinchu	Research, development, design, manufacturing and sales of optical modules	40,000	-	4,000	100	40,079	(79)	(79)	Notes 1 and 6

Note 1: Based on the financial statements were not reviewed by the CPAs

Note 2: Based on the financial statements were reviewed by the CPAs.

Note 3: After adjustment of gains or losses from related parties.

Note 4: In February 2024, ACCE Technology Corp. completed the capital injection.

Note 5: Recognized an impairment loss.

Note 6: In May 2024, GoldiLink completed its registration of establishment.

(Concluded)

TABLE 8

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of Foreign Currencies/New Taiwan Dollars)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (Note 2)	Method of Investment	Accumulated Outflow Remittance for Investment from Taiwan as of January 1, 2024 (Note 2)	Investment Flows		Accumulated Outflow Remittance for Investment from Taiwan as of June 30, 2024 (Note 2)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of June 30, 2024	Accumulated Repatriation of Investment Income as of June 30, 2024 (Note 2)	Note
					Outflow	Inflow							
Joy Technology (Shenzhen) Co., Ltd.	Selling and producing of high-end network switches	\$ 1,444,025 (USD 44,500)	Note 1	\$ -	\$ -	\$ -	\$ -	\$ 100,042	100	\$ 100,042	\$ 2,707,259	\$ 3,267,455 (USD 100,692)	Note 3
Accton Technology Co., Ltd.	Sales of network related products	194,700 (USD 6,000)	Note 1	194,700 (USD 6,000)	-	-	194,700 (USD 6,000)	18,384	100	18,384	132,605	-	Note 4
Noctilucent Systems (Shanghai) Limited	Development, design and manufacture of software, selling product and consultation and service of technique	162,250 (USD 5,000)	Note 1	210,244 (USD 6,479)	-	-	210,244 (USD 6,479)	-	-	-	-	-	-
ATAN NetworKs Co., Ltd.	Sale of network products	100,595 (USD 3,100)	Note 11	100,595 (USD 3,100)	-	-	100,595 (USD 3,100)	(3,622)	100	(3,622)	(21,810)	-	Note 4
MuXi Technology Co., Ltd.	Sale of network products	4,553 (RMB 1,000)	Note 12	-	-	-	-	(29,180)	100	(29,180)	(33,521)	-	Note 4

Investee Company	Accumulated Investment in Mainland China as of June 30, 2024	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
Joy Technology (Shenzhen) Co., Ltd.	USD - (Notes 13 and 14)	USD 44,500 (Note 5)	\$ 16,117,797
Accton Technology Co., Ltd.	USD 6,000	USD 6,000	
Noctilucent Systems (Shanghai) Limited	USD 6,479 (Notes 6 and 9)	USD 5,000	
ATAN NetworKs Co., Ltd.	USD 3,100	USD 3,500	
Arcadyan Technology (Shanghai) Corp. (Note 7)	USD 684	USD 5,586	
Tomato Technology (Shanghai) Corp. (Note 8)	USD 380	USD 380	
Zhuhai Jinfangda Technology Co., Ltd. (Note 10)	USD 937	USD 937	

Note 1: Investment made in mainland China was through the Company’s subsidiaries that are located in the third region.

Note 2: Based on the exchange rate as of June 30, 2024.

Note 3: The amount was recognized based on the financial statements which were reviewed by the CPAs.

Note 4: The amount was recognized based on the financial statements which were not reviewed by the CPAs.

Note 5: Issuance of ordinary shares out of retained earnings amounted to USD7,500 thousand.

Note 6: Repayment of debt amounted to USD1,567 thousand.

(Continued)

- Note 7: In December 2009, the Company sold 17% shares of Arcadyan Technology (Shanghai) Co., Ltd. to Arcadyan Technology Company and its affiliates.
- Note 8: Tomato Technology (Shanghai) Corp. was sold in July 2009. The Investment Commission of the Ministry of Economic Affairs approved the sale of the investment.
- Note 9: In September 2017, the Company sold Noctilucent (HK)'s 81% shares and jointly disposed of Noctilucent Systems (Shanghai) Limited. The resale case was approved by the Ministry of Economic Affairs for review. In October 2023, the Company was approved by the No. 11256116460 letter to deduct the amount of investment by US\$88 thousand.
- Note 10: On April 19, 2019, the Company got the approval from the Investment Board, Ministry of Economic Affairs to invest in Zhuhai Jinfangda Technology Co., Ltd. which was recognized under the financial assets at fair value through profit or loss - non-current.
- Note 11: Joy Technology (Shenzhen) Co., Ltd.'s indirect investment in a company located in mainland China.
- Note 12: Accton Technology Co., Ltd.'s indirect investment in a company located in mainland China.
- Note 13: In accordance with the No. 11320059460 Letter in January 2024, the Company remitted US\$59,858 thousand of investment income from Joy Technology (Shenzhen) Co., Ltd. to deduct the accumulated outflow remittance for investment from Taiwan.
- Note 14: In accordance with the No. 11320136370 Letter in January 2024, the Company remitted US\$40,834 thousand of investment income from Joy Technology (Shenzhen) Co., Ltd. to deduct the accumulated outflow remittance for investment from Taiwan.

(Concluded)

ACCTON TECHNOLOGY CORPORATION

**INFORMATION OF MAJOR SHAREHOLDERS
JUNE 30, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Golden Tengis Co., Ltd.	45,113,765	8.04