Accton Technology Corporation and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2024 and 2023 and Independent Auditors’ Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2024 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 "Consolidated Financial Statements". Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Accton Technology Corporation

By

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Kuo Hsiu Huang
Chairman

March 13, 2025

Deloitte.

勤業眾信

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Accton Technology Corporation

Opinion

We have audited the accompanying consolidated financial statements of Accton Technology Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2024 are stated as follows:

Revenue recognition

For the year ended December 31, 2024, the Group's net operating revenue was NT$110,424,744 thousand. Refer to Notes 4, 25 and 40 to the consolidated financial statements for detailed information on accounting policies regarding revenue.

We evaluated that certain sales models of the Group carry the risk of sales authenticity. Therefore, we have identified this as a key audit matter for the year ended December 31, 2024 and have performed the following audit procedures to address this risk:

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

1. We evaluated the appropriateness of the Group's revenue recognition accounting policies, obtained an understanding of the internal control design and operating procedures regarding the sales transaction cycle, and we assessed the effectiveness of the internal control operations.

2. We selected appropriate samples from sales and inspected and confirmed that purchase orders and delivery orders were consistent with invoices.

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

Other Matter

We have also audited the parent company only financial statements of Accton Technology Corporation as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Ming-Yuan Chung Hsin-Tung Lin

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 13, 2025

<u>*Notice to Readers*</u>

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

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

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024		2023	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6 and 34)	$ 18,116,346	21	$ 14,070,421	25
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 34)	793,090	1	1,786,172	3
Financial assets at fair value through other comprehensive income - current (Notes 4, 8 and 34)	150,436	-	306,112	-
Financial assets at amortized cost - current (Notes 4, 9 and 34)	6,404,894	7	8,169,991	14
Notes and trade receivables, net (Notes 4, 5, 10, 25 and 34)	20,762,760	24	11,118,994	20
Receivables from related parties (Notes 4, 5, 34 and 35)	33	-	122	-
Other receivables (Notes 4, 10, 26 and 34)	951,654	1	603,214	1
Other receivables from related parties (Notes 4, 34 and 35)	16	-	16	-
Inventories (Notes 4, 5 and 11)	19,370,957	23	13,550,704	24
Prepayments (Note 19)	460,406	1	360,798	1
Non-current assets held for sale (Note 12)	3,620,754	4	-	-
Other current assets-other	8,149	-	24,772	-
Total current assets	70,639,495	82	49,991,316	88
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 34)	299,313	-	261,658	1
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 34)	4,429,279	5	46,909	-
Financial assets at amortized cost - non-current (Notes 9 and 34)	1,219,145	2	-	-
Investments accounted for using the equity method (Notes 4 and 14)	70,639	-	7,751	-
Property, plant and equipment (Notes 4, 15, 36 and 40)	5,445,217	6	3,181,458	6
Right-of-use assets (Notes 4, 16 and 40)	2,270,182	3	1,898,651	3
Goodwill (Notes 4, 17 and 40)	1,930	-	1,930	-
Intangible assets (Notes 4, 18 and 40)	847,685	1	154,420	-
Deferred income tax assets (Notes 4 and 27)	351,850	-	325,345	1
Prepayments for equipment (Note 40)	506,871	1	492,510	1
Refundable deposits (Notes 34 and 40)	126,499	-	112,548	-
Net defined benefit assets - non-current (Notes 4 and 23)	8,429	-	-	-
Other financial assets - non-current (Notes 19, 34, 36 and 40)	72,242	-	79,623	-
Other non-current assets-other (Notes 19 and 40)	31,457	-	21,470	-
Total non-current assets	15,680,738	18	6,584,273	12
TOTAL	$ 86,320,233	100	$ 56,575,589	100

	2024		2023	
LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES				
Short-term borrowings (Notes 20 and 34)	$ 174,526	-	$ 133,253	-
Contract liabilities - current (Notes 4, 25 and 35)	6,769,478	8	6,245,622	11
Notes and trade payables (Note 34)	25,954,859	30	13,681,233	24
Accrued compensation of employees and remuneration of directors (Note 26)	2,108,651	3	1,690,169	3
Payables to contractors and equipment suppliers (Note 34)	533,038	1	205,572	-
Other payables (Notes 21 and 34)	5,338,071	6	3,426,176	6
Other payables to related parties (Notes 34 and 35)	416	-	531	-
Income tax payable (Notes 4 and 27)	2,352,424	3	2,803,761	5
Provisions - current (Notes 4 and 22)	237,268	-	304,128	1
Liabilities directly associated with non-current assets held for sale (Note 12)	2,876,210	3	-	-
Lease liabilities - current (Notes 4 and 16)	191,914	-	210,380	-
Deferred revenue - current (Notes 20 and 30)	5,117	-	8,303	-
Long-term borrowings - current portion (Notes 20, 30 and 34)	301,683	-	300,558	1
Refund liabilities - current (Note 25)	76,135	-	69,846	-
Total current liabilities	46,919,790	54	29,079,532	51
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 20, 30 and 34)	280,679	1	537,747	1
Deferred income tax liabilities (Notes 4 and 27)	965,814	1	364,939	1
Lease liabilities - non-current (Notes 4 and 16)	1,844,411	2	1,381,397	2
Deferred revenue - non-current (Notes 20 and 30)	98	-	5,835	-
Net defined benefit liabilities - non-current (Notes 4 and 23)	14,719	-	17,534	-
Guarantee deposits (Note 34)	816	-	816	-
Other non-current liabilities	5,237	-	-	-
Total non-current liabilities	3,111,774	4	2,308,268	4
Total liabilities	50,031,564	58	31,387,800	55
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 24 and 29)				
Share capital				
Ordinary shares	5,611,179	7	5,603,564	10
Capital surplus	898,877	1	874,754	2
Retained earnings				
Legal reserve	4,528,737	5	3,636,972	6
Special reserve	438,274	1	462,016	1
Unappropriated earnings	22,004,339	25	15,099,756	27
Total retained earnings	26,971,350	31	19,198,744	34
Other equity	2,896,153	3	(438,274)	(1)
Treasury shares	(50,999)	-	(50,999)	-
Total equity attributable to owners of the Company	36,326,560	42	25,187,789	45
NON-CONTROLLING INTERESTS	(37,891)	-	-	-
Total equity	36,288,669	42	25,187,789	45
TOTAL	$ 86,320,233	100	$ 56,575,589	100

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

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 25, 35 and 40)	$ 110,424,744	100	$ 84,188,426	100
OPERATING COSTS (Notes 4, 11, 23 and 26)	87,633,643	79	64,925,625	77
GROSS PROFIT	22,791,101	21	19,262,801	23
UNREALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES	(13,395)	-	-	-
REALIZED GROSS PROFIT	22,777,706	21	19,262,801	23
OPERATING EXPENSES (Notes 4, 10, 23, 26 and 35)				
Selling and marketing	2,031,575	2	1,913,778	2
General and administrative	2,443,219	2	2,067,547	2
Research and development	4,702,401	5	3,780,598	5
Expected credit gain	(966)	-	(219)	-
Total operating expenses	9,176,229	9	7,761,704	9
OPERATING INCOME	13,601,477	12	11,501,097	14
NON-OPERATING INCOME AND EXPENSES (Notes 4, 14, 26, 30 and 35)				
Interest income	869,845	1	639,337	1
Other income	121,220	-	87,808	-
Other gains and losses	631,622	1	(420,174)	(1)
Finance costs	(87,458)	-	(72,971)	-
Share of loss of associates	(2,919)	-	(2,636)	-
Total non-operating income and expenses	1,532,310	2	231,364	-
PROFIT BEFORE INCOME TAX	15,133,787	14	11,732,461	14
INCOME TAX EXPENSE (Notes 4 and 27)	3,135,041	3	2,812,296	3
NET INCOME FOR THE YEAR	11,998,746	11	8,920,165	11
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 23 and 24)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	24,847	-	(12,059)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	4,406,967	4	127,435	-

(Continued)

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	**%**	**Amount**	**%**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	$ 279,397	-	$ (94,147)	-
Other comprehensive income for the year, net of income tax	4,711,211	4	21,229	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 16,709,957	15	$ 8,941,394	11
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Shareholders of the parent	$ 11,999,671	11	$ 8,920,165	11
Non-controlling interests	(925)	-	-	-
	$ 11,998,746	11	$ 8,920,165	11
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Shareholders of the parent	$ 16,710,867	15	$ 8,941,394	11
Non-controlling interests	(910)	-	-	-
	$ 16,709,957	15	$ 8,941,394	11
EARNINGS PER SHARE (Note 28)				
Basic	$ 21.49		$ 15.99	
Diluted	$ 21.35		$ 15.86	

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

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Parent										
			Retained Earnings			Other Equity					
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total	Non-controlling Interests	Total Equity
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	$ -	$ 20,428,161
Adjustments to capital surplus due to the distribution of cash dividends to subsidiaries	-	16,574	-	-	-	-	-	-	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)	-	(4,201,117)
Net profit for the year ended December 31, 2023	-	-	-	-	8,920,165	-	-	-	8,920,165	-	8,920,165
Other comprehensive (loss) income for the year ended December 31, 2023, net of income tax	-	-	-	-	(12,059)	(94,147)	127,435	-	21,229	-	21,229
Total comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	8,908,106	(94,147)	127,435	-	8,941,394	-	8,941,394
Share-based payment arrangements	2,165	612	-	-	-	-	-	-	2,777	-	2,777
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	9,546	-	(9,546)	-	-	-	-
BALANCE AT DECEMBER 31, 2023	5,603,564	874,754	3,636,972	462,016	15,099,756	(465,594)	27,320	(50,999)	25,187,789	-	25,187,789
Adjustments to capital surplus due to the distribution of cash dividends to subsidiaries	-	22,089	-	-	-	-	-	-	22,089	-	22,089
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)	-	(5,603,834)
Net profit for the year ended December 31, 2024	-	-	-	-	11,999,671	-	-	-	11,999,671	(925)	11,998,746
Other comprehensive income for the year ended December 31, 2024, net of income tax	-	-	-	-	24,847	279,382	4,406,967	-	4,711,196	15	4,711,211
Total comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	12,024,518	279,382	4,406,967	-	16,710,867	(910)	16,709,957
Share-based payment arrangements	7,615	2,034	-	-	-	-	-	-	9,649	-	9,649
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	1,351,922	-	(1,351,922)	-	-	-	-
Non-controlling Interests	-	-	-	-	-	-	-	-	-	(36,981)	(36,981)
BALANCE AT DECEMBER 31, 2024	$ 5,611,179	$ 898,877	$ 4,528,737	$ 438,274	$ 22,004,339	$ (186,212)	$ 3,082,365	$ (50,999)	$ 36,326,560	$ (37,891)	$ 36,288,669

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

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 15,133,787	$ 11,732,461
Adjustments for:		
Depreciation expense	1,071,421	878,146
Amortization expense	91,259	75,303
Expected credit gain	(966)	(219)
Net loss (profit) on fair value changes of financial assets designated as at fair value through profit or loss	33,314	(19,531)
Finance costs	87,458	72,971
Interest income	(869,845)	(639,337)
Dividend income	(17,331)	(15,329)
Share of loss of associates	2,919	2,636
Gain on disposal of property, plant and equipment, net	(30,195)	(332)
Write-downs of inventories	97,649	490,282
Unrealized gain on transactions with associates	32,730	-
Unrealized (gain) loss on foreign currency exchange	(202,696)	21,023
Amortization of grant revenue	(8,046)	(8,556)
Gain on lease modification	(36)	-
Changes in operating assets and liabilities		
Notes and trade receivables, net	(10,595,272)	1,899,594
Receivables from related parties	89	1,021
Other receivables	(271,782)	3,057
Other receivables from related parties	-	10,978
Inventories	(7,167,347)	(1,252,203)
Prepayments	(140,358)	(74,937)
Other current assets	10,825	(33,836)
Contract liabilities	467,799	5,368,769
Notes and trade payables	13,978,036	1,482,870
Accrued compensation of employees and remuneration of directors	418,482	175,253
Other payables	2,093,480	466,146
Other payables to related parties	(115)	(143)
Provisions	(67,075)	21,962
Refund liabilities	4,137	(59,223)
Net defined benefit liabilities	(2,149)	(2,251)
Cash generated from operations	14,150,172	20,596,575
Interest paid	(84,703)	(67,810)
Income tax paid	(4,123,242)	(2,157,520)
Net cash generated from operating activities	9,942,227	18,371,245
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(352,578)	(32,333)
Proceeds from sale of financial assets at fair value through other comprehensive income	1,728,116	42,458
Purchase of financial assets at amortized cost	(19,712,733)	(17,698,321)

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ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
Proceeds from sale of financial assets at amortized cost	$ 20,439,210	$ 15,422,560
Purchase of financial assets at fair value through profit or loss	(2,485,218)	(3,583,169)
Proceeds from sale of financial assets at fair value through profit or loss	3,340,683	1,881,904
Acquisition of investments accounted for using the equity method	(97,905)	-
Acquisition of property, plant and equipment	(2,761,702)	(2,244,885)
Proceeds from disposal of property, plant and equipment	43,454	13,278
Increase in refundable deposits	(24,111)	(31,627)
Acquisition of intangible assets	(142,503)	(66,850)
Proceeds from disposal of intangible assets	-	8
Net cash (outflow) inflow arising from merger	(534,157)	424
Decrease (increase) in other financial assets	7,380	(204)
Increase in other non-current assets	(9,099)	-
Interest received	805,481	615,486
Dividends received	17,331	15,329
Net cash generated from (used in) investing activities	261,649	(5,665,942)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	133,502	711,923
Repayments of short-term borrowings	(171,178)	(574,913)
Proceeds from long-term borrowings	-	100,000
Repayments of long-term borrowings	(300,558)	(2,800,557)
Repayments of the principal portion of lease liabilities	(304,628)	(310,239)
Decrease in other non-current liabilities	(191)	-
Dividends paid to owners of the Company	(5,581,745)	(4,184,543)
Employee share options	9,649	2,777
Net cash used in financing activities	(6,215,149)	(7,055,552)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	634,742	(274,702)
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,623,469	5,375,049
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	14,070,421	8,695,372
CASH AND CASH EQUIVALENTS INCLUDED IN DISPOSAL GROUPS HELD FOR SALE	(577,544)	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 18,116,346	$ 14,070,421

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

(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 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 March 13, 2025.

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 1)
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 2)

Note 1: 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.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025. An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

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 1)
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”- the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	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 1: 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 discontinued 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 other impacts of the above amended 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 the IFRS Accounting Standards endorsed by the FSC with the effective dates.

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 assets 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. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) 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:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

d. 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).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

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.

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

When the Company loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as fair value on initial recognition of financial assets at fair value through profit or loss or, when applicable, the cost on initial recognition of an investment in an associate.

See Note 12 and Tables 8 and 9 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer’s previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation may be measured at fair value. Other types of non-controlling interests are measured at fair value.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

f. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the financial statements of the Group's foreign operations (including subsidiaries and associates in other countries) that are prepared using functional currencies which are different from the currency of the Group are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Group's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is included in the calculation of equity transactions but is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

g. Inventories

Inventories consist of raw materials, work-in-progress, finished goods and merchandise and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date. Inventory is evaluated and recorded at standard cost under daily operation; but on the closing date, the Group will calculate the actual cost of inventory by weighted average method.

h. Investment in associates

An associate is an entity over which the Group has significant influence and that is not a subsidiary.

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates attributable to the Group.

When the Group subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

i. Property, plant, and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Before that asset reaches its intended use are measured at the lower of cost or net realizable value, and any proceeds from selling those and the cost of those are recognized in profit or loss. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

j. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

k. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is derecognized in profit or loss.

l. Impairment of property, plant, and equipment, right-of-use asset and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant, and equipment, right-of-use asset and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

m. Non-current assets held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset or disposal group is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, and the sale should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

When a sale plan would result in a loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale/all of the carrying amounts of the investments in that subsidiary are classified as held for sale, regardless of whether the Group will retain a non-controlling interest in that subsidiary after the sale.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Such assets classified as held for sale are not depreciated.

n. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 34.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes and trade receivables measured at amortized cost (including related parties), other receivables (including related parties), time deposits with original maturities of more than 3 months, pledged time deposits and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Fair value is determined in the manner described in Note 34.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

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

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Group's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Group's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

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

o. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

<u>Warranties</u>

Provisions for the expected cost of warranty obligations to assure that products comply with agreed-upon specifications are recognized on the date of sale of the relevant products at the best estimate by the management of the Group of the expenditures required to settle the Group's obligations.

p. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied. 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.

Revenue from the sale of goods

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.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

q. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments and variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremented borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

r. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

s. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

The benefit of a government loan received at a below-market rate of interest is treated as a government grant measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

t. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefit expenses in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

u. Share-based payment arrangements

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately.

At the end of each reporting period, the Group revises its estimate of the number of employee share options that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options.

v. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Group has applied the exception from the recognition and disclosure of deferred tax assets and liabilities relating to Pillar Two income taxes. Accordingly, the Group neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

w. Treasury Shares

Repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

The Company records its shares held by its subsidiaries as treasury shares. The recorded costs of treasury shares are based upon the carrying values of the shares as shown in the subsidiaries' books. The cash dividends received by the subsidiaries from the Company are recorded under capital surplus - treasury shares.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised if the revisions affect only the current year or in the year of the revisions and future years if the revisions affect both the current and future years.

Key Sources of Estimation Uncertainty

a. Estimated impairment of financial assets

The provision for impairment of trade receivables is based on assumptions on probability of default and loss given default. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, see Note 10. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

b. Write-down of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience in the sale of product of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	**2023**
Cash on hand	$ 755	$ 1,780
Checking accounts and demand deposits	4,521,195	3,596,922
Cash equivalents		
Time deposits with original maturities of less than 3 months	12,478,061	10,231,719
Repurchase agreements collateralized by bonds	1,116,335	240,000
	$ 18,116,346	$ 14,070,421

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

	December 31	
	2024	**2023**
Bank balance	0.002%-4.900%	0.001%-5.780%
Repurchase agreements collateralized by bonds	1.000%-4.830%	0.930%-0.940%

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

	December 31	
	2024	**2023**
Financial assets at FVTPL - current		
Financial assets mandatorily classified as at FVTPL		
Mutual funds	$ 793,090	$ 1,786,172
Financial assets at FVTPL - non-current		
Financial assets mandatorily classified as at FVTPL		
Domestic and foreign unlisted shares	$ 201,498	$ 125,129
Simple agreement for future equity	97,815	-
Foreign convertible bonds	-	79,100
Structured products	-	57,429
	$ 299,313	$ 261,658

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2024	2023
Current		
Domestic and foreign investments		
Listed shares and emerging market shares	$ 150,436	$ 306,112
Non-current		
Foreign investments		
Listed shares	$ 3,973,529	$ -
Unlisted shares	455,750	46,909
	$ 4,429,279	$ 46,909

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 is for primary purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2024	2023
Current		
Time deposits with original maturity of more than 3 months (a)	$ 6,404,894	$ 8,169,991
Non-current		
Corporate bonds (b)	$ 925,725	$ -
Government bonds/Agency bonds (c)	293,420	-
	$ 1,219,145	$ -

a. The ranges of interest rates for time deposits with original maturities of more than 3 months were 0.25%-5.42% and 0.25%-5.77% per annum as of December 31, 2024 and 2023, respectively.

b. In 2024, the Group bought 1.98-10 year corporate bonds issued at face values of $500-$3,000 thousand, with a coupon rates of 3.125%-5.500% and an effective interest rates of 4.492%-5.500%.

c. In 2024, the Group bought 3-10 year government bonds at face values of $1,000-$1,300 thousand, with a coupon rates of 3.125%-4.625% and an effective interest rates of 4.112%-4.642%.

Financial assets at amortized cost were assessed for impairment. The Group considered its financial assets at amortized cost as low credit risk; thus, no allowance for impairment loss was recognized. For information on credit risk management and impairment assessment related to financial assets at amortized cost, please refer to Note 34.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2024	2023
Notes receivable		
Notes receivable - operating	$ 118	$ 475
Trade receivables		
At amortized cost		
Gross carrying amount	$ 20,764,658	$ 11,134,357
Less: Allowance for impairment loss	(2,016)	(15,838)
	$ 20,762,642	$ 11,118,519
Other receivables		
At amortized cost		
Gross carrying amount	$ 954,700	$ 606,260
Less: Allowance for impairment loss	(3,046)	(3,046)
	$ 951,654	$ 603,214

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.

December 31, 2024

	Not Past Due	1 to 60 Days Past Due	61 to 180 Days Past Due	Over 180 Days Past Due	Total
Gross carrying amount	$ 20,056,743	$ 704,996	$ 1,932	$ 987	$ 20,764,658
Loss allowance (Lifetime ECLs)	-	(1,029)	-	(987)	(2,016)
Amortized cost	$ 20,056,743	$ 703,967	$ 1,932	$ -	$ 20,762,642

December 31, 2023

	Not Past Due	1 to 60 Days Past Due	61 to 180 Days Past Due	Over 180 Days Past Due	Total
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	$ 10,382,899	$ 735,613	$ 7	$ -	$ 11,118,519

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

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ 15,838	$ 16,275
Add: Amounts reversed	(966)	(219)
Less: Amounts written off	(157)	-
Reclassified as held for sale	(13,420)	-
Foreign exchange gains and losses	721	(218)
Balance at December 31	$ 2,016	$ 15,838

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 Year Ended December 31	
	2024	2023
Balance at January 1 and December 31	$ 3,046	$ 3,046

As of December 31, 2024 and 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

	December 31 2024	December 31 2023
Merchandise	$ 4,153,596	$ 2,426,943
Finished goods	4,642,836	2,697,338
Work in progress	1,523,941	723,969
Raw materials	9,050,584	7,702,454
	$ 19,370,957	$ 13,550,704

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2024 and 2023 was $87,633,643 thousand and $64,925,625 thousand, respectively. The cost of inventories recognized as cost of goods sold for the years ended December 31, 2024 and 2023 consisted an inventory write-down of $97,649 thousand and $490,282 thousand, respectively.

12. NON-CURRENT ASSETS HELD FOR SALE

On September 26, 2024, the Company's board of directors approved to dispose of Joy Technology (Shenzhen) Co., Ltd. and Accton Technology Co., Ltd. 100% equity . The Group is actively seeking a buyer and the expectation to complete the sale within twelve months. The Group has reclassified the assets and liabilities of Joy Technology (Shenzhen) Co., Ltd. and Accton Technology Co. as a disposal group held for sale in its consolidated balance sheet as of December 31, 2024. The major classes of assets and liabilities classified as held for sale were disclosed as follows:

	December 31, 2024
Cash and cash equivalents	$ 577,544
Notes and trade receivables, net	1,457,155
Other receivables	147
Inventories	1,247,824
Prepayments	41,130
Other current assets-other	5,798
Property, plant and equipment	198,074
Right-of-use assets	35,972
Intangible assets	23,832
Prepayments for equipment	16,438
Refundable deposits	16,840
	$ 3,620,754
Liabilities directly associated with disposal groups held for sale	
Contract liabilities - current	$ 18,817
Notes and trade payables	2,499,859
Payables to contractors and equipment suppliers	25,596
Other payables	287,545
Income tax payable	7,321
Lease liabilities - current	26,461
Refund liabilities - current	98
Lease liabilities - non-current	10,513
	$ 2,876,210

The net proceeds from the disposal were expected to exceed the carrying amount of the related net assets, and accordingly, no impairment loss was recognized while reclassifying its assets and liabilities to disposal groups held for sale.

13. SUBSIDIARIES

The consolidated entities as of December 31, 2024 and 2023 were as follows:

			% of Ownership December 31		
Investor	**Investee**	**Main Business**	**2024**	**2023**	**Remark**
The Company	Accton Century Holding (BVI) Co., Ltd. ("Accton Century")	Investment holding company	100	100	-
	Edgecore Networks Corp. ("Edgecore Networks")	Research, development, design, manufacture and selling of switching hubs	100	100	-
	Accton Global, Inc. ("Accton Global")	Selling and marketing of high-quality LAN hardware and software products	100	100	-
	Accton Manufacturing and Service, Inc. ("AMS")	Manufacture and selling of switching hubs	100	100	-
	Accton Investment Corp. ("Accton Investment")	Investment holding company	100	100	-
	Accton Technology (China) Co., Ltd. ("Accton China")	Investment holding company	100	100	-
	Accton Technology Corp. USA ("Accton USA")	Service of technique of high-quality LAN hardware and software products	100	100	-
	Accton Logistics Corp. ("AL")	Selling and marketing of high-quality LAN hardware and software products	100	100	-
	E-Direct Corp. ("E-Direct")	Provides services in information software and information technology	100	100	-
	Vietnam Accton Technology Co., Ltd. ("Accton Vietnam")	Research, development, design, manufacture and selling of switching hubs	100	100	-
	Metalligence Technology Corp. ("Metalligence")	Provides e-commerce apps, information software and advertising services	100	100	-
	ACCE Technology Corp.（ACCE）	Investment holding company	100	-	Note 1
	InLC Technology Inc. (InLC)	Research, development, manufacturing, and sales of information and communication components and equipment	75.42	-	Note 2
Accton Century	Accton Asia Investments Corp. ("Accton Asia")	Investment holding company	100	100	-
Accton Asia	Joy Technology (Shenzhen) Co., Ltd. ("Joy Tech")	Selling and producing of high-end network switches	100	100	-
	ATAN NetworKs Co., Ltd. ("ATAN")	Sale of network products	100	-	Note 3
Joy Tech	ATAN NetworKs Co., Ltd. ("ATAN")	Sale of network products	-	100	Note 3
Accton China	Accton Technology Co., Ltd. ("Accton SH")	Sale of network products	100	100	-
Accton SH	MuXi Technology Co., Ltd. ("MuXi")	Sale of network products	100	100	-
Edgecore Networks	Edgecore Networks Singapore Pte. Ltd. ("Edgecore Singapore")	Selling and marketing of high-quality LAN hardware and software products	100	100	-
	Edgecore Americas Networking Corp. ("Edgecore Americas")	Selling and marketing of high-quality LAN hardware and software products	100	100	-
	Edgecore Networks India Pvt. Ltd. ("Edgecore India")	Research, development, design, manufacture and selling of switching hubs	100	100	-
ACCE	GoldiLink Technology Corp. ("GoldiLink")	Research, development, design, manufacture and selling of optical modules	100	-	Note 4

Note 1: In February 2024, ACCE completed its capital injection.

Note 2: In December 2024, the Company acquired 75.42% of InLC's shares., please refer to Note 32.

Note 3: In November 2024, for organizational structuring, Accton Asia acquired 100% of ATAN's shares that were held by Joy Tech.

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

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

a. Investment in associates

	December 31	
	2024	2023
Associates that are not individually material	$ 7,062	$ 7,751

On the date of balance sheet, the percentages of the Group's ownership and voting rights to the associates were as follows:

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

b. Investments in joint ventures

	December 31	
	2024	2023
Joint ventures that are not individually material	$ 63,577	$ -

In December 2024, the Group signed a joint venture agreement and paid NT$97,905 thousand in cash to acquire 50.1% of NEOX FZCO's shares. The number of directors held by the Group on the board of directors is the same as that of the other shareholder.

15. 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
Cost										
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	35,212	985,056	180,836	186,069	1,923	83,684	275,765	116,461	1,215,667	3,080,673
Reductions	(162)	(285,201)	(14,706)	(7,319)	(2,586)	(12,546)	(127,137)	(81,555)	-	(531,212)
Reclassified	2,341,624	-	-	-	-	-	-	-	(2,341,624)	-
Acquisitions through business combinations	-	137,548	-	12,371	-	1,894	4,657	3,439	-	159,909
Reclassified as held for sale	-	(949,303)	(52,419)	(47,966)	(6,067)	(47,701)	(143,322)	(239,538)	-	(1,486,316)
Effect of foreign currency exchange differences	-	75,904	2,418	1,844	336	2,748	20,937	17,992	-	122,179
Balance at December 31, 2024	$ 2,785,376	$ 2,516,891	$ 680,911	$ 838,416	$ 33,501	$ 284,488	$ 668,520	$ 297,152	$ 466,323	$ 8,571,578
Accumulated depreciation										
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	37,555	301,473	98,998	81,674	2,830	33,043	70,958	63,939	-	690,470
Reductions	(162)	(283,698)	(15,836)	(6,909)	(2,365)	(12,334)	(124,485)	(72,164)	-	(517,953)
Acquisitions through business combinations	-	97,705	-	11,841	-	1,853	914	2,342	-	114,655
Reclassified as held for sale	-	(858,875)	(44,337)	(28,828)	(4,959)	(41,073)	(130,462)	(179,708)	-	(1,288,242)
Effect of foreign currency exchange differences	-	53,964	2,106	1,104	248	2,225	11,632	11,265	-	82,544
Balance at December 31, 2024	$ 335,903	$ 1,132,925	$ 415,336	$ 595,520	$ 30,025	$ 179,332	$ 293,555	$ 143,765	$ -	$ 3,126,361
Carrying amount at December 31, 2024	$ 2,449,473	$ 1,383,966	$ 265,575	$ 242,896	$ 3,476	$ 105,156	$ 374,965	$ 153,387	$ 466,323	$ 5,445,217

(Continued)

	Buildings	Machinery and Equipment	Molding Equipment	Testing Equipment	Transportation Equipment	Office Equipment	Leasehold Improvements	Other Equipment	Construction in Progress	Total
Cost										
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	5,134	340,105	103,998	95,572	215	20,386	126,527	110,249	1,173,667	1,975,853
Reductions	(2,496)	(68,661)	(90,133)	(17,753)	(2,155)	(11,731)	(828)	(8,241)	-	(201,998)
Reclassified	-	-	-	(339)	339	-	-	1,928	-	1,928
Effect of foreign currency exchange differences	-	(31,087)	(518)	(632)	(100)	(838)	(7,087)	(7,149)	-	(47,411)
Balance at December 31, 2023	$ 408,702	$ 2,552,887	$ 564,782	$ 693,417	$ 39,895	$ 256,409	$ 637,620	$ 480,353	$ 1,592,280	$ 7,226,345
Accumulated depreciation										
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	13,472	227,997	81,420	66,403	3,396	33,277	82,076	59,237	-	567,278
Reductions	(2,344)	(59,365)	(90,088)	(17,753)	(2,155)	(11,212)	(787)	(5,348)	-	(189,052)
Effect of foreign currency exchange differences	-	(17,562)	(413)	(352)	(75)	(649)	(3,940)	(3,903)	-	(26,894)
Balance at December 31, 2023	$ 298,510	$ 1,822,356	$ 374,405	$ 536,638	$ 34,271	$ 195,618	$ 464,998	$ 318,091	$ -	$ 4,044,887
Carrying amount at December 31, 2023	$ 110,192	$ 730,531	$ 190,377	$ 156,779	$ 5,624	$ 60,791	$ 172,622	$ 162,262	$ 1,592,280	$ 3,181,458

(Concluded)

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

The amounts of property, plant and equipment pledged as collateral for bank borrowings. Please refer to Note 36.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2024	2023
Carrying amount		
Land	$ 1,058,737	$ 1,084,969
Buildings	1,209,364	809,165
Transportation equipment	2,081	4,517
	$ 2,270,182	$ 1,898,651

	For the Year Ended December 31	
	2024	2023
Additions to right-of-use assets	$ 766,312	$ 600,697
Depreciation charge for right-of-use assets		
Land	$ 30,414	$ 30,404
Buildings	348,101	275,205
Transportation equipment	2,436	2,313
Other equipment	-	2,946
	$ 380,951	$ 310,868

b. Lease liabilities

	December 31	
	2024	2023
Carrying amount		
Current	$ 191,914	$ 210,380
Non-current	$ 1,844,411	$ 1,381,397

Range of discount rates for lease liabilities was as follows:

	December 31	
	2024	2023
Land	2.37%-2.80%	2.37%-2.80%
Buildings	1.67%-9.60%	0.85%-9.60%
Transportation equipment	2.14%-2.77%	2.14%-2.77%

c. Material leasing 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 Year Ended December 31	
	2024	2023
Expenses relating to short-term leases	$ 39,661	$ 59,910
Total cash outflow for leases	$ 419,027	$ 420,996

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

17. GOODWILL

	For the Year Ended December 31	
	2024	2023
Cost		
Balance at January 1 and December 31	$ 1,930	$ 1,930

The Group recognized that there was no impairment loss of the recoverable amount of the assessed goodwill in 2024 and 2023.

18. INTANGIBLE ASSETS

	Technology License Fees	Computer Software	Patents	Other Intangible Assets	Total
Cost					
Balance at January 1, 2024	$ 15,577	$ 290,545	$ -	$ -	$ 306,122
Additions	-	142,503	-	-	142,503
Reductions	-	(49,601)	-	-	(49,601)
Reclassified as held for sale	-	(87,810)	-	-	(87,810)
Acquisitions through business combinations	-	372	680	664,217	665,269
Effect of foreign currency exchange differences	-	2,712	-	-	2,712
Balance at December 31, 2024	$ 15,577	$ 298,721	$ 680	$ 664,217	$ 979,195
Accumulated amortization					
Balance at January 1, 2024	$ 6,586	$ 145,116	$ -	$ -	$ 151,702
Additions	3,223	88,020	16	-	91,259
Reductions	-	(49,601)	-	-	(49,601)
Reclassified as held for sale	-	(63,978)	-	-	(63,978)
Acquisitions through business combinations	-	-	-	-	-
Effect of foreign currency exchange differences	-	2,128	-	-	2,128
Balance at December 31, 2024	$ 9,809	$ 121,685	$ 16	$ -	$ 131,510
Carrying amount at December 31, 2024	$ 5,768	$ 177,036	$ 664	$ 664,217	$ 847,685
Cost					
Balance at January 1, 2023	$ 15,577	$ 243,766	$ -	$ -	$ 259,343
Additions	-	66,850	-	-	66,850
Reductions	-	(16,296)	-	-	(16,296)
Reclassified	-	(2,867)	-	-	(2,867)
Effect of foreign currency exchange differences	-	(908)	-	-	(908)
Balance at December 31, 2023	$ 15,577	$ 290,545	$ -	$ -	$ 306,122
Accumulated amortization					
Balance at January 1, 2023	$ 3,363	$ 89,995	$ -	$ -	$ 93,358
Additions	3,223	72,080	-	-	75,303
Reductions	-	(16,288)	-	-	(16,288)
Effect of foreign currency exchange differences	-	(671)	-	-	(671)
Balance at December 31, 2023	$ 6,586	$ 145,116	$ -	$ -	$ 151,702
Carrying amount at December 31, 2023	$ 8,991	$ 145,429	$ -	$ -	$ 154,420

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
Patents	7 years
Other intangible assets	7 years

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

The Company acquired control over InLC in December 2024 and recognized a provisional amount in other intangible assets by NT$664,217 thousand. As of the date of the consolidated financial report's release, the Company had not yet obtained the formal appraisal report, and adjustments may be made once the formal appraisal report is completed. Please refer to Note 32.

19. PREPAYMENTS AND OTHER ASSETS

	December 31	
	2024	2023
Current		
Prepayments		
Excess VAT paid	$ 281,902	$ 259,168
Prepayments for software maintenance fees	65,418	39,781
Prepayments for purchases	22,884	14,186
Others	90,202	47,663
	$ 460,406	$ 360,798
Non-current		
Other financial assets		
Pledged time deposits (Note 36)	$ 72,242	$ 79,623
Other assets		
Prepayments for software maintenance fees	$ 19,910	$ 21,470
Others	11,547	-
	$ 31,457	$ 21,470

20. BORROWINGS

a. Short-term borrowings

	December 31	
	2024	2023
Secured borrowings		
Bank loans (Note 36)	$ 61,698	$ -

(Continued)

	December 31	
	2024	2023
Unsecured borrowings		
Line of credit borrowings	$ 74,081	$ 133,253
Other borrowings	38,747	-
	$ 112,828	$ 133,253

(Concluded)

The range of weighted average effective interest rates on bank loans was 2.75%-6.90% and 1.35%-3.50% per annum at December 31, 2024 and 2023, respectively.

The interest rate on other borrowings was 6.00% per annum at December 31, 2024.

b. Long-term borrowings

The borrowings of the Group are as follows:

	Maturity Date	Significant Covenant	December 31 2024	December 31 2023
Secured bank loans (Note 36)	2030.03.13	Interest is paid monthly, from June 2025, there are 20 quarterly payments of principal.	$ 33,690	$ -
Unsecured credit borrowings	2026.06.15	From June 2022, there are 49 monthly payments of principal and interest.	367,721	608,433
Unsecured credit borrowings	2026.04.15	From June 2022, there are 47 monthly payments of principal and interest.	74,213	129,872
Unsecured credit borrowings	2028.06.01	Interest is paid monthly, from July 2025, there are 36 monthly payments of principal.	6,738	-
Unsecured credit 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.	100,000	100,000
Long-term borrowings			582,362	838,305
Less: Current portion			(301,683)	(300,558)
			$ 280,679	$ 537,747

The intervals of effective borrowing rates as of December 31, 2024 and 2023 were 0.725%-5.97% and 0.600%-2.184%, 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. For the years ended December 31, 2024 and 2023, the Group had met the financial ratio covenants.

21. OTHER LIABILITIES

	December 31	
	2024	2023
Current		
Other payables		
Temporary receipts from customers	$ 2,913,347	$ 992,477
Payable for salaries and bonuses	644,123	651,510
Temporary credit and agency receipt	100,124	113,908
Payable for insurance	71,478	104,345
Payable for service	69,038	60,555
Payable for import/export	62,382	53,221
Others	1,477,579	1,450,160
	$ 5,338,071	$ 3,426,176

22. PROVISIONS

	December 31	
	2024	2023
Current		
Warranties	$ 237,268	$ 304,128

	Warranties
In 2024	
Balance at January 1, 2024	$ 304,128
Additional provisions recognized	124,833
Amounts used	(191,908)
Effect of foreign currency exchange differences	215
Balance at December 31, 2024	$ 237,268
In 2023	
Balance at January 1, 2023	$ 264,711
Reclassified	17,469
Additional provisions recognized	183,486
Amounts used	(161,524)
Effect of foreign currency exchange differences	(14)
Balance at December 31, 2023	$ 304,128

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.

23. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. According to local laws, overseas subsidiaries fund certain percentage of pension based on the gross incomes of the local employees. According to the pension plan managed by the Government of China, subsidiaries in China pay retirement insurance, recognized as current expense when contributed.

b. Defined benefit plans

The defined benefit plans adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The Group's defined benefit plan amounts included in the consolidated balance sheets were as follows:

	December 31	
	2024	**2023**
Present value of defined benefit obligation	$ 300,659	$ 283,790
Fair value of plan assets	(294,369)	(266,256)
Net defined benefit assets	8,429	-
Net defined benefit liabilities	$ 14,719	$ 17,534

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities**
Balance at January 1, 2024	$ 283,790	$ (266,256)	$ 17,534
Service cost			
Current service cost	1,003	-	1,003
Net interest expense (income)	3,547	(3,346)	201
Recognized in profit or loss	4,550	(3,346)	1,204

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	$ -	$ (24,099)	$ (24,099)
Actuarial loss - experience adjustments	(748)	-	(748)
Recognized in other comprehensive income	(748)	(24,099)	(24,847)
Contributions from the employer	-	(2,320)	(2,320)
Benefits paid	(20,851)	20,851	-
Acquisitions through business combinations	34,290	(18,538)	15,752
Others	(372)	(661)	(1,033)
Balance at December 31, 2024	$ 300,659	$ (294,369)	$ 6,290
Balance at January 1, 2023	$ 281,957	$ (274,231)	$ 7,726
Service cost			
Current service cost	557	-	557
Net interest expense (income)	3,524	(3,445)	79
Recognized in profit or loss	4,081	(3,445)	636
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,367)	(2,367)
Actuarial loss - experience adjustments	14,426	-	14,426
Recognized in other comprehensive loss (income)	14,426	(2,367)	12,059
Contributions from the employer	-	(2,887)	(2,887)
Benefits paid	(16,674)	16,674	-
Balance at December 31, 2023	$ 283,790	$ (266,256)	$ 17,534

(Concluded)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2024	2023
Operating costs	$ 74	$ 43
Selling and marketing expenses	114	71
General and administrative expenses	444	251
Research and development expenses	572	271
	$ 1,204	$ 636

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2024	**2023**
Discount rates	1.60%	1.25%
Expected rates of salary increase	4.00%	4.00%

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2024	**2023**
Discount rates		
0.25% increase	$ (4,703)	$ (5,551)
0.25% decrease	$ 4,849	$ 5,732
Expected rates of salary increase		
1.00% increase	$ 19,638	$ 23,172
1.00% decrease	$ (17,753)	$ (20,849)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2024	**2023**
Expected contributions to the plans for the next year	$ 2,319	$ 2,887
Average duration of the defined benefit obligation	9.4 years	10.3 years

24. EQUITY

a. Ordinary shares

	December 31	
	2024	**2023**
Authorized shares (in thousands)	880,000	880,000
Authorized capital	$ 8,800,000	$ 8,800,000
Issued and fully paid shares (in thousands)	561,118	560,356
Issued capital	$ 5,611,179	$ 5,603,564

A holder of issued ordinary shares with par value of NT$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

	December 31	
	2024	2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of ordinary shares	$ 540,492	$ 538,458
Treasury share transactions	122,056	99,967
Employee share options	228,216	222,048
May only be used to offset a deficit		
Changes in percentage of ownership interests in subsidiaries (2)	8,113	8,113
May not be used for any purpose		
Employee share options	-	6,168
	$ 898,877	$ 874,754

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 end of December 31, 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	2,034	-	3,731	-	(3,731)
Employee share options expired	-	-	2,437	-	(2,437)
Cash dividends received by subsidiaries from parent company	-	22,089	-	-	-
Balance at December 31, 2024	$ 540,492	$ 122,056	$ 228,216	$ 8,113	$ -

(Continued)

	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, 2023	$ 537,846	$ 83,393	$ 220,988	$ 8,113	$ 7,228
Employee share options exercised	612	-	1,060	-	(1,060)
Cash dividends received by subsidiaries from parent company	-	16,574	-	-	-
Balance at December 31, 2023	$ 538,458	$ 99,967	$ 222,048	$ 8,113	$ 6,168

(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 26-7.

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

The appropriations of earnings for 2024 were proposed by the Company's board of directors on March 13, 2025. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 1,337,644	$ -
Reversal of special reserve	(438,274)	-
Cash dividends	6,172,297	11

The appropriations of earnings for 2024 are subject to the resolution of the shareholders' meeting to be held on June 12, 2025.

d. Special reserves

	For the Year Ended December 31	
	2024	2023
Beginning at January 1	$ 462,016	$ 494,541
Reversal of in respect of		
Debits to other equity items	(23,742)	(32,525)
Balance at December 31	$ 438,274	$ 462,016

e. Other equity items

1) Exchange differences on the translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ (465,594)	$ (371,447)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	279,382	(94,147)
Balance at December 31	$ (186,212)	$ (465,594)

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ 27,320	$ (90,569)
Recognized for the year		
Unrealized gain - equity instruments	4,406,967	127,435
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	(1,351,922)	(9,546)
Balance at December 31	$ 3,082,365	$ 27,320

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
December 31, 2024			
Accton Investment	2,210	$ 50,999	$ 1,708,227
December 31, 2023			
Accton Investment	2,210	$ 50,999	$ 1,155,760

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.

25. REVENUE

	For the Year Ended December 31	
	2024	2023
Revenue from the sale of goods	$ 110,345,881	$ 84,112,488
Other operating revenue	78,863	75,938
	$ 110,424,744	$ 84,188,426

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 December 31, 2024 and 2023, for information on the refund liability which amounted to $76,315 thousand and $69,846 thousand, respectively.

b. Contract balances

	December 31, 2024	December 31, 2023	January 1, 2023
Trade receivables (Note 10)	$ 20,762,642	$ 11,118,519	$ 13,135,959
Contract liabilities - current			
Sale of goods	$ 6,769,478	$ 6,245,622	$ 876,472

As of December 31, 2024 and 2023, the sales of goods from contract liabilities amounted to $1,842,791 thousand and $282,264 thousand, respectively.

c. Disaggregation of revenue

Refer to Note 40 for information on disaggregation of revenue.

26. NET PROFIT

Net profit attributable to:

a. Interest income

	For the Year Ended December 31	
	2024	2023
Bank deposits	$ 833,240	$ 639,141
Financial assets at amortized cost	36,297	-
Others	308	196
	$ 869,845	$ 639,337

b. Other income

	For the Year Ended December 31	
	2024	2023
Grant income (Note 30)	$ 15,950	$ 40,503
Dividends	17,331	15,329
Others	87,939	31,976
	$ 121,220	$ 87,808

c. Other gains and losses

	For the Year Ended December 31	
	2024	2023
Net foreign exchange gain (loss)	$ 699,169	$ (432,761)
Net (loss) gain on fair value changes of financial assets		
Financial assets mandatorily classified as at FVTPL	(33,314)	19,531
Others	(34,233)	(6,944)
	$ 631,622	$ (420,174)

d. Finance costs

	For the Year Ended December 31	
	2024	2023
Interest on lease liabilities	$ 74,738	$ 50,846
Interest on bank loans	13,272	23,064
Less: Amounts included in the cost of qualifying assets	(552)	(939)
	$ 87,458	$ 72,971

Information on capitalized interest is as follows:

	For the Year Ended December 31	
	2024	2023
Capitalized interest amount	$ 552	$ 939
Capitalization rate	2.184%-2.310%	2.056%-2.184%

e. Depreciation and amortization

	For the Year Ended December 31	
	2024	2023
An analysis of depreciation by function		
Operating costs	$ 572,454	$ 438,529
Operating expenses	498,967	439,617
	$ 1,071,421	$ 878,146
An analysis of amortization by function		
Operating costs	$ 7,323	$ 7,536
Operating expenses	83,936	67,767
	$ 91,259	$ 75,303

f. Employee benefits expense

	For the Year Ended December 31	
	2024	2023
Short-term benefits	$ 7,730,521	$ 6,747,518
Post-employment benefits (Note 23)		
Defined contribution plan	244,317	259,383
Defined benefit plans	1,204	636
Total employee benefits expense	$ 7,976,042	$ 7,007,537
An analysis of employee benefits expense by function		
Operating costs	$ 1,924,025	$ 1,939,241
Operating expenses	6,052,017	5,068,296
	$ 7,976,042	$ 7,007,537

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 compensation of employees and the remuneration of directors for the years ended December 31, 2024 and 2023, which were approved by the Company's board of directors on March 13, 2025 and March 7, 2024, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2024	2023
Compensation of employees	11.25%	11.25%
Remuneration of directors	0.21%	0.3%

Amount

	For the Year Ended December 31			
	2024		2023	
	Cash	Share	Cash	Share
Compensation of employees	$ 1,865,075	$ -	$ 1,425,819	$ -
Remuneration of directors	$ 35,000	-	$ 35,000	-

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

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

The Company's board of directors proposed an amendment to the Company's articles of incorporation on March 13, 2025, specifying that a certain percentage of the annual profits be allocated for adjusting the salaries of non-executive employees, and that the allocation rate for employee compensation should not be lower than a certain percentage. This proposal will be reported at the shareholders' meeting on June 12, 2025, with a decision expected to be made at this meeting.

Information on the 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.

27. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of tax expense recognized are as follows:

	For the Year Ended December 31	
	2024	2023
Current tax		
In respect of the current year	$ 3,296,887	$ 2,745,427
Income tax on unappropriated earnings	41,738	155,577
Adjustments for prior years	16,752	(11,414)
Deferred tax		
In respect of the current year	(220,336)	(77,294)
Income tax expense recognized in profit or loss	$ 3,135,041	$ 2,812,296

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2024	2023
Profit before tax	$ 15,133,787	$ 11,732,461
Income tax expense calculated at the statutory rate	$ 3,472,095	$ 2,796,135
Income tax on unappropriated earnings	41,738	155,577
Nondeductible items expenses in determining taxable income	(187,422)	47,124
Investment tax credits used	(208,122)	(175,126)
Adjustments for prior years' tax	16,752	(11,414)
Income tax expense recognized in profit or loss	$ 3,135,041	$ 2,812,296

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2024	2023
Deferred tax		
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	$ 794,706	$ -

c. Current tax assets and liabilities

	December 31	
	2024	2023
Current tax assets (included in other receivables)		
Tax refund receivable	$ 8,818	$ 6,664
Current tax liabilities		
Income tax payable	$ 2,352,424	$ 2,803,761

d. Deferred tax assets and liabilities

The movements of deferred tax assets and liabilities were as follows:

For the year ended December 31, 2024

	Balance, at Beginning of Year	Movements	Balance, at End of Year
Deferred tax assets			
Temporary difference	$ 325,345	$ 26,505	$ 351,850
Deferred tax liabilities			
Temporary difference	$ (364,939)	$ (600,875)	$ (965,814)

For the year ended December 31, 2023

	Balance, at Beginning of Year	Movements	Balance, at End of Year
Deferred tax assets			
Temporary difference	$ 151,492	$ 173,853	$ 325,345
Deferred tax liabilities			
Temporary difference	$ (268,380)	$ (96,559)	$ (364,939)

e. Deductible temporary differences, unused loss carryforwards and unused investment credits for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2024	2023
Loss carryforwards		
Expire in 2024	$ -	$ 325,447
Expire in 2025	342,319	320,601
Expire in 2026	35,034	50,080
Expire in 2027	49,544	46,400
Expire in 2029	93,556	87,620
Expire in 2033	103,928	97,335
Expire in 2035	79,298	74,267
Expire in 2036	123,419	115,588
Expire in 2037	188,743	176,769
Expire in 2038	289,519	271,151
Expire in 2039	62,563	58,594
Expire in 2041	32,281	30,233
Expire in 2042	8,500	7,961
Expire in 2043	31,440	29,446
	$ 1,440,144	$ 1,691,492
Deductible temporary differences	$ 634,444	$ 700,976

f. Income tax assessments

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

28. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2024	2023
Basic earnings per share	$ 21.49	$ 15.99
Diluted earnings per share	$ 21.35	$ 15.86

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

Net Profit for the Year

	For the Year Ended December 31	
	2024	2023
Earnings used in the computation of basic and diluted earnings per share	$ 11,999,671	$ 8,920,165

The weighted average number of ordinary shares outstanding (in thousand shares) was as follows:

	For the Year Ended December 31	
	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	558,507	557,971
Effect of potentially dilutive ordinary shares		
Employee share options	516	1,115
Compensation of employees	2,913	3,503
Weighted average number of ordinary shares used in the computation of diluted earnings per share	561,936	562,589

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.

29. SHARE-BASED PAYMENT ARRANGEMENTS

Employee share option plan of the Company

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$)
2024		
Balance at January 1	962	$ 12.80
Options exercised	(762)	12.76
Options expired	(200)	-
Balance at December 31	-	-

(Continued)

	For the Year Ended December 31, 2014	
	Number of Options (In Thousands)	Weighted-average Exercise Price (NT$)
2023		
Balance at January 1	1,178	$ 13.10
Options exercised	(216)	12.83
Balance at December 31	962	12.80

(Concluded)

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.

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

	2014
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.

No compensation cost was recognized in the years ended December 31, 2024 and 2023.

30. GOVERNMENT GRANTS

As of December 31, 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 $1,162,933 thousand. The difference between the amount obtained and the fair value of the loan is $55,067 thousand, which is regarded as a government low-interest loan and recognized as deferred income. In 2024 and 2023, the Company recognized other income of $8,046 thousand and $8,556 thousand and the interest expense of the loan of $7,863 thousand and $11,771 thousand, 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.

In 2024 and 2023, the Company recognized $50 thousand and $17,515 thousand, respectively, as other income from the business development grant and labor allowance grant received from the local government.

In 2024 and 2023, Joy Tech recognized $5,847 thousand and $14,432 thousand, respectively, as other income from the grants of labor allowance and withholding employee tax payment handling fees received from the local government.

In 2024, InLC recognized $2,007 thousand as other income from the business development grant and labor allowance grant received from the local government.

31. 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	$ 2,683

b. Gain on liquidation of subsidiary

	Nocsys Inc.
Consideration received	$ 2,683
Net assets disposed of	(2,683)
Gain on disposal	$ -

32. BUSINESS COMBINATIONS

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)
InLC Technology Inc.	Research, development, manufacturing, and sales of information and communication components and equipment	December 20, 2024	75.42
Metalligence Technology Corp.	Provides e-commerce apps, information software and advertising services	April 1, 2023	80

b. Consideration transferred

In November 2024, the board of directors of the Company approved to acquire shares of InLC. The Company paid US$16,970 thousand in Cash (approximately NT$550,743 thousand).

The Group paid NT$1 for the consideration of Metalligence Technology Corp.

c. Assets acquired and liabilities assumed at the date of acquisition

	InLC Technology Inc.	Metalligence Technology Corp.
Assets		
Cash and cash equivalents	$ 16,586	$ 424
Trade and other receivables	1,009	1,784
Inventories	7,092	-
Property, plant and equipment	45,254	-
Intangible assets	1,052	-
Refundable deposits	6,677	-
Prepayments	-	6,962
Others	1,267	-
Liabilities		
Trade and other payables	(1,043)	-
Contract liabilities	(75,607)	(381)
Short-term borrowings	(84,158)	-
Other payables	(6,976)	(9,150)
Long-term borrowings	(40,428)	-
Net defined benefit liabilities	(15,752)	-
Others	(5,428)	-
	$ (150,455)	$ (361)

The initial accounting for the acquisition of InLC was only provisionally determined at the end of the year.

d. Non-controlling interests

Non-controlling interests of InLC was measured at the proportionate share of the recognized amount of the fair value of InLC’ s identifiable net assets. As aforementioned, such non-controlling interests measurements was tentative as of December 31, 2024.

e. Goodwill recognized on acquisitions

	InLC Technology Inc.
Consideration transferred	$ 550,743
Plus: Fair value of identifiable net assets acquired	150,455
Less: Non-controlling interests	(36,981)
Less: Acquisitions through business combinations of other intangible assets	(664,217)
Goodwill recognized on acquisitions	$ -

As of December 31, 2024, the Group had not finished identifying the difference between the investment cost and the amount of net fair value of the identifiable net assets and liabilities of InLC. The difference was provisionally recognized as other intangible assets.

f. Net cash outflow (inflow) on the acquisition of subsidiaries

	InLC Technology Inc.	Metalligence Technology Corp.
Consideration paid in cash	$ 550,743	$ -
Less: Cash and cash equivalent balances acquired	(16,586)	(424)
	$ 534,157	$ (424)

g. Impact of acquisitions on the results of the Group

The financial results of the acquirees since the acquisition dates, which are included in the consolidated statements of comprehensive income, were as follows:

	InLC Technology Inc.
Revenue	$ -
Profit (loss)	$ (3,763)

Had InLC been completed at the beginning of 2024, the Group’s revenue and profit for the year would have been $110,446,131 thousand and $11,791,161 thousand for the year ended December 31, 2024. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of each annual reporting period, , nor is it intended to be a projection of future results.

33. CAPITAL MANAGEMENT

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

34. FINANCIAL INSTRUMENTS

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

December 31, 2024

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at amortized cost					
Corporate bonds	$ 925,725	$ -	$ 933,821	$ -	$ 933,821
Government bonds/Agency bonds	293,420	-	299,636	-	299,636
	$ 1,219,145	$ -	$ 1,233,457	$ -	$ 1,233,457

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

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 793,090	$ -	$ -	$ 793,090
Unlisted shares	-	-	201,498	201,498
Simple agreement for future equity	-	-	97,815	97,815
Convertible bonds	-	-	-	-
Structured products	-	-	-	-
Total	$ 793,090	$ -	$ 299,313	$ 1,092,403
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	$ 4,123,965	$ -	$ -	$ 4,123,965
Unlisted shares	-	-	455,750	455,750
	$ 4,123,965	$ -	$ 455,750	$ 4,579,715

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
Total	$ 1,786,172	$ -	$ 261,658	$ 2,047,830
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	$ 306,112	$ -	$ -	$ 306,112
Unlisted shares	-	-	46,909	46,909
	$ 306,112	$ -	$ 46,909	$ 353,021

There were no transfers between Level 1 and 2 in current and prior years.

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

For the year ended December 31, 2024

Financial Assets	Financial Assets at FVTPL				Financial Assets at FVTOCI
	Structured Products	Stocks	Bonds	Simple Agreement for Future Equity	Stocks
Balance at January 1, 2024	$ 57,429	$ 125,129	$ 79,100	$ -	$ 46,909
Recognized in other gains and losses	(38,286)	11,840	(31,595)	-	-
Recognized in other comprehensive income	-	-	-	-	(10,385)
Purchases	-	67,403	-	97,815	352,578
Sales	-	(2,874)	-	-	-
Transfer	(19,143)	-	(47,505)	-	66,648
Balance at December 31, 2024	$ -	$ 201,498	$ -	$ 97,815	$ 455,750

For the year ended December 31, 2023

Financial Assets	Financial Assets at FVTPL			Financial Assets at FVTOCI
	Structured Products	Stocks	Bonds	Stocks
Balance at January 1, 2023	$ -	$ 108,999	$ -	$ 22,472
Recognized in other gains and losses	-	9,838	-	-
Recognized in other comprehensive income	-	-	-	(7,493)
Purchases	57,429	6,292	79,100	31,930
Balance at December 31, 2023	$ 57,429	$ 125,129	$ 79,100	$ 46,909

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.

	December 31	
	2024	2023
Price book ratio	2.015-3.019	1.950-2.927
Price-to-sales ratio	1.28-1.58	0.93-1.44
Liquidity discount	20%	20%

c. Categories of financial instruments

	December 31	
	2024	2023
Financial assets		
FVTPL		
Mandatorily classified as at FVTPL	$ 1,092,403	$ 2,047,830
Financial assets at amortized cost (Note 1)	49,705,275	34,154,929
Financial assets at FVTOCI		
Equity instruments	4,579,715	353,021
Financial liabilities		
Amortized cost (Note 2)	35,397,088	18,285,886

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, refundable deposits and bond investment. Those reclassified to held-for-sale disposal groups are also included.

Note 2: The balances included financial liabilities at amortized cost, which comprise notes and trade payables, payables to contractors and equipment suppliers, other payables, short-borrowings, long-term borrowings - current portion, long-term borrowings and guarantee deposits. Those reclassified to held-for-sale disposal groups are also included.

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 38.

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.

	USD Impact		RMB Impact		JPY Impact	
	For the Year Ended December 31		For the Year Ended December 31		For the Year Ended December 31	
	2024	2023	2024	2023	2024	2023
Profit or loss	$ 70,424	$ 96,324	$ 163	$ 1,779	$ 28	$ (848)

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:

	December 31	
	2024	2023
Fair value interest rate risk		
Financial assets	$ 21,216,678	$ 18,581,833
Financial liabilities	2,036,325	1,618,882
Cash flow interest rate risk		
Financial assets	4,223,600	3,347,258
Financial liabilities	756,888	944,453

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 years ended December 31, 2024 and 2023 would have increased/decreased by $3,467 thousand and $2,403 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's equity price risk was mainly concentrated in equity instruments of domestic and foreign listed shares.

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 years ended December 31, 2024 and 2023 would have increased/decreased by $41,240 thousand and $3,061 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 Group'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, and 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 December 31, 2024 and 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.

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1+ Years	Total
Non-derivative financial liabilities					
Non-interest bearing	$ 16,570,682	$ 16,628,541	$ 2,439,610	$ 816	$ 34,639,649
Lease liabilities	12,358	44,347	236,043	2,453,398	2,746,146
Variable interest rate liabilities	25,813	89,141	329,383	293,784	738,121
Fixed interest rate liabilities	-	40,263	-	-	40,263
	$ 16,608,853	$ 15,802,292	$ 3,005,036	$ 2,747,998	$ 38,164,179

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	$ 292,748	$ 726,016	$ 826,177	$ 89,960	$ 352,363	$ 458,882
Variable interest rate liabilities	444,337	217,674	76,110	-	-	-
Fixed interest rate liabilities	40,263	-	-	-	-	-
	$ 777,348	$ 943,690	$ 902,287	$ 89,960	$ 352,363	$ 458,882

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1+ Years	Total
Non-derivative financial liabilities					
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	29	60	27,111	-	27,200
	$ 7,684,542	$ 6,535,984	$ 3,832,367	$ 2,517,563	$ 20,570,456

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	27,200	-	-	-	-	-
	$ 739,933	$ 987,395	$ 614,543	$ 89,125	$ 351,625	$ 474,059

b) Financing facilities

	December 31	
	2024	2023
Secured borrowings		
Amount used	$ 95,388	$ -
Unsecured bank overdraft facilities:		
Amount used	$ 661,126	$ 975,370
Amount unused	10,496,893	10,143,310
	$ 11,158,019	$ 11,118,680

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

35. 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
Oenix Biomed Co., Ltd.	Associate
Metalligence Technology Corp.	Subsidiary (Note)
CheerLife Technology Corp.	Associate
NEOX FZCO	Associate

Note: In April 2023, Metalligence was classified from an associate into a subsidiary.

b. Sales

Line Item	Related Party Name	For the Year Ended December 31 2024	2023
Sales	NEOX FZCO	$ 72,063	$ -
	Oenix Biomed Co., Ltd.	442	1,471
	Metalligence Technology Corp.	-	580
	CheerLife Technology Corp.	-	(1,883)
		$ 72,505	$ 168

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 Year Ended December 31 2024	2023
Operating expense	CheerLife Technology Corp.	$ 9,244	$ 8,094
	Metalligence Technology Corp.	-	957
		$ 9,244	$ 9,051

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

d. Non-operating income and expenses

Line Item	Related Party Name	For the Year Ended December 31 2024	2023
Other revenue	Oenix Biomed Co., Ltd.	$ 91	$ 92
	CheerLife Technology Corp.	-	(24)
		$ 91	$ 68

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

e. Contract liabilities

Line Item	Related Party Name	December 31 2024	December 31 2023
Contract liabilities	NEOX	$ 25,559	$ -

f. Receivables from related parties

Line Item	Related Party Name	December 31 2024	December 31 2023
Trade receivables from related parties	Oenix Biomed Co., Ltd.	$ 33	$ 122

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

g. Other receivables from related parties

Line Item	Related Party Name	December 31 2024	December 31 2023
Other receivables from related parties	Oenix Biomed Co., Ltd.	$ 16	$ 16

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

h. Other payables to related parties

Line Item	Related Party Name	December 31 2024	December 31 2023
Other payables to related parties	CheerLife Technology Corp.	$ 416	$ 531

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

i. Remuneration of key management personnel

	For the Year Ended December 31 2024	For the Year Ended December 31 2023
Short-term employee benefits	$ 251,699	$ 216,893
Termination benefits	1,155	1,162
	$ 252,854	$ 218,055

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.

36. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for the tariff guarantee, performance guarantee, short-term borrowings and long-term borrowings:

	December 31	
	2024	2023
Pledged time deposits (classified as other financial assets - non current)	$ 72,242	$ 79,623
Property, plant and equipment-machinery and equipment	30,479	-
	$ 102,721	$ 79,623

37. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

As of December 31, 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.

The Company has issued unused letters of credit for purchases of equipment, and amounted of the guarantee was JPY1,221,535 thousand.

As of December 31, 2024, Accton Global has issued unused letters of credit as a guarantee to the U.S. customs affairs, and the amount of the guarantee was USD1,300 thousand.

As of December 31, 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 December 31, 2024, the unrecognized amount was $790,982 thousand.

38. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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:

December 31, 2024

	Foreign Currency (In thousand)	Exchange Rate	Carrying Amount (In thousand)
Financial assets			
Monetary items			
USD	$ 1,048,606	32.785 (USD:NTD)	$ 34,378,559
USD	8,273	4.478 (RMB:NTD) 7.3213 (USD:RMB)	271,225
RMB	3,632	4.478 (RMB:NTD)	16,264

(Continued)

	Foreign Currency (In thousand)	Exchange Rate	Carrying Amount (In thousand)
Financial liabilities			
Monetary items			
USD	$ 770,233	32.785 (USD:NTD)	$ 25,252,099
USD	38,504	4.478 (RMB:NTD)	1,262,356
		7.3213 (USD:RMB)	
USD	33,693	0.00129 (VND:NTD)	1,104,640
		25,395.04 (USD:VND)	
HKD	2,777	4.478 (RMB:NTD)	11,724
		0.9428 (HKD:RMB)	

(Concluded)

December 31, 2023

	Foreign Currency (In thousand)	Exchange Rate	Carrying Amount (In thousand)
Financial assets			
Monetary items			
USD	$ 744,342	30.705 (USD:NTD)	$ 22,855,020
RMB	41,116	4.3270 (RMB:NTD)	177,908
USD	3,078	4.3270 (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	4.3270 (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

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 Year Ended December 31			
	2024		2023	
Functional Currency	Exchange Rate (Functional Currency: Presentation Currency)	Net Foreign Exchange Gain (Loss)	Exchange Rate (Functional Currency: Presentation Currency)	Net Foreign Exchange Gain (Loss)
RMB	4.5099 (RMB:NTD)	$ 11,120	4.424 (RMB:NTD)	$ 80,975
NTD	1 (NTD:NTD)	808,468	1 (NTD:NTD)	(502,145)
VND	0.001266 (VND:NTD)	(119,708)	0.001288 (VND:NTD)	(11,569)
USD	32.1121 (USD:NTD)	(11)	31.155 (USD:NTD)	(22)
SGD	24.0358 (SGD:NTD)	(11)	-	-
INR	0.3838 (INR:NTD)	(478)	-	-
KRW	0.02283 (KRW:NTD)	(211)	-	-
		$ 699,169		$ (432,761)

39. 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 (Table 3)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (Table 4)

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 5)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 6)

9) Trading in derivative instruments. (Note 34)

10) Other: Intercompany relationships and significant intercompany transactions (Table 7)

11) Information on investees (excluding any investee company in mainland China) (Table 8)

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 9)

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 7)

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 10)

e. The Company’s shares held by its subsidiaries: The Company’s shares held by its subsidiaries for investing (Note 24)

40. SEGMENT INFORMATION

a. For resource 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 2024 and 2023. The segment assets are shown in the consolidated balance sheets as of December 31, 2024 and 2023.

b. Revenue from major products and services

   The following is an analysis of the Group's revenue from continuing operations from its major products and services:

	For the Year Ended December 31	
	2024	**2023**
Switch	$ 62,952,883	$ 57,129,654
Network Application	39,216,422	19,089,328
Metro Access Switch	4,791,508	4,794,134
Wireless	548,206	900,263
Other	2,915,725	2,275,047
	$ 110,424,744	$ 84,188,426

c. Geographical information

   The Group's revenue from continuing operations from external customers by location of operations and information on its non-current assets by location of assets are detailed as follows:

	Revenue from External Customers		Non-current Assets	
	December 31		December 31	
	2024	**2023**	**2024**	**2023**
America	$ 82,177,219	$ 59,830,963	$ 153,050	$ 69,061
Asia	14,638,132	13,072,391	2,204,715	1,692,726
Europe	12,352,482	10,347,195	-	-
Taiwan (Company location)	1,170,697	898,139	6,952,747	4,180,823
Others	86,214	39,738	-	-
	$ 110,424,744	$ 84,188,426	$ 9,310,512	$ 5,942,610

   Geographic revenue of the Group is categorized according to the areas of receivables. Non-current assets exclude non-current assets classified as held for sale long-term investments accounted for using the equity method, financial instruments and deferred tax assets.

d. Information on major customers

Single customers contributing 10% or more to the Group's revenue were as follows:

	2024		2023	
Customer	**Amount**	**% to Total**	**Amount**	**% to Total**
A	$ 34,860,966	32	$ 16,546,522	20
B	12,953,990	12	13,997,698	17
C	NA (Note)	NA	10,416,171	12

Note: Revenue less than 10% of the Group's revenue.

TABLE 1

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 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	$ 3,632,656	$ 98,355 (USD 3,000)	$ 98,355 (USD 3,000)	$ 42,621 (USD 1,300)	$ -	0.27	$ 10,897,968	Yes	No	No
0	Accton Technology Corporation	Vietnam Accton Technology Co., Ltd.	2	3,632,656	967,158 (USD 29,500)	967,158 (USD 29,500)	74,081	-	2.66	10,897,608	Yes	No	No
1	Accton Global, Inc.	Accton Logistics Corporation	4	135,901	6,258 (USD 200)	-	-	-	-	135,901	No	No	No
2	Joy Technology (Shenzhen) Co., Ltd.	MuXi Technology Co., Ltd.	4	2,068,363	591,916 (RMB 130,000)	205,236 (RMB 45,000)	-	-	9.92	2,068,363	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
DECEMBER 31, 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	December 31, 2024				Note
				Shares/Units (Thousands)	Carrying Amount	Percentage of Ownership	Fair Value	
Accton Technology Corporation	Fund							
	Yuanta De- Bao Money Market Fund	-	Financial assets at fair value through profit or loss - current	13,630	$ 170,654	-	$ 170,654	Note 5
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	10,035	170,635	-	170,635	Note 5
	Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss - current	8,281	130,625	-	130,625	Note 5
	Allianz Global Investors Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	7,685	100,447	-	100,447	Note 5
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss - current	7,671	100,335	-	100,335	Note 5
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,892	60,205	-	60,205	Note 5
	JPMorgan (Taiwan) First Money Market Fund	-	Financial assets at fair value through profit or loss - current	648	10,135	-	10,135	Note 5
	Shares							
	First Hi-Tec Enterprise Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	748	83,776	1%	83,776	Note 4
	Cathay Financial Holding Co., Ltd. - preference shares	-	Financial assets at fair value through other comprehensive income - current	830	50,630	-	50,630	Note 4
	Clientron Corp.	-	Financial assets at fair value through other comprehensive income - current	289	3,652	-	3,652	Note 6
	Cathay Financial Holding Co., Ltd. - preference share B	-	Financial assets at fair value through other comprehensive income - current	35	2,085	-	2,085	Note 4
	TechnoConcepts Inc.	-	Financial assets at fair value through other comprehensive income - current	597	-	-	-	Note 3
	Worldgate Communication, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	3,200	-	-	-	Note 3
	Enfabrica Corp. - preference share	-	Financial assets at fair value through other comprehensive income - non-current	308	-	-	-	-
	Lumilens Inc. - preference share	-	Financial assets at fair value through other comprehensive income - non-current	6,376	296,562	13%	296,562	-
	AVIZ Networks Inc. - preference share	-	Financial assets at fair value through other comprehensive income - non-current	5,997	65,296	-	65,296	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Shares/Units (Thousands)	Carrying Amount	Percentage of Ownership	Fair Value	
Accton Technology Corporation	Reed's Inc. - preference share	-	Financial assets at fair value through other comprehensive income - non-current	250	$ 33,506	1%	$ 33,506	Note 3
	Shasta Cloud, Inc. - preference share	-	Financial assets at fair value through other comprehensive income - non-current	601	31,840	-	31,840	-
	Neuroblade Ltd. - preference share	-	Financial assets at fair value through other comprehensive income - non-current	330	24,177	1%	24,177	-
	Pershing Systems Corp.	-	Financial assets at fair value through profit or loss - non-current	2,942	100,379	9%	100,379	Note 3
	Xonn Technologies Holdings, Ltd. - preference share	-	Financial assets at fair value through profit or loss - non-current	268	32,605	-	32,605	Note 3
	Wave-In Communication Inc.	-	Financial assets at fair value through profit or loss - non-current	1,318	11,567	7%	11,567	Note 3
	i Pass Corporation	-	Financial assets at fair value through profit or loss - non-current	1,140	-	1%	-	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
	Structured Products							
	Enfabrica Corp.	-	Financial assets at fair value through profit or loss - non-current	-	-	-	-	Note 3
	Convertible bonds							
	AVIZ Networks Inc.	-	Financial assets at fair value through profit or loss - non-current	-	-	-	-	Note 3
	Shoreline IoT, Inc.	-	Financial assets at fair value through profit or loss - non-current	-	-	-	-	Note 3

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Shares/Units (Thousands)	Carrying Amount	Percentage of Ownership	Fair Value	
Accton Technology Corporation	Simple Agreement for Future Equity							
	Nubis Communications, Inc.	-	Financial assets at fair value through profit or loss - non-current	-	$ 97,815	-	$ 97,815	Note 3
	Bonds							
	US Treasury Bonds	-	Financial assets at amortized cost - non-current	9,300	293,420	-	299,636	Note 3
	Citigroup Global Markets Holdings Inc.	-	Financial assets at amortized cost - non-current	9,000	292,620	-	290,930	Note 3
	Westpac Banking Corp.	-	Financial assets at amortized cost - non-current	6,500	214,266	-	217,480	Note 3
	Wells Fargo & Company	-	Financial assets at amortized cost - non-current	5,500	177,564	-	179,964	Note 3
	HSBC Global Investment Funds	-	Financial assets at amortized cost - non-current	4,000	130,192	-	131,800	Note 3
	Berkshire Hathaway Inc.	-	Financial assets at amortized cost - non-current	2,000	62,981	-	64,580	Note 3
	Toyota Motor Credit Corp.	-	Financial assets at amortized cost - non-current	1,000	32,020	-	32,624	Note 3
	National Australia Bank Ltd	-	Financial assets at amortized cost - non-current	500	16,082	-	16,443	Note 3
Accton Investment Corp.	Shares							
	Accton Technology Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	2,210	50,999	-	1,708,227	Note 4
	Astera Labs Inc.	-	Financial assets at fair value through other comprehensive income - non-current	915	3,973,529	-	3,973,529	Note 4
	Xsight Labs Ltd. - preference share E	-	Financial assets at fair value through profit or loss - non-current	125	32,700	-	32,700	Note 3
	Xsight Labs Ltd. - preference share E-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
	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

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Shares/Units (Thousands)	Carrying Amount	Percentage of Ownership	Fair Value	
Accton Investment Corp.	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
	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
	Convertible bonds							
	Awoo Japan	-	Financial assets at fair value through profit or loss - non-current	-	-	-	-	Note 3
Accton Century holding (BVI) Co., Ltd.	Shares							
	@ 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
Accton Asia Investments Corp.	Shares							
	Zhuhai Jinfangda Technology Co., Ltd.	-	Financial assets at fair value through profit or loss - non-current	-	-	18%	-	Note 3
Edgecore Networks Corp.	Fund							
	UPAMC James Bond Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,302	40,054	-	40,054	Note 5

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Shares/Units (Thousands)	Carrying Amount	Percentage of Ownership	Fair Value	
Edgecore Networks Corp.	Taishin Ta-Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	677	$ 10,000	-	$ 10,000	Note 5
	Shares							
	ALFA Network Inc.	-	Financial assets at fair value through profit or loss - non-current	969	22,149	19%	22,149	Note 3
	AVIZ Networks Inc. - preference shares	-	Financial assets at fair value through other comprehensive income - non-current	4,065	4,369	-	4,369	Note 3
Accton Manufacturing and Service, Inc.	Shares							
	Humax Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	363	10,293 (USD 314)	-	10,293 (USD 314)	Note 4
	Wedge Networks	-	Financial assets at fair value through profit or loss - non-current	250	-	1%	-	Note 3

Note 1: As of December 31, 2024 the above marketable securities have not been pledged or mortgaged.

Note 2: For information on subsidiaries and associates, refer to Tables 8 and 9.

Note 3: The market value was based on the carrying amount as of December 31, 2024.

Note 4: The market value was based on the closing price as of December 31, 2024.

Note 5: The market value was based on the net asset value of the fund as of December 31, 2024.

Note 6: The market value was based on the average quoted price as of December 31, 2024.

(Concluded)

TABLE 3

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST $300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Accton Technology Corporation	Yuanta Wan Tai Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	10,292	$ 160,077	22,955	$ 360,000	24,966	$ 391,606	$ 390,000	$ 1,606	8,281	$ 130,625
	Allianz Global Investors Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	11,646	150,108	22,331	290,000	26,292	341,546	340,000	1,546	7,685	100,447
	Mega Diamond Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	46,542	600,367	7,671	100,000	46,542	605,579	600,000	5,579	7,671	100,335
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	36,079	550,362	19,554	300,000	51,741	796,756	790,000	6,756	3,892	60,205
	InLC Technology Inc.	Investments accounted for using the equity method	-	-	-	-	8,384	550,744	-	-	-	-	8,384	547,953
Accton Investment Corp.	Astera Labs Inc.	Financial assets at fair value through other comprehensive income - non-current	-	-	1,408	-	-	-	493	1,608,084	-	1,608,084	915	3,973,529

Note 1: The disposal cost represents acquisition cost.

Note 2: The ending balance includes equity method investment gains and losses and related adjustment items.

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 YEAR ENDED DECEMBER 31, 2024
(In Thousands of 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 - December 31, 2024	$ 556,282 (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 5

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 YEAR ENDED DECEMBER 31, 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	Vietnam Accton Technology Co., Ltd.	Subsidiary	Purchase	$ 10,187,345	12	Monthly 90 days	Specified at each transaction	Monthly 90 days	$ (6,711,857)	26	-
	Joy Technology (Shenzhen) Co., Ltd.	Indirect subsidiary	Purchase	7,144,137	8	45 days after the invoice date	Specified at each transaction	45 days after the invoice date	(2,068,534)	8	-
	Accton Global, Inc.	Subsidiary	Purchase	269,291	-	75 days after the delivery date	Specified at each transaction	75 days after the delivery date	-	-	-
	Edgecore Networks Corp.	Subsidiary	Purchase	145,697	-	60 days after the delivery date	Specified at each transaction	60 days after the delivery date	-	-	-
	Accton Global, Inc.	Subsidiary	Sale	23,560,898	21	75 days after the delivery date	Specified at each transaction	75 days after the delivery date	8,383,370	45	-
	Edgecore Networks Corp.	Subsidiary	Sale	3,557,103	3	60 days after the delivery date	Specified at each transaction	60 days after the delivery date	575,205	3	-
	Accton Manufacturing and Service, Inc.	Subsidiary	Sale	141,522	-	60 days after the delivery date	Specified at each transaction	60 days after the delivery date	101,170	-	-
Joy Technology (Shenzhen) Co., Ltd.	MuXi Technology Co., Ltd.	Held by the same ultimate holding company	Sale	3,613,700	3	Monthly 45 days	Specified at each transaction	Monthly 45 days	347,928	2	-
	Accton Technology Co., Ltd.	Held by the same ultimate holding company	Sale	2,458,389	2	90 days after the delivery date	Specified at each transaction	90 days after the delivery date	1,481,758	7	-
Edgecore Networks Corp.	Edgecore Americas Networking Corp.	Subsidiary	Sale	1,548,637	1	75 days after the invoice date	Specified at each transaction	75 days after the invoice date	300,503	1	-
Accton Technology Co., Ltd.	MuXi Technology Co., Ltd.	Subsidiary	Sale	161,617	-	Monthly 90 days	Specified at each transaction	Monthly 90 days	-	-	-

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 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	$ 9,384,532	3.14	$ 2,353,823	Strengthen collection	$ 2,353,823	$ -
	Vietnam Accton Technology Co., Ltd.	Subsidiary	8,589,838	Note 2	2,382,798	Strengthen collection	1,086,619	-
	Joy Technology (Shenzhen) Co., Ltd.	Held by the same ultimate holding company	916,051	Note 2	916,051	Strengthen collection	916,051	-
	Edgecore Networks Corp.	Subsidiary	662,622	4.69	-	-	-	-
	Accton Manufacturing and Service, Inc.	Subsidiary	124,443	2.80	39,998	Strengthen collection	39,998	-
Joy Technology (Shenzhen) Co., Ltd.	Accton Technology Corporation	Ultimate parent company	2,165,574	3.15	31,004	Strengthen collection	31,004	-
	Accton Technology Co., Ltd.	Held by the same ultimate holding company	1,481,758	2.14	245,714	Strengthen collection	245,714	-
	MuXi Technology Co., Ltd.	Held by the same ultimate holding company	347,928	5.65	220,024	Strengthen collection	220,024	-
	Vietnam Accton Technology Co., Ltd.	Held by the same ultimate holding company	157,478	Note 2	8,895	Strengthen collection	8,895	-
Vietnam Accton Technology Co., Ltd.	Accton Technology Corporation	Held by the same ultimate holding company	6,711,956	2.81	-	-	-	-
Accton Technology Co., Ltd.	Joy Technology (Shenzhen) Co., Ltd.	Held by the same ultimate holding company	724,639	-	661,020	Strengthen collection	661,020	-
Edgecore Networks Corp.	Edgecore Americas Networking Corp.	Subsidiary	302,977	5.06	-	-	-	-
MuXi Technology Co., Ltd.	Joy Technology (Shenzhen) Co., Ltd.	Held by the same ultimate holding company	186,227	-	138,824	Strengthen collection	138,824	-

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 7

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEARS ENDED DECEMBER 31, 2024
(Amounts 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	$ 23,560,898	Note 1	21
		Edgecore Networks Corp.	1	Sales	3,557,103	Note 1	3
		Accton Manufacturing and Service, Inc.	1	Sales	141,522	Note 1	-
		Accton Logistics Corp.	1	Sales	67,059	Note 1	-
		ATAN NetworKs Co., Ltd.	1	Sales	24,085	Note 1	-
		Accton Technology Co., Ltd.	1	Sales	22,007	Note 1	-
		Vietnam Accton Technology Co., Ltd.	1	Purchases and processing	10,187,345	Note 1	9
		Joy Technology (Shenzhen) Co., Ltd.	1	Purchases and processing	7,144,137	Note 1	6
		Accton Global, Inc.	1	Purchases and processing	269,291	Note 1	-
		Edgecore Networks Corp.	1	Purchases and processing	145,697	Note 1	-
		Accton Technology Co., Ltd.	1	Purchases and processing	32,363	Note 1	-
		Accton Manufacturing and Service, Inc.	1	Purchases and processing	19,435	Note 1	-
		Accton Technology Corp. USA	1	Operating expenses	333,894	Note 1	-
		Accton Technology Co., Ltd.	1	Operating expenses	51,216	Note 1	-
		Vietnam Accton Technology Co., Ltd.	1	Non-operating income	61,503	Note 1	-
		Accton Global, Inc.	1	Trade receivables from related parties	9,383,370	Note 2	11
		Edgecore Networks Corp.	1	Trade receivables from related parties	575,205	Note 2	1
		Accton Manufacturing and Service, Inc.	1	Trade receivables from related parties	101,170	Note 2	-
		Accton Logistics Corp.	1	Trade receivables from related parties	27,437	Note 2	-
		Vietnam Accton Technology Co., Ltd.	1	Other receivables from related parties	8,584,208	Note 2	10
		Joy Technology (Shenzhen) Co., Ltd.	1	Other receivables from related parties	916,043	Note 2	1
		Edgecore Networks Corp.	1	Other receivables from related parties	87,417	Note 2	-
		Accton Manufacturing and Service, Inc.	1	Other receivables from related parties	23,273	Note 2	-
		InLC Technology Inc.	1	Prepayments	64,040	Note 2	-
		Vietnam Accton Technology Co., Ltd.	1	Trade payables to related parties	6,711,856	Note 1	8
		Joy Technology (Shenzhen) Co., Ltd.	1	Trade payables to related parties	2,068,534	Note 1	2
		Accton Technology Co., Ltd.	1	Trade payables to related parties	10,519	Note 1	-
		Accton Technology Corp. USA	1	Other payables to related parties	257,334	Note 1	-
		Joy Technology (Shenzhen) Co., Ltd.	1	Other payables to related parties	97,040	Note 1	-
		Accton Technology Co., Ltd.	1	Other payables to related parties	51,925	Note 1	-
1	Joy Technology (Shenzhen) Co., Ltd.	MuXi Technology Co., Ltd.	3	Sales	3,613,700	Note 1	3
		Accton Technology Co., Ltd.	3	Sales	2,458,389	Note 1	2
		ATAN NetworKs Co., Ltd.	3	Purchases and processing	15,544	Note 1	-
		Vietnam Accton Technology Co., Ltd.	3	Non-operating income	15,663	Note 1	-
		Accton Technology Co., Ltd.	3	Trade receivables from related parties	1,481,758	Note 1	2
		MuXi Technology Co., Ltd.	3	Trade receivables from related parties	347,928	Note 1	-
		Vietnam Accton Technology Co., Ltd.	3	Other receivables from related parties	155,848	Note 1	-
		Accton Technology Co., Ltd.	3	Trade payables to related parties	720,849	Note 1	1
		MuXi Technology Co., Ltd.	3	Trade payables to related parties	186,168	Note 1	-

(Continued)

No.	Investee Company	Counterparty	Relationship (Note 3)	Transaction Details			
				Financial Statements Accounts	Amount	Payment Terms	% of Total Sales or Assets
2	Edgecore Networks Corp.	Edgecore Americas Networking Corp.	3	Sales	$ 1,548,637	Note 1	1
		Edgecore Networks India Pvt. Ltd.	3	Sales	24,982	Note 1	-
		Edgecore Networks Singapore Pte. Ltd.	3	Operating expenses	14,339	Note 1	-
		Edgecore Americas Networking Corp.	3	Trade receivables from related parties	300,504	Note 1	-
		ATAN NetworKs Co., Ltd.	3	Trade receivables from related parties	28,545	Note 1	-
		Edgecore Networks India Pvt. Ltd.	3	Trade receivables from related parties	24,638	Note 1	-
		Edgecore Networks Singapore Pte. Ltd.	3	Other payables to related parties	26,254	Note 1	-
3	Accton Technology Co., Ltd.	MuXi Technology Co., Ltd.	3	Sales	161,617	Note 1	-
		MuXi Technology Co., Ltd.	3	Operating expenses	73,145	Note 1	-
		ATAN NetworKs Co., Ltd.	3	Trade receivables from related parties	25,932	Note 1	-
		MuXi Technology Co., Ltd.	3	Trade payables to related parties	77,534	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 8

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES (EXCLUDING ANY INVESTEES COMPANY IN MAINLAND CHINA)
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of Foreign Currencies/New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2024			Net Income (Loss) of the Investee	Investment Gain (Loss) Recognized	Note
				December 31, 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	$ 2,121,625	$ (22,600)	$ (28,023)	Notes 1 and 2
	Edgecore Networks Corp.	Hsinchu	Research, development, design, manufacture and selling of switching hubs	650,000	650,000	50,000	100	1,955,322	858,367	858,367	Note 1
	Accton Manufacturing and Service, Inc.	USA	Manufacture and selling of switching hubs	769,644	769,644	24,149	100	80,860	9,037	9,037	Note 1
	Accton Technology (China) Co., Ltd.	Cayman Islands	Investment holding company	279,635	279,635	6,600	100	177,556	55,604	55,604	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	209,311	5,313	5,313	Note 1
	Accton Investment Corp.	British Virgin Islands	Investment holding company	79,676	79,676	1,004	100	4,173,741	52,195	30,107	Note 1
	Accton Logistics Corp.	USA	Selling and marketing of high-quality LAN hardware and software products	89,267	89,267	1	100	134,136	5,438	5,438	Note 1
	Accton Global, Inc.	USA	Selling and marketing of high-quality LAN hardware and software products	35,316	35,316	10	100	(376,224)	23,713	23,713	Note 1
	ACCE Technology Corp.	Cayman Islands	Investment holding company	43,596	-	1,400	100	43,853	257	257	Notes 1 and 3
	E-Direct Corp.	Taipei	Provides services in information software and information technology	12,556	43,075	800	100	59,068	21,377	21,377	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 4
	Oenix Biomed Co., Ltd.	Taipei	Research and development of health care services and equipment	20,000	20,000	2,000	40	7,062	(1,722)	(689)	Note 1
	Vietnam Accton Technology Co., Ltd.	Vietnam	Research, development, design, manufacture and selling of switching hubs	793,520	793,520	-	100	265,013	(217,240)	(253,568)	Notes 1 and 2
	InLC Technology Inc.	Korea	Research, development, manufacturing, and sales of information and communication components and equipment	550,744	-	8,384	75	547,953	(221,348)	(2,837)	Notes 1 and 6

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2024			Net Income (Loss) of the Investee	Investment Gain (Loss) Recognized	Note
				December 31, 2024	December 31, 2023	Number of Shares (Thousands)	% of Ownership	Carrying Amount			
Accton Century Holding (BVI) Co., Ltd.	Accton Asia Investments Corp.	British Virgin Islands	Investment holding company	$ 1,380,445 (USD 42,106)	$ 1,380,445 (USD 42,106)	42,106	100	$ 2,069,859	$ (33,670)	$ (33,670)	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	34,198	1,707	1,707	Note 1
	Edgecore Americas Networking Corp.	USA	Selling and marketing of high-quality LAN hardware and software products	19,999 (USD 610)	19,999 (USD 610)	10	100	220,513	112,254	112,254	Note 1
	Edgecore Networks India Pvt. Ltd.	India	Research, development, design, manufacture and selling of switching hubs	15,039	15,039	3,885	100	(1,286)	(5,187)	(5,187)	Note 1
	NEOX FZCO	Dubai	Telecommunications Equipment and Accessories Manufacturing, Electronic Printed Circuit Boards Assembling	97,905	-	1	50	87,658	(4,452)	(2,230)	Notes 1 and 7
ACCE Technology Corp.	GoldiLink Technology Corp.	Hsinchu	Research, development, design, manufacturing and sales of optical modules	40,000	-	4,000	100	40,184	184	184	Notes 1 and 5

Note 1: Based on audited financial statements.

Note 2: After adjustment of gains or losses from related parties.

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

Note 4: Recognized an impairment loss.

Note 5: In May 2024, GoldiLink Technology Corp. completed the registration of its establishment.

Note 6: In December 2024, the Company acquired 75.42% of InLC Technology Inc.'s shares.

Note 7: In December 2024, NEOX FZCO completed its capital injection.

(Concluded)

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 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 December 31, 2024 (Note 2)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2024	Accumulated Repatriation of Investment Income as of December 31, 2024 (Note 2)	Note
					Outflow	Inflow (Note 2)							
Joy Technology (Shenzhen) Co., Ltd.	Selling and producing of high-end network switches	$ 1,458,933 (USD 44,500)	Note 1	$ -	$ -	$ -	$ -	$ 186,171	100	$ 186,171	$ 2,068,363	$ 3,301,187 (USD 100,692)	Note 3
Accton Technology Co., Ltd.	Sale of network products	196,710 (USD 6,000)	Note 1	196,710 (USD 6,000)	-	-	196,710 (USD 6,000)	55,418	100	55,418	170,314	-	Note 3
Noctilucent Systems (Shanghai) Limited	Development, design and manufacture of software, selling product and consultation and service of technique	163,925 (USD 5,000)	Note 1	212,414 (USD 6,479)	-	-	212,414 (USD 6,479)	-	-	-	-	-	Notes 5 and 8
ATAN NetworKs Co., Ltd.	Sale of network products	101,634 (USD 3,100)	Note 1	101,634 (USD 3,100)	-	-	101,634 (USD 3,100)	(3,576)	100	(3,576)	(21,848)	-	Notes 3
MuXi Technology Co., Ltd.	Sale of network products	4,561 (RMB 1,000)	Note 10	-	-	-	-	29,135	100	29,135	25,014	-	Notes 3 and 10

Investee Company	Accumulated Investment in Mainland China as of December 31, 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 11 and 12)	USD 44,500 (Note 4)	
Accton Technology Co., Ltd.	USD 6,000	USD 6,000	
Noctilucent Systems (Shanghai) Limited	USD 6,479 (Notes 5 and 8)	USD 5,000	$ 21,795,936
ATAN NetworKs Co., Ltd.	USD 3,100	USD 3,500	
Arcadyan Technology (Shanghai) Corp. (Note 6)	USD 684	USD 5,586	
Tomato Technology (Shanghai) Corp. (Note 7)	USD 380	USD 380	
Zhuhai Jinfangda Technology Co., Ltd. (Note 9)	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 December 31, 2024.

Note 3: The amount was recognized based on the audited financial statements.

Note 4: Issuance of ordinary shares out of retained earnings amounted to USD7,500 thousand.

Note 5: Repayment of debt amounted to USD1,567 thousand.

(Continued)

Note 6: In December 2009, the Company sold 17% shares of Arcadyan Technology (Shanghai) Co., Ltd. to Arcadyan Technology Company and its affiliates.

Note 7: 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 8: 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 9: 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 10: Accton Technology Co., Ltd.'s indirect investment in a company located in mainland China.

Note 11: 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 12: In accordance with the No. 11320136370 Letter in July 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)

TABLE 10

ACCTON TECHNOLOGY CORPORATION

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2024

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Golden Tengis Co., Ltd.	45,113,765	8.03