

**Accton Technology Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2025 and 2024
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Accton Technology Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Accton Technology Corporation and its subsidiaries as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months ended March 31, 2025 and 2024, for the three months ended March 31, 2025 and 2024, the consolidated statements of changes in equity and cash flows for the three months ended March 31, 2025 and 2024, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “ consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Note 13 to the consolidated financial statements, the consolidated financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2025, and 2024, total assets of these non-significant subsidiaries were NT\$7,721,104 thousand and NT\$11,486,823 thousand, respectively, representing 8% and 18%, respectively, of the consolidated total assets, and total liabilities of these subsidiaries were NT\$1,183,250 thousand and NT\$2,330,028 thousand, respectively, representing 2% and 7%, respectively, of the consolidated total liabilities; for three months ended March 31, 2025, and 2024 the amounts of comprehensive income of these subsidiaries were NT\$65,141 thousand and NT\$201,476 thousand, respectively, representing 2% and 4%, respectively, of the consolidated total comprehensive income. As disclosed in Note 14 to the consolidated financial statements, some investments accounted for using the equity method in the consolidated financial statements were not reviewed. The aggregate carrying amount of these investments were NT\$26,923 thousand and NT\$7,469 thousand as of March 31, 2025 and 2024, respectively, and the share of profit and loss from associates accounted for using the equity method were NT\$(2,091) thousand and NT\$(282) thousand for the three months ended March 31, 2025 and 2024, respectively.

Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statement of the non-significant subsidiaries and associates as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025 and 2024, its consolidated financial performance for the three months ended March 31, 2024 and 2025, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 8, 2025

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 33)	\$ 23,296,057	24	\$ 18,116,346	21	\$ 13,735,958	21
Financial assets at fair value through profit or loss - current (Notes 7 and 33)	1,096,371	1	793,090	1	2,595,022	4
Financial assets at fair value through other comprehensive income - current (Notes 8 and 33)	197,158	-	150,436	-	278,992	1
Financial assets at amortized cost - current (Notes 9 and 33)	4,540,367	5	6,404,894	7	10,127,849	16
Notes and trade receivables, net (Notes 10 and 33)	26,107,417	27	20,762,760	24	11,301,006	17
Receivables from related parties (Notes 33 and 34)	48,376	-	33	-	-	-
Other receivables (Notes 10 and 33)	585,463	1	951,654	1	753,921	1
Other receivables from related parties (Notes 33 and 34)	16	-	16	-	16	-
Inventories (Note 11)	23,945,208	24	19,370,957	23	15,434,118	24
Prepayments (Note 19)	418,121	-	460,406	1	255,377	-
Non-current assets held for sale (Note 12)	3,889,430	4	3,620,754	4	-	-
Other financial assets - current (Notes 19, 33 and 35)	-	-	-	-	32,039	-
Other current assets - other	11,504	-	8,149	-	21,935	-
Total current assets	84,135,488	86	70,639,495	82	54,536,233	84
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 33)	290,331	-	299,313	-	283,154	-
Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 33)	2,301,796	2	4,429,279	5	3,389,273	5
Financial assets at amortized cost - non-current (Notes 9 and 33)	914,789	1	1,219,145	2	324,442	1
Investments accounted for using the equity method (Note 14)	26,923	-	70,639	-	7,469	-
Property, plant and equipment (Notes 15, 26 and 35)	5,904,549	6	5,445,217	6	3,715,882	6
Right-of-use assets (Note 16)	2,200,118	2	2,270,182	3	1,858,111	3
Goodwill (Note 17)	1,930	-	1,930	-	1,930	-
Intangible assets (Note 18)	833,095	1	847,685	1	148,339	-
Deferred income tax assets (Notes 4 and 27)	455,153	1	351,850	-	289,789	1
Prepayments for equipment	814,017	1	506,871	1	221,249	-
Refundable deposits (Note 33)	136,990	-	126,499	-	124,839	-
Net defined benefit assets - non-current (Notes 4 and 23)	9,246	-	8,429	-	-	-
Other financial assets - non-current (Notes 19, 33 and 35)	72,263	-	72,242	-	80,043	-
Other non-current assets - other (Note 19)	25,398	-	31,457	-	24,323	-
Total non-current assets	13,986,598	14	15,680,738	18	10,468,843	16
TOTAL						
	\$ 98,122,086	100	\$ 86,320,233	100	\$ 65,005,076	100

LIABILITIES AND EQUITY	March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT LIABILITIES						
Short-term borrowings (Notes 20 and 33)	\$ 240,649	-	\$ 174,526	-	\$ 104,375	-
Contract liabilities - current (Notes 25 and 34)	6,535,826	7	6,769,478	8	8,056,288	12
Note and trade payables (Note 33)	33,563,138	34	25,954,859	30	14,865,279	23
Accrued compensation of employees and remuneration of directors (Note 26)	2,945,952	3	2,108,651	3	2,111,334	3
Payables to contractors and equipment suppliers (Note 33)	592,157	1	533,038	1	262,412	-
Other payables (Notes 21 and 33)	4,841,929	5	5,338,071	6	2,229,929	4
Other payables to related parties (Notes 33 and 34)	-	-	416	-	-	-
Income tax payable (Notes 4 and 27)	3,590,741	4	2,352,424	3	3,250,113	5
Provisions - current (Note 21)	256,318	-	237,268	-	304,494	1
Liabilities directly associated with non-current assets held for sale (Note 12)	2,694,885	3	2,876,210	3	-	-
Lease liabilities - current (Note 16)	171,231	-	191,914	-	219,120	-
Deferred revenue - current (Notes 20 and 30)	3,796	-	5,117	-	7,350	-
Long-term borrowings - current portion (Notes 20, 30 and 33)	304,558	-	301,683	-	300,558	1
Refund liabilities - current (Note 25)	70,822	-	76,135	-	63,149	-
Total current liabilities	55,812,002	57	46,919,790	54	31,774,401	49
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 20, 30 and 33)	162,843	-	280,679	1	464,797	1
Deferred income tax liabilities (Notes 4 and 27)	525,850	-	965,814	1	1,068,515	1
Lease liabilities - non-current (Note 16)	1,831,230	2	1,844,411	2	1,363,506	2
Deferred revenue - non-current (Notes 20 and 30)	-	-	98	-	3,784	-
Net defined benefit liabilities - non-current (Notes 4 and 23)	17,078	-	14,719	-	16,642	-
Guarantee deposits (Note 33)	816	-	816	-	816	-
Other non-current liabilities	5,583	-	5,237	-	-	-
Total non-current liabilities	2,543,400	2	3,111,774	4	2,918,060	4
Total liabilities	58,355,402	59	50,031,564	58	34,692,461	53
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 24 and 29)						
Share capital						
Ordinary shares	5,611,179	6	5,611,179	7	5,604,304	9
Capital surplus	890,764	1	898,877	1	874,961	1
Retained earnings						
Legal reserve	4,528,737	5	4,528,737	5	3,636,972	5
Special reserve	438,274	-	438,274	1	462,016	1
Unappropriated earnings	27,069,915	28	22,004,339	25	17,349,655	27
Total retained earnings	32,036,926	33	26,971,350	31	21,448,643	33
Other equity	1,254,189	1	2,896,153	3	2,435,706	4
Treasury shares	(50,999)	-	(50,999)	-	(50,999)	-
Total equity attributable to owners of the Company	39,742,059	41	36,326,560	42	30,312,615	47
NON-CONTROLLING INTERESTS						
	24,625	-	(37,891)	-	-	-
Total equity	39,766,684	41	36,288,669	42	30,312,615	47
TOTAL						
	\$ 98,122,086	100	\$ 86,320,233	100	\$ 65,005,076	100

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

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 25 and 34)	\$ 42,750,561	100	\$ 18,847,712	100
OPERATING COSTS (Notes 11, 23 and 26)	34,103,112	80	14,914,836	79
GROSS PROFIT	8,647,449	20	3,932,876	21
UNREALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES	(43,922)	-	-	-
REALIZED GROSS PROFIT	8,603,527	20	3,932,876	21
OPERATING EXPENSES (Notes 10, 23, 26 and 34)				
Selling and marketing	489,517	1	436,311	3
General and administrative	763,395	2	606,188	3
Research and development	1,447,318	3	969,134	5
Expected credit (gain) loss	(2,090)	-	19	-
Total operating expenses	2,698,140	6	2,011,652	11
OPERATING INCOME	5,905,387	14	1,921,224	10
NON-OPERATING INCOME AND EXPENSES (Notes 14, 26 and 34)				
Interest income	251,581	1	211,758	1
Other income	20,024	-	39,254	-
Other gains and losses	133,918	-	639,586	4
Finance costs	(26,945)	-	(20,906)	-
Share of loss of associates	(2,091)	-	(282)	-
Total non-operating income and expenses	376,487	1	869,410	5
PROFIT BEFORE INCOME TAX	6,281,874	15	2,790,634	15
INCOME TAX EXPENSE (Notes 4 and 27)	1,160,445	3	547,100	3
NET INCOME	5,121,429	12	2,243,534	12
OTHER COMPREHENSIVE (LOSS) INCOME (Note 24)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(1,683,509)	(4)	2,678,731	14

(Continued)

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	40,095	-	201,614	1
Other comprehensive income, net of income tax	(1,643,414)	(4)	2,880,345	15
TOTAL COMPREHENSIVE INCOME	<u>\$ 3,478,015</u>	<u>8</u>	<u>\$ 5,123,879</u>	<u>27</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 5,127,365	12	\$ 2,243,534	12
Non-controlling interests	(5,936)	-	-	-
	<u>\$ 5,121,429</u>	<u>12</u>	<u>\$ 2,243,534</u>	<u>12</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 3,485,401	8	\$ 5,123,879	27
Non-controlling interests	(7,386)	-	-	-
	<u>\$ 3,478,015</u>	<u>8</u>	<u>\$ 5,123,879</u>	<u>27</u>
EARNINGS PER SHARE (Note 28)				
Basic	<u>\$ 9.17</u>		<u>\$ 4.02</u>	
Diluted	<u>\$ 9.11</u>		<u>\$ 3.99</u>	

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

(Concluded)

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company										
	Share Capital	Capital Surplus	Retained Earnings			Other Equity		Treasury Shares	Total Equity	Non-controlling Interest	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized (Loss) Gain on Financial Assets at Fair Value Through Other Comprehensive Income				
BALANCE AT JANUARY 1, 2024	\$ 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
Net income for the three months ended March 31, 2024	-	-	-	-	2,243,534	-	-	-	2,243,534	-	2,243,534
Other comprehensive income (loss) for the three months ended March 31, 2024, net of income tax	-	-	-	-	-	201,614	2,678,731	-	2,880,345	-	2,880,345
Total comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	2,243,534	201,614	2,678,731	-	5,123,879	-	5,123,879
Share-based payment arrangements	740	207	-	-	-	-	-	-	947	-	947
Disposal of investments in equity instruments at fair value through other comprehensive income (loss)	-	-	-	-	6,365	-	(6,365)	-	-	-	-
BALANCE AT MARCH 31, 2024	<u>\$ 5,604,304</u>	<u>\$ 874,961</u>	<u>\$ 3,636,972</u>	<u>\$ 462,016</u>	<u>\$ 17,349,655</u>	<u>\$ (263,980)</u>	<u>\$ 2,699,686</u>	<u>\$ (50,999)</u>	<u>\$ 30,312,615</u>	<u>\$ -</u>	<u>\$ 30,312,615</u>
BALANCE AT JANUARY 1, 2025	\$ 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
From share of changes in equities of in subsidiaries	-	(8,113)	-	-	(61,789)	-	-	-	(69,902)	69,902	
Net income for the three months ended March 31, 2025	-	-	-	-	5,127,365	-	-	-	5,127,365	(5,936)	5,121,429
Other comprehensive income for the three months ended March 31, 2025, net of income tax	-	-	-	-	-	41,545	(1,683,509)	-	(1,641,964)	(1,450)	(1,643,414)
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	5,127,365	41,545	(1,683,509)	-	3,485,401	(7,386)	3,478,015
BALANCE AT MARCH 31, 2025	<u>\$ 5,611,179</u>	<u>\$ 890,764</u>	<u>\$ 4,528,737</u>	<u>\$ 438,274</u>	<u>\$ 27,069,915</u>	<u>\$ (144,667)</u>	<u>\$ 1,398,856</u>	<u>\$ (50,999)</u>	<u>\$ 39,742,059</u>	<u>\$ 24,625</u>	<u>\$ 39,766,684</u>

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

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	Three Months Ended March 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 6,281,874	\$ 2,790,634
Adjustments for:		
Depreciation expense	330,349	232,969
Amortization expense	25,811	19,348
Expected credit (gain) loss	(2,090)	19
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	7,156	(30,382)
Finance costs	26,945	20,906
Interest income	(251,581)	(211,758)
Dividend income	-	(28)
Share of loss of associates	2,091	282
Loss (gain) on disposal of property, plant and equipment, net	97	(402)
Write-downs of inventories	107,457	16,252
Unrealized gain on transactions with associates	42,840	-
Unrealized loss (gain) on foreign currency exchange	70,872	(317,183)
Amortization of grant revenue	(1,418)	(2,104)
Changes in operating assets and liabilities		
Notes and trade receivables, net	(4,915,017)	232,762
Receivables from related parties	(48,343)	122
Other receivables	357,797	(102,203)
Inventories	(5,179,880)	(1,905,221)
Prepayments	10,480	105,421
Other current assets	(15,827)	2,837
Contract liabilities	(231,091)	1,810,666
Notes and trade payables	7,189,428	526,010
Accrued compensation of employees and remuneration of directors	837,301	421,165
Other payables	(529,914)	(1,239,180)
Other payables to related parties	(416)	(531)
Provisions	19,005	234
Refund liabilities	(5,635)	(8,173)
Net defined benefit liabilities	1,542	(892)
Cash generated from operations	4,129,833	2,361,570
Interest paid	(23,439)	(20,061)
Income tax paid	(28,796)	(31,680)
Net cash generated from operating activities	4,077,598	2,309,829
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(32,844)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	39,815
Purchase of financial assets at amortized cost	(1,342,807)	(6,357,761)

(Continued)

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	Three Months Ended March 31	
	2025	2024
Proceeds from disposal of financial assets at amortized cost	\$ 3,487,248	\$ 4,239,417
Purchase of financial assets at fair value through profit or loss	(480,000)	(802,098)
Proceeds from disposal of financial assets at fair value through profit or loss	178,545	2,134
Acquisition of property, plant and equipment	(945,951)	(336,606)
Proceeds from disposal of property, plant and equipment	1,100	697
Increase in refundable deposits	(10,429)	(12,083)
Acquisition of intangible assets	(4,859)	(12,754)
Increase in other financial assets	(20)	(32,459)
Decrease (increase) in other non-current assets	6,058	(2,853)
Interest received	260,457	184,034
Dividends received	-	28
Net cash generated from (used in) investing activities	1,116,498	(3,090,489)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	479,211	44,931
Repayments of short-term borrowings	(259,331)	(70,836)
Repayments of long-term borrowings	(116,269)	(75,139)
Repayments of the principal portion of lease liabilities	(48,816)	(55,566)
Increase in other non-current liabilities	346	-
Employee share options	-	947
Net cash generated from (used in) financing activities	55,141	(155,663)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	109,382	601,860
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,358,619	(334,463)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	18,693,890	14,070,421
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 24,052,509	\$ 13,735,958
	March 31, 2025	March 31, 2024
RECONCILIATION OF CASH AND CASH EQUIVALENTS, END OF PERIOD		
Cash and cash equivalents reported in the consolidated balance sheets	\$ 23,296,057	\$ 13,735,958
Cash and cash equivalents included in disposal group	756,452	-
Cash and cash equivalents, end of period	\$ 24,052,509	\$ 13,735,958

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

(Concluded)

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on May 8, 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).

1. Amendments to IAS 21 “Lack of Exchangeability”

The amendment to IAS 21 “Lack of Exchangeability” is not expected to result in any material impact to the accounting policies of the consolidated entities of the Company.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
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 1)

Note 1: 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.

As of the date this consolidated financial report was authorized for issue, the Group is still assessing the potential impact of the amendment on its financial position and financial performance.

- 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.

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 IAS 34 “Interim Financial Reporting” endorsed and issued into effect by the FSC. The consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements prepared under the IFRS Accounting Standards endorsed.

b. Basis of preparation

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

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

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

c. Basis of consolidation

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

See Note 13 and Tables 6 and 7 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

In addition to the description below, please refer to the summary of significant accounting policies in the 2024 consolidated financial statements.

1) Retirement benefits

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

2) Income tax

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same material accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2024.

When developing material accounting estimates, the Group considers the possible impact of US reciprocal tariffs on the cash flow projection, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

6. CASH AND CASH EQUIVALENTS

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	\$ 717	\$ 755	\$ 1,259
Checking accounts and demand deposits	4,378,943	4,521,195	3,254,592
Cash equivalents			
Time deposits with original maturities of less than 3 months	16,757,687	12,478,061	9,652,107
Repurchase agreements collateralized by bonds	2,158,710	1,116,335	828,000
	<u>\$ 23,296,057</u>	<u>\$ 18,116,346</u>	<u>\$ 13,735,958</u>

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

	March 31, 2025	December 31, 2024	March 31, 2024
Bank balance	0.010%-4.56%	0.002%-4.900%	0.001%-5.500%
Repurchase agreements collateralized by bonds	0.000%-4.550%	1.000%-4.830%	0.940%-5.350%

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

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Mutual funds	\$ 1,096,037	\$ 793,090	\$ 2,595,022
Forward exchange contracts	334	-	-
	<u>\$ 1,096,371</u>	<u>\$ 793,090</u>	<u>\$ 2,595,022</u>
<u>Financial assets at FVTPL - non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Domestic and foreign unlisted shares	\$ 192,516	\$ 201,498	\$ 146,625
Simple agreement for future equity	97,815	97,815	-
Foreign convertible bonds	-	-	79,100
Structured products	-	-	57,429
	<u>\$ 290,331</u>	<u>\$ 299,313</u>	<u>\$ 283,154</u>

As the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Foreign Currency	Maturity Date	Contract Amount (In Thousand)
<u>March 31, 2025</u>			
Purchase forward exchange contracts	USD: RMB	April 8, 2025	USD 2,800 RMB 20,250

The Company entered into forward exchange contracts to manage exposures due to fluctuations of foreign exchange rates.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Domestic and foreign investments			
Listed shares and emerging market shares	<u>\$ 197,158</u>	<u>\$ 150,436</u>	<u>\$ 278,992</u>
<u>Non-current</u>			
Foreign investments			
Listed shares	\$ 1,812,888	\$ 3,973,529	\$ 3,342,364
Unlisted shares	<u>488,908</u>	<u>455,750</u>	<u>46,909</u>
	<u>\$ 2,301,796</u>	<u>\$ 4,429,279</u>	<u>\$ 3,389,273</u>

The Group holds domestic, foreign listed (unlisted) and emerging market shares and preferred shares 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

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Time deposits with original maturity of more than 3 months (a)	\$ 4,235,614	\$ 6,404,894	\$ 10,127,849
Government bonds/Agency bonds (b)	63,864	-	-
Corporate bonds (c)	<u>240,889</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,540,367</u>	<u>\$ 6,404,894</u>	<u>\$ 10,127,849</u>
<u>Non-current</u>			
Government bonds/Agency bonds (b)	\$ 229,858	\$ 293,420	\$ 262,040
Corporate bonds (c)	<u>684,931</u>	<u>925,725</u>	<u>62,402</u>
	<u>\$ 914,789</u>	<u>\$ 1,219,145</u>	<u>\$ 324,442</u>

- a. The ranges of interest rates for time deposits with original maturities of more than 3 months were 0.25%-5.42%, 0.25%-5.42% and 0.25%-5.77% per annum as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.
- b. In 2024, the Group bought 3-10 years government bonds at face values of \$1,000-\$1,300 thousand, with coupon rates of 3.125%-4.625% and effective interest rates of 4.112%-4.642%.
- c. In 2024, the Group bought 1.98-10 years corporate bonds issued at face values of \$500-\$3,000 thousand, with coupon rates of 3.125%-5.500% and effective interest rates of 4.492%-5.500%.

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 33.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	<u>March 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>March 31,</u> <u>2024</u>
<u>Notes receivable</u>			
Notes receivable - operating	\$ 123	\$ 118	\$ -
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 26,109,316	\$ 20,764,658	\$ 11,317,424
Less: Allowance for impairment loss	(2,022)	(2,016)	(16,418)
	<u>\$ 26,107,294</u>	<u>\$ 20,762,642</u>	<u>\$ 11,301,006</u>
<u>Other receivables</u>			
At amortized cost			
Gross carrying amount	\$ 586,413	\$ 954,700	\$ 756,967
Less: Allowance for impairment loss	(950)	(3,046)	(3,046)
	<u>\$ 585,463</u>	<u>\$ 951,654</u>	<u>\$ 753,921</u>

a. Notes and trade receivables

The average credit period of sales of goods is 30 days, and some customers have credit period of 45 to 90 days after the end of the month. No interest is charged on trade receivables. The Group adopted a policy to obtain sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information and its own historical transaction records to rate its major customers.

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

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

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

March 31, 2025

	Not Past Due	1 to 60 Days Past Due	61 to 180 Days Past Due	Over 180 Days Past Due	Total
Gross carrying amount	\$ 24,970,308	\$ 1,134,402	\$ 2,875	\$ 1,731	\$ 26,109,316
Loss allowance (Lifetime ECLs)	-	(29)	(262)	(1,731)	(2,022)
Amortized cost	<u>\$ 24,970,308</u>	<u>\$ 1,134,373</u>	<u>\$ 2,613</u>	<u>\$ -</u>	<u>\$ 26,107,294</u>

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	<u>\$ 20,056,743</u>	<u>\$ 703,967</u>	<u>\$ 1,932</u>	<u>\$ -</u>	<u>\$ 20,762,642</u>

March 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	\$ 10,181,504	\$ 1,119,833	\$ 5,399	\$ 10,688	\$ 11,317,424
Loss allowance (Lifetime ECLs)	-	(5,685)	(45)	(10,688)	(16,418)
Amortized cost	<u>\$ 10,181,504</u>	<u>\$ 1,114,148</u>	<u>\$ 5,354</u>	<u>\$ -</u>	<u>\$ 11,301,006</u>

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

	For the Three Months Ended March 31	
	2025	2024
Balance at January 1	\$ 2,016	\$ 15,838
Add: Amounts provisioned	6	19
Foreign exchange gains and losses	191	561
Reclassified to held for sale	(191)	-
Balance at March 31	<u>\$ 2,022</u>	<u>\$ 16,418</u>

b. Other receivables

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

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

	For the Three Months Ended March 31	
	2025	2024
Balance at January 1	\$ 3,046	\$ 3,046
Reversal in this period	(2,096)	-
Balance at March 31	<u>\$ 950</u>	<u>\$ 3,046</u>

As of March 31, 2025, December 31, 2024 and March 31, 2024, 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

	March 31, 2025	December 31, 2024	March 31, 2024
Merchandise	\$ 4,628,080	\$ 4,153,596	\$ 3,333,110
Finished goods	5,635,281	4,642,836	2,984,168
Work in process	3,122,313	1,523,941	954,166
Raw materials	10,559,534	9,050,584	8,162,674
	<u>\$ 23,945,208</u>	<u>\$ 19,370,957</u>	<u>\$ 15,434,118</u>

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2025 and 2024, which amounted to \$34,103,112 thousand, \$14,914,836 thousand, respectively. The cost of inventories recognized as cost of goods sold consisted inventory write-downs for the three months ended March 31, 2025 and 2024, which amounted to \$107,457 thousand, \$16,252 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. As the date of financial statements were approved and released, the disposal had been approved by the authorities, and the delivery and settlement process were still pending. The major classes of assets and liabilities classified as held for sale were disclosed as follows:

	March 31, 2025	December 31, 2024
Cash and cash equivalents	\$ 756,452	\$ 577,544
Notes and trade receivables, net	1,030,739	1,457,155
Other receivables	146	147
Inventories	1,742,249	1,247,824
Prepayments	72,935	41,130
Other current assets - other	18,270	5,798
Property, plant and equipment	191,689	198,074
Right-of-use assets	27,136	35,972
Intangible assets	17,768	23,832
Prepayments for equipment	15,063	16,438
Refundable deposits	16,983	16,840
	<u>\$ 3,889,430</u>	<u>\$ 3,620,754</u>

Liabilities directly associated with disposal groups held for sale

Short-term borrowings	\$ 166,263	\$ -
Contract liabilities - current	21,378	18,817
Note and trade payables	2,171,298	2,499,859
Payables to contractors and equipment suppliers	18,233	25,596
Other payables	278,610	287,545
Income tax payable	11,793	7,321
Lease liabilities - current	13,808	26,461
Refund liabilities - current	100	98
Lease liabilities - non-current	13,402	10,513
	<u>\$ 2,694,885</u>	<u>\$ 2,876,210</u>

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 the assets and liabilities to disposal groups held for sale.

13. SUBSIDIARIES

The subsidiaries in the consolidated financial statement:

Investor	Investee	Main Business	% of Ownership			Remarks
			March 31, 2025	December 31, 2024	March 31, 2024	
The Company	Accton Century Holding (BVI) Co., Ltd. (“Accton Century”)	Investment holding company	100	100	100	-
	Edgecore Networks Corp. (“Edgecore Networks”)	Research, development, design, manufacture and selling of switching hubs	100	100	100	-
	Accton Global, Inc. (“Accton Global”)	Selling and marketing of high-quality LAN hardware and software products	100	100	100	Note 1
	Accton Manufacturing and Service, Inc. (“AMS”)	Manufacture and selling of switching hubs	100	100	100	-
	Accton Investment Corp. (“Accton Investment”)	Investment holding company	100	100	100	-
	Accton Technology (China) Co., Ltd. (“Accton China”)	Investment holding company	100	100	100	-
	Accton Technology Corp. USA (“Accton USA”)	Service of technique of high-quality LAN hardware and software products	100	100	100	-
	Accton Logistics Corp. (“AL”)	Selling and marketing of high-quality LAN hardware and software products	100	100	100	-
	E-Direct Corp. (“E-Direct”)	Provides services in information software and information technology	100	100	100	-
	Vietnam Accton Technology Co., Ltd. (“Accton Vietnam”)	Research, development, design, manufacture and selling of switching hubs	100	100	100	Note 1
	Metalligence Technology Corp. (“Metalligence”)	Provides e-commerce apps, information software and advertising services	-	100	100	Note 2
	ACCE Technology Corp. (ACCE)	Investment holding company	100	100	100	-
	InLC Technology Inc. (InLC)	Research, development, manufacturing, and sales of information and communication components and equipment	82.99	75.42	-	Note 3
	Accton Century	Accton Asia Investments Corp. (“Accton Asia”)	Investment holding company	100	100	100
Accton Asia	Joy Technology (Shenzhen) Co., Ltd. (“Joy Tech”)	Selling and producing of high-end network switches	100	100	100	Note 1
	ATAN NetworkKs Co., Ltd. (“ATAN”)	Sale of network products	100	100	-	Note 4
Joy Tech	ATAN NetworkKs Co., Ltd. (“ATAN”)	Sale of network products	-	-	100	Note 4
Accton China	Accton Technology Co., Ltd. (“Accton SH”)	Sale of network products	100	100	100	-
Accton SH	MuXi Technology Co., Ltd. (“MuXi”)	Sale of network products	100	100	100	-
Edgecore Networks	Edgecore Networks Singapore Pte. Ltd. (“Edgecore Singapore”)	Selling and marketing of high-quality LAN hardware and software products	100	100	100	-
	Edgecore Americas Networking Corp. (“Edgecore Americas”)	Selling and marketing of high-quality LAN hardware and software products	100	100	100	-
	Edgecore Networks India Pvt. Ltd. (“Edgecore India”)	Research, development, design, manufacture and selling of switching hubs	100	100	100	-
ACCE	GoldiLink Technology Corp. (“GoldiLink”)	Research, development, design, manufacture and selling of optical modules	100	100	-	Note 5

Note 1: The financial statements of the non-material subsidiaries for the three months ended March 31, 2025, and 2024 were not reviewed by the CPAs, except Joy Tech, Accton Global and Accton Vietnam.

Note 2: In March 2025, Metalligence Technology Corp. completed its liquidation procedures.

Note 3: In December 2024, the Company acquired 75.42% of InLC's shares. In January 2025, the Company participated in a capital increase by subscribing to 100% of the newly issued shares, resulting in an increase in its ownership interest from 75.42% to 82.99%, please refer to Notes 24 and 31.

Note 4: In November 2024, for organizational structuring, Accton Asia acquired 100% of ATAN's shares that were held by Joy Tech.

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

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

a. Investment in associates

	March 31, 2025	December 31, 2024	March 31, 2024
Associates that are not individually material	<u>\$ 7,068</u>	<u>\$ 7,062</u>	<u>\$ 7,469</u>

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	March 31, 2025	December 31, 2024	March 31, 2024
Oenix Biomed Co., Ltd.	Research and development of health care services and equipment	Taipei	40%	40%	40%
CheerLife Technology Corp.	Provides e-commerce apps, information software and advertising services	Taipei	20%	20%	20%

b. Investment in joint ventures

	March 31, 2025	December 31, 2024	March 31, 2024
Joint ventures that are not individually material	<u>\$ 19,855</u>	<u>\$ 63,577</u>	<u>\$ -</u>

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
<u>Cost</u>										
Balance at January 1, 2025	\$ 2,785,376	\$ 2,516,891	\$ 680,911	\$ 838,416	\$ 33,501	\$ 284,488	\$ 668,520	\$ 297,152	\$ 466,323	\$ 8,571,578
Additions	14,462	427,712	46,529	23,140	-	8,894	6,964	17,600	142,544	687,845
Reductions	-	(5,349)	(1,119)	(3,062)	-	(6,487)	(2,040)	(1,999)	-	(20,056)
Reclassified as held for sale	-	(17,942)	(2,246)	(684)	(86)	137	(737)	(4,121)	-	(25,679)
Effect of foreign currency exchange differences	-	22,340	782	853	92	817	4,658	4,410	-	33,952
Balance at March 31, 2025	<u>\$ 2,799,838</u>	<u>\$ 2,943,652</u>	<u>\$ 724,857</u>	<u>\$ 858,663</u>	<u>\$ 33,507</u>	<u>\$ 287,849</u>	<u>\$ 677,365</u>	<u>\$ 313,042</u>	<u>\$ 608,867</u>	<u>\$ 9,247,640</u>
<u>Accumulated depreciation</u>										
Balance at January 1, 2025	\$ 335,903	\$ 1,132,925	\$ 415,336	\$ 595,520	\$ 30,025	\$ 179,332	\$ 293,555	\$ 143,765	\$ -	\$ 3,126,361
Additions	21,034	112,128	32,744	25,678	779	11,266	18,095	24,088	-	245,812
Reductions	-	(5,078)	(1,119)	(2,493)	-	(6,382)	(1,788)	(1,999)	-	(18,859)
Reclassified as held for sale	-	(15,801)	(1,518)	(2,673)	(251)	(467)	(2,018)	(9,336)	-	(32,064)
Effect of foreign currency exchange differences	-	14,692	642	595	76	662	2,217	2,957	-	21,841
Balance at March 31, 2025	<u>\$ 356,937</u>	<u>\$ 1,238,866</u>	<u>\$ 446,085</u>	<u>\$ 616,627</u>	<u>\$ 30,629</u>	<u>\$ 184,411</u>	<u>\$ 310,061</u>	<u>\$ 159,475</u>	<u>\$ -</u>	<u>\$ 3,343,091</u>
Carrying amount at March 31, 2025	<u>\$ 2,442,901</u>	<u>\$ 1,704,786</u>	<u>\$ 278,772</u>	<u>\$ 242,036</u>	<u>\$ 2,878</u>	<u>\$ 103,438</u>	<u>\$ 367,304</u>	<u>\$ 153,567</u>	<u>\$ 608,867</u>	<u>\$ 5,904,549</u>
Carrying amount at December 31, 2024 and January 1, 2025	<u>\$ 2,449,473</u>	<u>\$ 1,383,966</u>	<u>\$ 265,575</u>	<u>\$ 242,896</u>	<u>\$ 3,476</u>	<u>\$ 105,156</u>	<u>\$ 374,965</u>	<u>\$ 153,387</u>	<u>\$ 466,323</u>	<u>\$ 5,445,217</u>

(Continued)

<u>Cost</u>	Buildings	Machinery and Equipment	Molding Equipment	Testing Equipment	Transportation Equipment	Office Equipment	Leasehold Improvements	Other Equipment	Construction in Progress	Total
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	2,899	75,838	15,122	16,662	-	5,050	240,500	2,231	303,783	662,085
Reductions	-	(1,218)	(6,795)	(2,530)	(2,357)	(3,608)	(3,709)	(242)	-	(20,459)
Effect of foreign currency exchange differences	-	50,793	1,807	1,410	256	2,057	11,621	12,630	-	80,574
Balance at March 31, 2024	<u>\$ 411,601</u>	<u>\$ 2,678,300</u>	<u>\$ 574,916</u>	<u>\$ 708,959</u>	<u>\$ 37,794</u>	<u>\$ 259,908</u>	<u>\$ 886,032</u>	<u>\$ 494,972</u>	<u>\$ 1,896,063</u>	<u>\$ 7,948,545</u>
<u>Accumulated depreciation</u>										
Balance at January 1, 2024	\$ 298,510	\$ 1,822,356	\$ 374,405	\$ 536,638	\$ 34,271	\$ 195,618	\$ 464,998	\$ 318,091	\$ -	\$ 4,044,887
Additions	3,183	65,044	23,461	16,371	691	7,430	12,229	16,161	-	144,570
Reductions	-	(1,525)	(6,484)	(2,530)	(2,136)	(3,542)	(3,709)	(238)	-	(20,164)
Effect of foreign currency exchange differences	-	41,621	1,622	822	187	1,698	8,870	8,550	-	63,370
Balance at March 31, 2024	<u>\$ 301,693</u>	<u>\$ 1,927,496</u>	<u>\$ 393,004</u>	<u>\$ 551,301</u>	<u>\$ 33,013</u>	<u>\$ 201,204</u>	<u>\$ 482,388</u>	<u>\$ 342,564</u>	<u>\$ -</u>	<u>\$ 4,232,663</u>
Carrying amount at March 31, 2024	<u>\$ 109,908</u>	<u>\$ 750,804</u>	<u>\$ 181,912</u>	<u>\$ 157,658</u>	<u>\$ 4,781</u>	<u>\$ 58,704</u>	<u>\$ 403,644</u>	<u>\$ 152,408</u>	<u>\$ 1,896,063</u>	<u>\$ 3,715,882</u>
Carrying amount at December 31, 2023 and January 1, 2024	<u>\$ 110,192</u>	<u>\$ 730,531</u>	<u>\$ 190,377</u>	<u>\$ 156,779</u>	<u>\$ 5,624</u>	<u>\$ 60,791</u>	<u>\$ 172,622</u>	<u>\$ 162,262</u>	<u>\$ 1,592,280</u>	<u>\$ 3,181,458</u>

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

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Carrying amount</u>			
Land	\$ 1,046,367	\$ 1,058,737	\$ 1,077,368
Buildings	1,152,278	1,209,364	776,835
Transportation equipment	<u>1,473</u>	<u>2,081</u>	<u>3,908</u>
	<u>\$ 2,200,118</u>	<u>\$ 2,270,182</u>	<u>\$ 1,858,111</u>

	For the Three Months Ended March 31	
	2025	2024
Additions to right-of-use assets	\$ 6,433	\$ 34,880
Depreciation charge for right-of-use assets		
Land	\$ 7,578	\$ 7,601
Buildings	76,350	80,189
Transportation equipment	609	609
	<u>\$ 84,537</u>	<u>\$ 88,399</u>

b. Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Carrying amount</u>			
Current	<u>\$ 171,231</u>	<u>\$ 191,914</u>	<u>\$ 219,120</u>
Non-current	<u>\$ 1,831,230</u>	<u>\$ 1,844,411</u>	<u>\$ 1,363,506</u>

Range of discount rates for lease liabilities was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Land	2.37%-2.80%	2.37%-2.80%	2.37%-2.80%
Buildings	1.67%-9.60%	1.67%-9.60%	0.85%-9.60%
Transportation equipment	2.14%-2.77%	2.14%-2.77%	2.14%-2.77%

c. Material lease-in activities and terms

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

d. Other lease information

	For the Three Months Ended March 31	
	2025	2024
Expenses relating to short-term leases	\$ 23,472	\$ 7,920
Total cash outflow for leases	<u>\$ 91,456</u>	<u>\$ 81,084</u>

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 Three Months Ended March 31

	2025	2024
<u>Cost</u>		
Balance at January 1 and March 31	\$ 1,930	\$ 1,930

The Group recognized that there was no impairment loss of the recoverable amount of the assessed goodwill for the three months ended March 31, 2025 and 2024.

18. INTANGIBLE ASSETS

	Technology License Fees	Computer Software	Patent	Other Intangible Asset	Total
<u>Cost</u>					
Balance at January 1, 2025	\$ 15,577	\$ 298,721	\$ 680	\$ 664,217	\$ 979,195
Additions	-	4,859	-	-	4,859
Reductions	-	(20,872)	-	-	(20,872)
Reclassified to held for sale	-	(2,724)	-	-	(2,724)
Effect of foreign currency exchange differences	-	1,276	10	-	1,286
Balance at March 31, 2025	\$ 15,577	\$ 281,260	\$ 690	\$ 664,217	\$ 961,744
<u>Accumulated amortization</u>					
Balance at January 1, 2025	\$ 9,809	\$ 121,685	\$ 16	\$ -	\$ 131,510
Additions	806	24,958	47	-	25,811
Reductions	-	(20,872)	-	-	(20,872)
Reclassified to held for sale	-	(8,788)	-	-	(8,788)
Effect of foreign currency exchange differences	-	988	-	-	988
Balance at March 31, 2025	\$ 10,615	\$ 117,971	\$ 63	\$ -	\$ 128,649
Carrying amount at March 31, 2025	\$ 4,962	\$ 163,289	\$ 627	\$ 664,217	\$ 833,095
Carrying amount at January 1, 2025 and December 31, 2024	\$ 5,768	\$ 177,036	\$ 664	\$ 664,217	\$ 847,685
<u>Cost</u>					
Balance at January 1, 2024	\$ 15,577	\$ 290,545	\$ -	\$ -	\$ 306,122
Additions	-	12,754	-	-	12,754
Reductions	-	(19,925)	-	-	(19,925)
Effect of foreign currency exchange differences	-	2,044	-	-	2,044
Balance at March 31, 2024	\$ 15,577	\$ 285,418	\$ -	\$ -	\$ 300,995
<u>Accumulated amortization</u>					
Balance at January 1, 2024	\$ 6,586	\$ 145,116	\$ -	\$ -	\$ 151,702
Additions	806	18,542	-	-	19,348
Reductions	-	(19,925)	-	-	(19,925)
Effect of foreign currency exchange differences	-	1,531	-	-	1,531
Balance at March 31, 2024	\$ 7,392	\$ 145,264	\$ -	\$ -	\$ 152,656
Carrying amount at March 31, 2024	\$ 8,185	\$ 140,154	\$ -	\$ -	\$ 148,339
Carrying amount at January 1, 2024 and 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
Patent	7 years
Other intangible asset	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 31.

19. PREPAYMENTS AND OTHER ASSETS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Prepayments			
Excess VAT paid	\$ 241,376	\$ 281,902	\$ 126,651
Prepayments for software maintenance fees	59,179	65,418	40,028
Prepayments for purchases	22,007	22,884	35,557
Others	95,559	90,202	53,141
	<u>\$ 418,121</u>	<u>\$ 460,406</u>	<u>\$ 255,377</u>
Other financial assets			
Pledged time deposits	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,039</u>
<u>Non-current</u>			
Other financial assets			
Pledged time deposits	<u>\$ 72,263</u>	<u>\$ 72,242</u>	<u>\$ 80,043</u>
Other assets			
Prepayments for software maintenance fees	\$ 16,637	\$ 19,910	\$ 24,323
Others	8,761	11,547	-
	<u>\$ 25,398</u>	<u>\$ 31,457</u>	<u>\$ 24,323</u>

20. BORROWINGS

a. Short-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Secured borrowing</u>			
Bank Loans (Note 35)	<u>\$ -</u>	<u>\$ 61,698</u>	<u>\$ -</u>

(Continued)

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Unsecured borrowing</u>			
Line of credit borrowings	\$ 240,649	\$ 74,081	\$ 104,375
Other borrowings	<u>-</u>	<u>38,747</u>	<u>-</u>
	<u>\$ 240,649</u>	<u>\$ 112,828</u>	<u>\$ 104,375</u>
			(Concluded)

The effective interest rates on bank loans as of March 31, 2025, December 31, 2024 and March 31, 2024 were 3.30%-4.20%, 2.75% - 6.90%, 1.35% per annum, respectively.

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

b. Long-term borrowings

	Maturity Date	Significant Covenant	March 31, 2025	December 31, 2024	March 31, 2024
Secured bank loans (Note 35)	2030.03.13	Interest is paid monthly, from June 2025, there are 20 quarterly payments of principal.	\$ -	\$ 33,690	\$ -
Unsecured bank borrowings	2026.06.15	From June 2022, there are 49 monthly payments of principal and interest.	307,103	367,721	549,398
Unsecured bank borrowings	2026.04.15	From June 2022, there are 47 monthly payments of principal and interest.	60,298	74,213	115,957
Unsecured bank borrowings	2028.06.01	Interest is paid monthly, from July 2025, there are 36 monthly payments of principal.	-	6,738	-
Unsecured bank borrowings	2030.02.26	From February 2026, the 1st to 16th quarterly payments are 4% of the principal, and the 17th quarterly payments are 36% of the principal.	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Long-term borrowings			467,401	582,362	765,355
Less: Current portion			<u>(304,558)</u>	<u>(301,683)</u>	<u>(300,558)</u>
			<u>\$ 162,843</u>	<u>\$ 280,679</u>	<u>\$ 464,797</u>

The intervals of effective borrowing rates as of March 31, 2025, December 31, 2024 and March 31, 2024 were 0.725%-2.34%, 0.725%-5.97% and 0.725%-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 March 31, 2025, December 31, 2024 and March 31, 2024, the Group had met the financial ratio covenants.

21. OTHER LIABILITIES

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Other payables			
Temporary receipts from customers	\$ 2,512,443	\$ 2,913,347	\$ 585,938
Payable for salaries and bonuses	355,619	644,123	375,118
Payable for import/export	93,277	62,382	34,002
Payable for insurance	63,748	71,478	79,408
Temporary credit and agency receipt	60,350	100,124	39,567
Payable for service	45,527	69,038	51,099
Others	<u>1,710,965</u>	<u>1,477,579</u>	<u>1,064,797</u>
	<u>\$4,841,929</u>	<u>\$ 5,338,071</u>	<u>\$ 2,229,929</u>

22. PROVISIONS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Warranties	<u>\$ 256,318</u>	<u>\$ 237,268</u>	<u>\$ 304,494</u>

Warranties

For the Three Months Ended March 31, 2025

Balance at January 1, 2025	\$ 237,268
Additional provisions recognized	45,252
Amounts used	(26,247)
Effect of foreign currency exchange differences	<u>45</u>
Balance at March 31, 2025	<u>\$ 256,318</u>

For the Three Months Ended March 31, 2024

Balance at January 1, 2024	\$ 304,128
Additional provisions recognized	25,654
Amounts used	(25,420)
Effect of foreign currency exchange differences	<u>132</u>
Balance at March, 2024	<u>\$ 304,494</u>

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

For the three months ended March 31, 2025 and 2024, the pension expenses of defined benefit plans were \$334 thousand and \$301 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2024 and 2023, respectively.

24. EQUITY

a. Ordinary shares

	March 31, 2025	December 31, 2025	March 31, 2025
Authorized shares (in thousands)	880,000	880,000	880,000
Authorized capital	\$ 8,800,000	\$ 8,800,000	\$ 8,800,000
Issued and fully paid shares (in thousands)	561,118	561,118	560,430
Issued capital	\$ 5,611,179	\$ 5,611,179	\$ 5,604,304

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

	March 31, 2025	December 31, 2024	March 31, 2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Issuance of ordinary shares	\$ 540,492	\$ 540,492	\$ 538,665
Treasury share transactions	122,056	122,056	99,967
Employee share options	228,216	228,216	222,411
<u>May only be used to offset a deficit</u>			
Changes in percentage of ownership interests in subsidiaries (2)	-	8,113	8,113
<u>May not be used for any purpose</u>			
Employee share options	-	-	5,805
	\$ 890,764	\$ 898,877	\$ 874,961

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.

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 March 13, 2025 and June 13, 2024, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For Year 2024	For Year 2023	For Year 2024	For Year 2023
Legal reserve	\$ 1,337,644	\$ 891,765	\$ -	\$ -
(Reversal of) special reserve	(438,274)	(23,742)	-	-
Cash dividends	6,172,297	5,603,834	11	9.9956

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 Three Months Ended March 31	
	2025	2024
Balance at January 1 and March 31	<u>\$ 438,274</u>	<u>\$ 462,016</u>

e. Other equity items

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

	For the Three Months Ended March 31	
	2025	2024
Balance at January 1	\$ (186,212)	\$ (465,594)
Recognized for the period		
Exchange differences on the translation of the financial statements of foreign operations	<u>41,545</u>	<u>201,614</u>
Balance at March 31	<u>\$ (144,667)</u>	<u>\$ (263,980)</u>

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

	For the Three Months Ended March 31	
	2025	2024
Balance at January 1	\$3,082,365	\$ 27,320
Recognized for the period		
Unrealized gain (loss) - equity instruments	(1,683,509)	2,678,731
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	<u>-</u>	<u>(6,365)</u>
Balance at March 31	<u>\$1,398,856</u>	<u>\$2,699,686</u>

f. Treasury shares

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

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Value
<u>March 31, 2025</u>			
Accton Investment	2,210	\$ 50,999	\$ 1,272,883
<u>December 31, 2024</u>			
Accton Investment	2,210	\$ 50,999	\$ 1,708,227
<u>March 31, 2024</u>			
Accton Investment	2,210	\$ 50,999	\$ 1,023,168

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 Three Months Ended March 31	
	2025	2024
Revenue from the sale of goods	\$ 42,724,086	\$ 18,828,013
Other operating revenue	<u>26,475</u>	<u>19,699</u>
	<u>\$ 42,750,561</u>	<u>\$ 18,847,712</u>

a. Contract information

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

The Group recognized the estimated possible sales return and discount of the refundable liabilities. As of March 31, 2025, December 31, 2024 and March 31, 2024, for information on the refund liability which amounted to \$70,822 thousand, \$76,135 thousand and \$63,149 thousand, respectively.

b. Contract balances

	March 31, 2025	December 31, 2024	March 31, 2024	January 01, 2024
Trade receivables (Note 10)	<u>\$ 26,107,294</u>	<u>\$ 20,762,642</u>	<u>\$ 11,301,006</u>	<u>\$ 11,118,519</u>
Contract liabilities - current				
Sale of goods	<u>\$ 6,535,826</u>	<u>\$ 6,769,478</u>	<u>\$ 8,056,288</u>	<u>\$ 6,245,622</u>

As of December 31, 2024 and 2023, the sales of goods amount from contract liabilities as follows:

	For the Three Months Ended March 31	
	2025	2024
<u>From contract liabilities</u>		
Sale of goods	<u>\$ 210,796</u>	<u>\$ 359,844</u>

c. Disaggregation of revenue

	For the Three Months Ended March 31	
	2025	2024
<u>By Product</u>		
Network Application	\$ 21,771,760	\$ 5,565,357
Switch	19,111,276	10,566,641
Metro Access Switch	1,115,026	1,255,061
Wireless	118,807	112,531
Other	633,692	1,348,122
	<u>\$ 42,750,561</u>	<u>\$ 18,847,712</u>
 <u>By Region</u>		
Americas	35,297,621	\$ 12,559,269
Europe	4,216,149	2,453,354
Asia	2,890,471	3,519,153
Taiwan (Company location)	335,101	311,000
Other	11,219	4,936
	<u>\$ 42,750,561</u>	<u>\$ 18,847,712</u>

26. NET PROFIT

Net profit attributable to:

a. Interest income

	For the Three Months Ended March 31	
	2025	2024
Bank deposits	\$ 236,237	\$ 211,716
Financial assets at amortized cost	15,242	-
Others	102	42
	<u>\$ 251,581</u>	<u>\$ 211,758</u>

b. Other income

	For the Three Months Ended March 31	
	2025	2024
Grant income (Note 30)	\$ 9,302	\$ 2,839
Dividends	-	28
Others	10,722	36,387
	<u>\$ 20,024</u>	<u>\$ 39,254</u>

c. Other gains and losses

	For the Three Months Ended March 31	
	2025	2024
Net foreign exchange gain	\$ 147,120	\$ 612,237
Net (loss) gain on fair value changes of financial assets		
Financial assets mandatorily classified as at FVTPL	(7,156)	30,382
Others	(6,046)	(3,033)
	<u>\$ 133,918</u>	<u>\$ 639,586</u>

d. Finance costs

	For the Three Months Ended March 31	
	2025	2024
Interest on lease liabilities	\$ 19,168	\$ 17,598
Interest on bank loans	7,777	3,580
	<u>26,945</u>	<u>21,178</u>
Less: Amounts included in the cost of qualifying assets	-	(272)
	<u>\$ 26,945</u>	<u>\$ 20,906</u>

Information on capitalized interest is as follows:

	For the Three Months Ended March 31	
	2025	2024
Capitalized interest amount	\$ -	\$ 272
Capitalization rate	-	2.184%

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2025	2024
An analysis of depreciation by function		
Operating costs	\$ 186,152	\$ 115,558
Operating expenses	144,197	117,411
	<u>\$ 330,349</u>	<u>\$ 232,969</u>
An analysis of amortization by function		
Operating costs	\$ 1,481	\$ 2,031
Operating expenses	24,330	17,317
	<u>\$ 25,811</u>	<u>\$ 19,348</u>

f. Employee benefits expense

	For the Three Months Ended March 31	
	2025	2024
Short-term benefits	\$ 2,462,542	\$ 1,713,989
Post-employment benefits (Note 23)		
Defined contribution plan	84,259	56,672
Defined benefit plans	334	301
	<u>\$ 2,547,135</u>	<u>\$ 1,770,962</u>
Total employee benefits expense		
	<u>\$ 2,547,135</u>	<u>\$ 1,770,962</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 601,137	\$ 438,499
Operating expenses	1,945,998	1,332,463
	<u>\$ 2,547,135</u>	<u>\$ 1,770,962</u>

g. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrued compensation of employees and remuneration of directors at rates of 1%-11.25% and no higher than 1.5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. Pursuant to the amendment to the Securities and Exchange Act in August 2024, the Company plans to amend its Articles of Association, subject to approval at the 2025 annual shareholders' meeting. The revised provision will specify that not less than 1% of net profit before income tax shall be allocated for employees' compensation, of which no less than 10% shall be reserved for non-managerial staff.

The compensation of employees and the remuneration of directors for the three months ended March 31, 2024 and 2023 were as follows:

Accrual rate

	For the Three Months Ended March 31	
	2025	2024
Compensation of employees	11.25%	11.25%
Remuneration of directors	0.50%	1.14%

Amount

	For the Three Months Ended March 31	
	2025	2024
Compensation of employees	\$ 793,952	\$ 345,042
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 and recognized in the subsequent year.

The compensation of employees and 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:

	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	-

There is no difference between the amounts of compensation of employees and remuneration of directors resolved by the board of directors and the amounts recognized in the consolidated financial statements for the years ended December 31, 2024 and 2023.

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 Three Months Ended March 31	
	2025	2024
Current tax		
In respect of the period	\$ 1,282,190	\$ 476,441
Adjustments for prior years	(10,606)	-
Deferred tax		
In respect of the period	(111,139)	70,659
Income tax expense recognized in profit or loss	<u>\$ 1,160,445</u>	<u>\$ 547,100</u>

b. Income tax recognized in other comprehensive income:

	For the Three Months Ended March 31	
	2025	2024
Deferred tax		
Unrealized gains (loss) on investments in equity instruments at fair value through other comprehensive income	<u>\$ (432,128)</u>	<u>\$ 668,473</u>

c. Income tax assessments

The tax authorities have examined the income tax returns of the Company and E-Direct through 2023, and the income tax returns of Edgecore Network through 2022.

28. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended March 31	
	2025	2024
Basic earnings per share	<u>\$ 9.17</u>	<u>\$ 4.02</u>
Diluted earnings per share	<u>\$ 9.11</u>	<u>\$ 3.99</u>

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

Net Profit for the Period

	For the Three Months Ended March 31	
	2025	2024
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 5,127,365</u>	<u>\$ 2,243,534</u>

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

	For the Three Months Ended March 31	
	2025	2024
Weighted average number of ordinary shares used in the computation of basic earnings per share	558,908	558,183
Effect of potentially dilutive ordinary shares		
Employee share options	-	911
Compensation of employees	<u>3,681</u>	<u>2,753</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>562,589</u>	<u>561,847</u>

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

29. SHARE-BASED PAYMENT ARRANGEMENTS

Employees 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\$)
<u>For the three months ended March 31, 2024</u>		
Balance at January 1	962	\$ 12.80
Options exercised	<u>(74)</u>	12.80
Balance at March 31	<u>888</u>	12.80

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 for the three months ended March 31, 2024.

30. GOVERNMENT GRANTS

As of March 31, 2025, 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. The loan bears a floating interest rate, as specified in the contractual terms. 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 \$1,162,934 thousand. The difference between the amount obtained and the fair value of the loan is \$55,066 thousand, which is regarded as a government low-interest loan grant and recognized as deferred income. For the three months ended March 31, 2025 and 2024, the Company recognized other income of \$1,418 thousand and \$2,104 thousand and the interest expense of the loan of \$1,531 thousand and \$2,650 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.

For the three months ended March 31, 2024, the Company recognized the amount of \$735 thousand as other income for the grant of “The Taiwan Industry Innovation Platform Program” and labor allowance grant received from the local government.

Joy Tech recognized the \$5,340 thousand and \$735 thousand for the three months ended March 31, 2025 and 2024, respectively, as other income from the grants of labor allowance and withholding employee tax payment handing fees received from the local government.

InLC recognized \$2,544 thousand for the three months ended March 31, 2025, as other income from the business development grant and labor allowance grant received from the local.

31. 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

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).

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

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

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 March 31, 2025.

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	<u>(664,217)</u>
Goodwill recognized on acquisitions	<u>\$ -</u>

As of March 31, 2025, 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 on the acquisition of subsidiaries

**InLC
Technology Inc.**

Consideration paid in cash	\$ 550,743
Less: Cash and cash equivalent balances acquired	<u>(16,586)</u>
	<u>\$ 534,157</u>

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	<u>\$ -</u>
Profit (loss)	<u>\$ (3,763)</u>

Had the acquisition of InLC 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.

32. 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 and dividends, etc.

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

33. FINANCIAL INSTRUMENTS

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

March 31, 2025

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at amortized costs					
Corporate bonds	\$ 925,820	\$ -	\$ 950,264	\$ -	\$ 950,264
Government bond/Agency bonds	293,722	-	307,603	-	307,603
	<u>\$ 1,219,542</u>	<u>\$ -</u>	<u>\$ 1,257,867</u>	<u>\$ -</u>	<u>\$ 1,257,867</u>

December 31, 2024

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

March 31, 2024

		Fair Value			
	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at amortized costs					
Corporate bonds	\$ 62,402	\$ -	\$ 62,003	\$ -	\$ 62,003
Government bond/Agency bonds	<u>262,040</u>	<u>-</u>	<u>261,723</u>	<u>-</u>	<u>261,723</u>
	<u>\$ 324,442</u>	<u>\$ -</u>	<u>\$ 323,726</u>	<u>\$ -</u>	<u>\$ 323,726</u>

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

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

1) Fair value hierarchy

March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	\$ 1,096,037	\$ -	\$ -	\$ 1,096,037
Unlisted shares	-	-	192,516	192,516
Simple agreement for future equity	-	-	97,815	97,815
Forward exchange contracts	<u>-</u>	<u>334</u>	<u>-</u>	<u>334</u>
Total	<u>\$ 1,096,037</u>	<u>\$ 334</u>	<u>\$ 290,331</u>	<u>\$ 1,386,702</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	\$ 2,010,046	\$ -	\$ -	\$ 2,010,046
Unlisted shares	<u>-</u>	<u>-</u>	<u>488,908</u>	<u>488,908</u>
	<u>\$ 2,010,046</u>	<u>\$ -</u>	<u>\$ 488,908</u>	<u>\$ 2,498,954</u>

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
	<u>\$ 793,090</u>	<u>\$ -</u>	<u>\$ 299,313</u>	<u>\$ 1,092,403</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	\$ 4,123,965	\$ -	\$ -	\$ 4,123,965
Foreign unlisted shares	-	-	455,750	455,750
	<u>\$ 4,123,965</u>	<u>\$ -</u>	<u>\$ 455,750</u>	<u>\$ 4,579,715</u>

March 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	\$ 2,595,022	\$ -	\$ -	\$ 2,595,022
Unlisted shares	-	-	146,625	146,625
Foreign convertible bond	-	-	79,100	79,100
Structured products	-	-	57,429	57,429
	<u>\$ 2,595,022</u>	<u>\$ -</u>	<u>\$ 283,154</u>	<u>\$ 2,878,176</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	\$ 3,621,356	\$ -	\$ -	\$ 3,621,356
Foreign unlisted shares	-	-	46,909	46,909
	<u>\$ 3,621,356</u>	<u>\$ -</u>	<u>\$ 46,909</u>	<u>\$ 3,668,265</u>

There were no transfers between Level 1 and 2 for the three months ended March 31, 2025 and 2024.

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

For the three months ended March 31, 2025

Financial Assets	Financial Assets at FVTPL		Financial Assets at FVTOCI
	Stocks	Future equity simple agreement	Stocks
Balance at January 1, 2025	\$ 201,498	\$ 97,815	\$ 455,750
Recognized in other gains and losses	(8,982)	-	-
Recognized in other comprehensive income	-	-	314
Purchases	-	-	32,844
Balance at March 31, 2025	<u>\$ 192,516</u>	<u>\$ 97,815</u>	<u>\$ 488,908</u>

For the three months ended March 31, 2024

Financial Assets	Financial Assets at FVTPL			Financial Assets at FVTOCI
	Structured Products	Stocks	Bonds	Stocks
Balance at January 1, 2024	\$ 57,429	\$ 125,129	\$ 79,100	\$ 46,909
Recognized in other gains and losses	-	21,532	-	-
Purchases	-	2,098	-	-
Sales	-	(2,134)	-	-
Balance at March 31, 2025	<u>\$ 57,429</u>	<u>\$ 146,625</u>	<u>\$ 79,100</u>	<u>\$ 46,909</u>

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

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

	<u>March 31, 2025</u>	<u>March 31, 2024</u>
Price book ratio	1.86-3.03	1.964-3.063
Price-to-sales ratio	1.14-1.19	0.93-1.60
Liquidity discount	20%	20%

c. Categories of financial instruments

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 1,386,702	\$ 1,092,403	\$ 2,878,176
Financial assets at amortized cost (Note 1)	57,506,058	49,705,275	36,480,113
Financial assets at FVTOCI			
Equity instruments	2,498,954	4,579,715	3,668,265
<u>Financial liabilities</u>			
Amortized cost (Note 2)	42,340,494	35,397,088	18,228,166

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 bonds. The amount includes the related assets, which were reclassified as disposal groups held for sale.

Note 2: The balances included financial liabilities at amortized cost, which comprise trade payables, payables to contractors and equipment suppliers, other payables (including related parties), short-term borrowings, long-term borrowings - current portion, long-term borrowings and guarantee deposits. The amount includes the related liabilities, which were reclassified as disposal groups held for sale.

d. Financial risk management objectives and policies

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

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

1) Market risk

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

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

a) Foreign currency risk

The Group has foreign currency denominated sales and purchases, which exposed the Group to foreign currency risk. To protect against reductions in value and the volatility of future cash flows caused by changes in foreign exchange rates, the Group utilizes short-term loans in foreign currency and derivative financial instruments (including forward exchange contracts) to hedge its currency exposure.

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

Sensitivity analysis

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

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

would be negative.

	USD Impact		RMB Impact		JPY Impact	
	For the Three Months		For the Three Months		For the Three Months	
	Ended March 31		Ended March 31		Ended March 31	
	2025	2024	2025	2024	2025	2024
Profit or loss	\$ 59,928	\$ 102,190	\$ 340	\$ 1,827	\$ (1,409)	\$ (859)

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:

	March 31,	December 31,	March 31,
	2025	2024	2024
Fair value interest rate risk			
Financial assets	\$ 24,945,415	\$ 21,216,678	\$ 20,577,538
Financial liabilities	2,029,671	2,036,325	1,582,626
Cash flow interest rate risk			
Financial assets	4,258,218	4,223,600	3,090,419
Financial liabilities	874,313	756,888	869,730

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 liabilities 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 three months ended March 31, 2025 and 2024 would have increased/decreased by \$842 thousand and \$555 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 three months ended March 31, 2025 and 2024 would have increased/decreased by \$20,100 thousand and \$36,214 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. As of the end of the balance sheet date, the Group's greatest credit risk exposure to financial losses resulting from the counterparty's failure to perform its obligations and the Group's provision of the financial guarantees is primarily attributable to the carrying amount of the financial guarantees is primarily attributable to the carrying amount of financial assets to recognized in the consolidated balance sheet.

The Group's credit risk exposure is mainly affected by the individual circumstances of each customer. Management also considers statistical information on the customer base, including default risks by industries and countries. As sales are significantly concentrated in a small number of customers, the Group monitors their financial position and collection performance on an ongoing basis, assesses the recoverability of accounts receivable regularly. 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.

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 March 31, 2025, December 31, 2024 and March 31, 2024, 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.

March 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1+ Years	Total
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 22,548,483	\$ 10,145,397	\$ 8,768,035	\$ 816	\$ 41,462,731
Lease liabilities	12,330	35,273	210,239	2,425,323	2,683,165
Variable interest rate liabilities	<u>267,662</u>	<u>50,905</u>	<u>232,260</u>	<u>167,943</u>	<u>718,770</u>
	<u>\$ 22,828,475</u>	<u>\$ 10,231,575</u>	<u>\$ 9,210,534</u>	<u>\$ 2,594,082</u>	<u>\$ 44,864,666</u>

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

	Less than 1 Year	1-5 years	5-10 years	10-15 years	15-20 years	20+ years
Lease liabilities	\$ 257,842	\$ 717,686	\$ 811,895	\$ 88,568	\$ 350,971	\$ 456,203
Variable interest rate liabilities	<u>550,827</u>	<u>167,943</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 808,669</u>	<u>\$ 885,629</u>	<u>\$ 811,895</u>	<u>\$ 88,568</u>	<u>\$ 350,971</u>	<u>\$ 456,203</u>

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1+ Years	Total
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 16,570,682	\$ 15,628,541	\$ 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	<u>-</u>	<u>40,263</u>	<u>-</u>	<u>-</u>	<u>40,263</u>
	<u>\$ 16,608,853</u>	<u>\$ 15,802,292</u>	<u>\$ 3,005,036</u>	<u>\$ 2,747,998</u>	<u>\$ 38,164,179</u>

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

	Less than 1 Year	1-5 years	5-10 years	10-15 years	15-20 years	20+ years
Lease liabilities	\$ 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	<u>40,263</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 777,348</u>	<u>\$ 943,690</u>	<u>\$ 902,287</u>	<u>\$ 89,960</u>	<u>\$ 352,363</u>	<u>\$ 458,882</u>

March 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1+ Years	Total
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 10,623,714	\$ 3,375,866	\$ 3,357,607	\$ 816	\$ 17,358,003
Lease liabilities	14,538	35,580	234,547	1,956,349	2,241,014
Variable interest rate liabilities	<u>25,754</u>	<u>51,510</u>	<u>334,742</u>	<u>476,046</u>	<u>888,052</u>
	<u>\$ 10,664,006</u>	<u>\$ 3,462,956</u>	<u>\$ 3,926,896</u>	<u>\$ 2,433,211</u>	<u>\$ 20,487,069</u>

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

	Less than 1 Year	1-5 years	5-10 years	10-15 years	15-20 years	20+ years
Lease liabilities	\$ 284,665	\$ 424,572	\$ 618,766	\$ 89,125	\$ 351,625	\$ 472,261
Variable interest rate liabilities	<u>412,006</u>	<u>419,210</u>	<u>56,836</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 696,671</u>	<u>\$ 843,782</u>	<u>\$ 675,602</u>	<u>\$ 89,125</u>	<u>\$ 351,625</u>	<u>\$ 472,261</u>

b) Financing facilities

	March 31, 2025	December 31, 2024	March 31, 2024
Secured borrowings			
Amount used	<u>\$ -</u>	<u>\$ 95,388</u>	<u>\$ -</u>
Unsecured bank overdraft facilities:			
Amount used	\$ 873,332	\$ 661,126	\$ 871,353
Amount unused	<u>10,372,588</u>	<u>10,496,893</u>	<u>10,718,731</u>
	<u>\$ 11,245,920</u>	<u>\$ 11,158,019</u>	<u>\$ 11,590,084</u>

The Group does not have bank loan facilities which may be extended by mutual agreements on March 31, 2025, December 31, 2024 and March 31, 2024.

34. 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
CheerLife Technology Corp.	Associate
NEOX FZCO	Associate

b. Sales

Line Item	Related Party Name	For the Three Months Ended March 31	
		2025	2024
Sales	NEOX FZCO	\$ 237,038	\$ -
	Oenix Biomed Co., Ltd.	<u>56</u>	<u>55</u>
		<u>\$ 237,094</u>	<u>\$ 55</u>

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

c. Operating expense

Line Item	Related Party Name	For the Three Months Ended March 31	
		2025	2024
Operating expense	CheerLife Technology Corp.	\$ 2,275	\$ 2,444

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

d. Non-operating income and expenses

Line Item	Related Party Name	For the Three Months Ended March 31	
		2025	2024
Other revenue	Oenix Biomed Co., Ltd.	\$ 23	\$ 23

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

e. Contract liabilities

Line Item	Related Party Name	March 31, 2025	December 31, 2024	March 31, 2024
Contract liabilities	NEOX	\$ -	\$ 25,559	\$ -

f. Receivables from related parties

Line Item	Related Party Name	March 31, 2025	December 31, 2024	March 31, 2024
Trade receivables from NEOX		\$ 48,358	\$ -	\$ -
related parties	Oenix Biomed Co., Ltd.	18	33	-
		\$ 48,376	\$ 33	\$ -

The Group's collection conditions for related parties are 60 days to 90 days after delivery.

g. Other receivables from related parties

Line Item	Related Party Name	March 31, 2025	December 31, 2024	March 31, 2024
Other receivables from related parties	Oenix Biomed Co., Ltd.	\$ 16	\$ 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	March 31, 2025	December 31, 2024	March 31, 2024
Other payables to related parties	CheerLife Technology Corp.	\$ -	\$ 416	\$ -

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

i. Remuneration of key management personnel

	For the Three Months Ended March 31	
	2025	2024
Short-term employee benefits	\$ 87,144	\$ 75,908
Termination benefits	264	272
	<u>\$ 87,408</u>	<u>\$ 76,180</u>

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

35. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	March 31, 2025	December 31, 2024	March 31, 2024
Pledged time deposits (classified as other financial assets)	\$ 72,263	72,242	112,082
Property, plant and equipment-machinery and equipment	-	30,479	-
	<u>\$ 72,263</u>	<u>\$ 102,721</u>	<u>\$ 112,082</u>

36. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

As of March 31, 2025, the Company needed to issue a letter of guarantee from the bank to the customs for the import/export of goods that amounted to \$30,000 thousand.

As of March 31, 2025, 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 March 31, 2025, Edgecore Networks needed to issue a letter of guarantee from the bank to the customs for the import/export of goods that amounted to \$100 thousand.

As of March 31, 2025, Accton Vietnam has issued unused letters of credit for the purchase of equipment, and the amount of the guarantee was JPY425,845 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 March 31, 2025, the unrecognized amount was \$790,982 thousand.

37. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

March 31, 2025

	Foreign Currency (In thousand)	Exchange Rate	Carrying Amount (In thousand)
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,278,042	33.205 (USD:NTD)	\$ 42,437,396
USD	921	4.626 (RMB:NTD)	30,577
		7.1782 (USD:RMB)	
RMB	7,344	4.626 (RMB:NTD)	33,973
<u>Financial liabilities</u>			
Monetary items			
USD	1,038,448	33.205 (USD:NTD)	34,481,666
USD	26,287	4.626 (RMB:NTD)	872,874
		7.1782 (USD:RMB)	
USD	33,838	0.00130 (VND:NTD)	1,123,587
		25,542.31 (USD:VND)	
JPY	668,713	0.2227 (JPY:NTD)	148,922

December 31, 2024

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

March 31, 2024

	Foreign Currency (In thousand)	Exchange Rate	Carrying Amount (In thousand)
<u>Financial assets</u>			
Monetary items			
USD	\$ 754,287	32.000 (USD:NTD)	\$ 24,137,188
RMB	41,451	4.408 (RMB:NTD)	182,717
RMB	95,207	0.2115 (RMB:NTD)	20,136
USD	172	0.001265 (VND:NTD)	5,516
		25,296.44 (USD:VND)	

Financial liabilities

Monetary items			
USD	392,420	32.000 (USD:NTD)	12,557,442
USD	42,739	4.408 (RMB:NTD)	1,367,659
		7.2595 (USD:RMB)	
JPY	501,155	0.001265 (VND:NTD)	105,994
		167.19 (JPY:VND)	

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

For the Three Months Ended March 31				
2025			2024	
Functional Currency	Exchange Rate (Functional Currency: Presentation Currency)	Net Foreign Exchange Gain (Loss)	Exchange Rate (Functional Currency: Presentation Currency)	Net Foreign Exchange Gain (Loss)
NTD	1 (NTD:NTD)	\$ 162,045	1 (NTD:NTD)	\$ 613,421
RMB	4.5838 (RMB:NTD)	6,027	4.4274 (RMB:NTD)	17,756
VND	0.001297 (VND:NTD)	<u>(20,696)</u>	0.001262 (VND:NTD)	<u>(18,932)</u>
		<u>\$ 147,376</u>		<u>\$ 612,245</u>

38. SEPARATELY DISCLOSED ITEMS

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

- 1) Financing provided to others (None)
- 2) Endorsements/guarantees provided (Table 1)
- 3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures) (Table 2)
- 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 3)

- 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
 - 6) Other: Intercompany relationships and significant intercompany transactions (Table 5)
 - 7) Information on investees (excluding any investee company in mainland China) (Table 6)
- 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 7)
 - 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. (Please refer table 5)
- e. The Company's shares held by its subsidiaries: Except for the ordinary shares of the Company held by Accton Investment for investment purposes as described in Note 24, none of the subsidiaries hold any equity securities issued by the Company.

39. SEGMENT INFORMATION

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 the three months ended March 31, 2025 and 2024. The segment assets are shown in the consolidated balance sheets as of March 31, 2025, December 31, 2024 and March 31, 2024.

TABLE 1

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

**ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(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	\$ 3,974,205	\$ 99,615 (USD 3,000)	\$ 99,615 (USD 3,000)	\$ 43,167 (USD 1,300)	\$ -	0.25	\$ 11,922,617	Yes	No	No
0	Accton Technology Corporation	Vietnam Accton Technology Co., Ltd.	2	3,974,205	979,548 (USD 29,500)	979,548 (USD 29,500)	330,332	-	2.46	11,922,617	Yes	No	No
1	Joy Technology (ShenZhen) Co., Ltd.	MuXi Technology Co., Ltd.	4	2,130,376	208,161 (RMB 45,000)	208,161 (RMB 45,000)	-	-	9.77	2,130,376	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
MARCH 31, 2025
(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	March 31, 2025				Note
				Shares/Units (Thousands)	Carrying Amount	Percentage of Ownership	Fair Value	
Accton Technology Corporation	<u>Fund</u> Yuanta De-Bao Money Market Fund	-	Financial assets at fair value through profit or loss - current	21,611	\$ 271,595	-	\$ 271,595	Note 5
	Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss - current	15,237	241,235	-	241,235	Note 5
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	10,035	171,270	-	171,270	Note 5
	Allianz Global Investors Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	11,454	150,260	-	150,260	Note 5
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss - current	7,671	100,705	-	100,705	Note 5
	<u>Share</u> First Hi-Tec Enterprise Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	748	132,022	1%	132,022	Note 4
	Lumilens Inc. - preference shares	-	Financial assets at fair value through other comprehensive income - non-current	6,376	296,562	13%	296,562	Note 3
	<u>Bonds</u> Wells Fargo & Company	-	Financial assets at amortized cost - current	5,500	177,694	-	182,182	Note 3
	Citigroup Global Markets Holdings Inc.	-	Financial assets at amortized cost - non-current	9,000	292,620	-	296,431	Note 3
	US Treasury Bonds	-	Financial assets at amortized cost - non-current	7,300	229,858	-	241,053	Note 3
	Westpac Banking Corp.	-	Financial assets at amortized cost - non-current	6,500	214,049	-	221,536	Note 3
	HSBC Global Investment Funds	-	Financial assets at amortized cost - non-current	4,000	130,119	-	134,160	Note 3
Accton Investment Corp.	<u>Shares</u> Accton Technology Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	2,210	50,999	-	1,272,883	Note 4
	Astera Labs, Inc.	-	Financial assets at fair value through other comprehensive income – non-current	915	1,812,888	-	1,812,888	Note 4

Note 1: As of March 31, 2025 the above marketable securities have not been pledged or mortgaged.

Note 2: For information on subsidiaries and associates, refer to Tables 6 and 7.

Note 3: The market value was based on the carrying amount as of March 31, 2025.

Note 4: The market value was based on the closing price as of March 31, 2025.

Note 5: The market value was based on the net asset value of the fund as of March 31, 2025.

Note 6: The market value was based on the average quoted price as of March 31, 2025.

TABLE 3

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 THREE MONTHS ENDED MARCH 31, 2025
(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	\$ 6,982,480	20	Monthly 90 days	Specified at each transaction	Monthly 90 days	\$ (10,369,728)	31	-
	Joy Technology (Shenzhen) Co., Ltd.	Indirect subsidiary	Purchase	1,274,036	4	45 days after the invoice date	Specified at each transaction	45 days after the invoice date	(1,290,481)	4	-
	Accton Global, Inc.	Subsidiary	Sale	9,524,807	22	75 days after the delivery date	Specified at each transaction	75 days after the delivery date	10,830,216	41	-
	Edgecore Networks Corp	Subsidiary	Sale	799,337	2	60 days after the delivery date	Specified at each transaction	60 days after the delivery date	576,773	2	-
	Accton Manufacturing and Service, Inc.	Subsidiary	Sale	120,375	-	60 days after the delivery date	Specified at each transaction	60 days after the delivery date	157,407	1	-
Joy Technology (Shenzhen) Co., Ltd.	Accton Technology Co., Ltd.	Held by the same ultimate holding company	Sale	689,514	2	90 days after the delivery date	Specified at each transaction	90 days after the delivery date	1,028,004	4	-
	MuXi Technology Co., Ltd.	Held by the same ultimate holding company	Sale	457,441	1	Monthly 45 days	Specified at each transaction	Monthly 45 days	478,710	2	-
Edgecore Networks Corporation	Edgecore Americas Networking Corp.	Subsidiary	Sale	319,691	1	75 days after the invoice date	Specified at each transaction	75 days after the invoice date	211,683	1	-

TABLE 4

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2025
(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	Vietnam Accton Technology Co., Ltd.	Subsidiary	\$ 12,456,310	Note 2	\$ 6,099,523	Strengthen collection	\$ 1,950,005	\$ -
	Accton Global, Inc.	Subsidiary	10,830,828	3.77	2,228,055	Strengthen collection	2,228,055	-
	Edgecore Networks Corp.	Subsidiary	603,508	5.55	-	-	-	-
	Joy Technology (Shenzhen) Co., Ltd.	Indirect subsidiary	537,288	Note 2	-	-	-	-
	Accton Manufacturing and Service, Inc.	Subsidiary	157,723	3.72	91,930	Strengthen collection	14,660	-
Joy Technology (Shenzhen) Co., Ltd.	Accton Technology Corporation	Ultimate parent company	1,290,515	3.03	274,279	Strengthen collection	274,279	-
	Accton Technology Co., Ltd.	Held by the same ultimate holding company	1,028,004	2.20	-	Strengthen collection	-	-
	MuXi Technology Co., Ltd.	Held by the same ultimate holding company	478,710	4.43	11,971	Strengthen collection	11,971	-
	Vietnam Accton Technology Co., Ltd.	Held by the same ultimate holding company	248,246	Note 2	93,281	Strengthen collection	49	-
Edgecore Networks Corp.	Edgecore Americas Networking Corp.	Subsidiary	212,853	4.99	-	-	-	-
Accton Technology Co., Ltd.	Joy Technology (Shenzhen) Co., Ltd.	Held by the same ultimate holding company	485,660	-	192,884	Strengthen collection	192,884	-
MuXi Technology Co., Ltd.	Joy Technology (Shenzhen) Co., Ltd.	Held by the same ultimate holding company	107,354	-	69,908	Strengthen collection	69,908	-
Vietnam Accton Technology Co., Ltd.	Accton Technology Corporation	Ultimate parent company	10,369,728	3.27	-	-	-	-

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 5

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(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	\$ 9,524,807	Note 1	22
		Edgecore Networks Corp.	1	Sales	799,337	Note 1	2
		Accton Manufacturing and Service, Inc.	1	Sales	120,375	Note 1	-
		Vietnam Accton Technology Co., Ltd.	1	Purchases and processing	6,982,480	Note 1	16
		Joy Technology (Shenzhen) Co., Ltd.	1	Purchases and processing	1,274,036	Note 1	3
		Edgecore Networks Corp.	1	Purchases and processing	70,591	Note 1	-
		Accton Technology Corp. USA	1	Operating expenses	103,564	Note 1	-
		ATAN NetworKs Co., Ltd.	1	Operating expenses	13,000	Note 1	-
		Accton Global, Inc.	1	Trade receivables from related parties	10,830,216	Note 2	11
		Edgecore Networks Corp.	1	Trade receivables from related parties	576,773	Note 2	1
		Accton Manufacturing and Service, Inc.	1	Trade receivables from related parties	157,407	Note 2	-
		Vietnam Accton Technology Co., Ltd.	1	Other receivables from related parties	12,453,640	Note 2	13
		Joy Technology (Shenzhen) Co., Ltd.	1	Other receivables from related parties	537,260	Note 2	1
		Edgecore Networks Corp.	1	Other receivables from related parties	26,735	Note 2	-
		InLC Technology Inc.	1	Prepayments	64,040	Note 2	-
		Vietnam Accton Technology Co., Ltd.	1	Trade payables to related parties	10,369,728	Note 1	11
		Joy Technology (Shenzhen) Co., Ltd.	1	Trade payables to related parties	1,290,481	Note 1	1
		Edgecore Networks Corp.	1	Trade payables to related parties	30,231	Note 1	-
		Accton Technology Corp. USA	1	Other payables to related parties	165,873	Note 1	-
		Accton Technology Co., Ltd.	1	Other payables to related parties	56,937	Note 1	-
1	Joy Technology (Shenzhen) Co., Ltd.	Accton Technology Co., Ltd.	3	Sales	689,514	Note 1	2
		MuXi Technology Co., Ltd.	3	Sales	457,441	Note 1	1
		Vietnam Accton Technology Co., Ltd.	3	Sales	27,409	Note 1	-
		Accton Technology Co., Ltd.	3	Trade receivables from related parties	1,028,004	Note 1	1
		MuXi Technology Co., Ltd.	3	Trade receivables from related parties	478,710	Note 1	-
		Vietnam Accton Technology Co., Ltd.	3	Other receivables from related parties	240,792	Note 1	-
		Accton Technology Co., Ltd.	3	Trade payables to related parties	475,698	Note 1	-
		MuXi Technology Co., Ltd.	3	Trade payables to related parties	107,283	Note 1	-
		Edgecore Networks Corp.	3	Sales	319,691	Note 1	1
		Edgecore Networks India Pvt. Ltd.	3	Sales	11,218	Note 1	-
2	Edgecore Networks Corp.	Edgecore Americas Networking Corp	3	Trade receivables from related parties	211,683	Note 1	-
		ATAN NetworKs Co., Ltd.	3	Trade receivables from related parties	28,911	Note 1	-
		Edgecore Networks India Pvt. Ltd.	3	Trade receivables from related parties	26,160	Note 1	-
		Edgecore Networks Singapore Pte. Ltd.	3	Other payables to related parties	13,767	Note 1	-
		ATAN NetworKs Co., Ltd.	3	Trade receivables from related parties	26,301	Note 1	-
3	Accton Technology Co., Ltd.	ATAN NetworKs Co., Ltd.	3	Trade receivables from related parties			

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 6

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES (EXCLUDING ANY INVESTEEES COMPANY IN MAINLAND CHINA)
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of Foreign Currencies/New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2025			Net Income (Loss) of the Investee	Investment Gain (Loss) Recognized	Note
				March 31, 2025	December 31, 2024	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	\$ 2,178,305	\$ 29,097	\$ 27,278	Notes 1 and 3
	Edgecore Networks Corp.	Hsinchu	Research, development, design, manufacture and selling of switching hubs	650,000	650,000	50,000	100	2,044,175	82,671	82,671	Note 1
	Accton Manufacturing and Service, Inc.	USA	Manufacture and selling of switching hubs	769,644	769,644	24,149	100	95,339	15,280	15,280	Note 1
	Accton Technology (China) Co., Ltd.	Cayman Islands	Investment holding company	279,635	279,635	6,600	100	149,389	(30,270)	(30,270)	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	214,400	2,385	2,385	Note 1
	Accton Investment Corp.	British Virgin Islands	Investment holding company	79,676	79,676	1,004	100	2,015,821	2,720	2,720	Note 1
	Accton Logistics Corp.	USA	Selling and marketing of high-quality LAN hardware and software products	89,267	89,267	1	100	137,140	1,276	1,276	Note 1
	Accton Global, Inc.	USA	Selling and marketing of high-quality LAN hardware and software products	35,316	35,316	10	100	(650,078)	6,025	6,025	Note 2
	ACCE Technology Corp.	Cayman Islands	Investment holding company	43,596	43,596	1,400	100	43,900	47	47	Notes 1 and 4
	E-Direct Corp.	Taipei	Provides services in information software and information technology	12,556	12,556	800	100	64,810	5,742	5,742	Note 1
	Metalligence Technology Corp.	Taipei	Provides e-commerce apps, information software and advertising services	-	430	-	-	-	1,355	1,355	Note 1 and 9
	CheerLife Technology Corp.	Taipei	Provides e-commerce apps, information software and advertising services	70	70	7	20	-	-	-	Note 5
	Oenix Biomed Co., Ltd.	Taipei	Research and development of health care services and equipment	20,000	20,000	2,000	40	7,068	15	6	Note 1
	Vietnam Accton Technology Co., Ltd.	Vietnam	Research, development, design, manufacture and selling of switching hubs	793,520	793,520	-	100	541,398	251,052	269,210	Notes 2 and 3
Accton Century Holding (BVI) Co., Ltd.	InLC Technology Inc.	Korea	Research, development, manufacturing, and sales of information and communication components and equipment	887,438	550,744	13,322	83	784,362	(29,269)	(23,333)	Notes 1 and 7
	Accton Asia Investments Corp.	British Virgin Islands	Investment holding company	1,398,130 (USD 42,106)	1, 398,130 (USD 42,106)	42,106	100	2,125,934	26,673	26,673	Note 1
	Edgecore Networks Singapore Pte. Ltd.	Singapore	Selling and marketing of high-quality LAN hardware and software products	22,466	22,466	3,557	100	35,528	415	415	Note 1
	Edgecore Americas Networking Corp.	USA	Selling and marketing of high-quality LAN hardware and software products	20,255 (USD 610)	20,255 (USD 610)	10	100	229,001	3,512	3,512	Note 1
	Edgecore Networks India Pvt. Ltd.	India	Research, development, design, manufacture and selling of switching hubs	15,039	15,039	3,885	100	1,862	3,123	3,123	Note 1
Edgecore Networks Corp.	NEOX FZCO	Dubai	Telecommunications equipment and accessories manufacturing, electronic printed circuit boards assembling	97,905	97,905	1	50	67,337	(4,186)	(2,097)	Notes 1 and 8
	GoldiLink Technology Corp.	Hsinchu	Research, development, design, manufacturing and sales of optical modules	40,000	40,000	4,000	100	40,184	-	-	Notes 1 and 6

- Note 1: Based on the financial statements were not reviewed by the CPAs
- Note 2: Based on the financial statements reviewed by the CPAs.
- Note 3: After adjustment of gains or losses from related parties.
- Note 4: In February 2024, ACCE Technology Corp. completed its capital injection.
- Note 5: Recognized an impairment loss.
- Note 6: In May 2024, GoldiLink Technology Corp. completed the registration of its establishment.
- Note 7: In December 2024, the Company acquired 75.42% of InLC Technology Inc.’s shares. In January 2025, the Company injected capital, which was fully subscribed by Accton Technology Corporation. As a result, Accton’s ownership interest increased from 75.42% to 82.99%.
- Note 8: In December 2024, NEOX FZCO completed its capital injection.
- Note 9: In March 2025, Metalligence Technology completed its liquidation.

(Concluded)

TABLE 7

ACCTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(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, 2025 (Note 2)	Investment Flows		Accumulated Outflow Remittance for Investment from Taiwan as of March 31, 2025 (Note 2)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of March 31, 2025	Accumulated Repatriation of Investment Income as of March 31, 2025 (Note 2)	Note
					Outflow	Inflow							
Joy Technology (Shenzhen) Co., Ltd.	Selling and producing of high-end network switches	\$ 1,477,623 (USD 44,500)	Note 1	\$ - (USD -)	\$ -	\$ -	\$ - (USD -)	\$ 32,232	100	\$ 32,232	\$ 2,130,376	\$ 4,035,669 (USD 121,538)	Note 3
Accton Technology Co., Ltd.	Sales of network related products	199,230 (USD 6,000)	Note 1	199,230 (USD 6,000)	-	-	199,230 (USD 6,000)	(30,363)	100	(30,363)	142,055	-	Note 4
Noctilucent Systems (Shanghai) Limited	Development, design and manufacture of software, selling product and consultation and service of technique	102,936 (USD 3,100)	Note 1	102,936 (USD 3,100)	-	-	102,936 (USD 3,100)	(6,215)	100	(6,215)	(28,443)	-	Note 4
MuXi Technology Co., Ltd.	Sale of network products	4,626 (RMB 1,000)	Note 11	- (RMB -)	-	-	- (RMB -)	(1,402)	100	(1,402)	23,981	-	Note 4

Investee Company	Accumulated Investment in Mainland China as of March 31, 2025	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 -	USD 44,500 (Note 5)	\$ 23,845,235
Accton Technology Co., Ltd.	USD 6,000	USD 6,000	
Noctilucent Systems (Shanghai) Limited	USD 6,479 (Notes 6 and 9)	USD 5,000	
ATAN NetworKs Co., Ltd.	USD 3,100	USD 3,500	
Arcadyan Technology (Shanghai) Corp. (Note 7)	USD 684	USD 5,586	
Tomato Technology (Shanghai) Corp. (Note 8)	USD 380	USD 380	
Zhuhai Jinfangda Technology Co., Ltd. (Note 10)	USD 937	USD 937	

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

Note 2: Based on the exchange rate as of March 31, 2025.

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

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

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

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

(Continued)

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