

**ATEN INTERNATIONAL CO., LTD.
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2025 and 2024**

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The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors
ATEN INTERNATIONAL CO., LTD.:

Introduction

We have reviewed the accompanying consolidated balance sheets of ATEN INTERNATIONAL CO., LTD. and its subsidiaries (“the Group”) as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2025 and 2024, and notes to the consolidated financial statements, including a summary of material accounting policies. 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 Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of the 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 conducted in accordance with the Standards on Auditing of the Republic of China 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 stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$2,361,871 thousand and \$2,257,744 thousand, both constituting 33% of the consolidated total assets as of March 31, 2025 and 2024, respectively, total liabilities amounting to \$643,940 thousand and \$660,291 thousand, constituting 28% and 29% of the consolidated total liabilities at March 31, 2025 and 2024, respectively, and total comprehensive income amounting to \$46,479 thousand and \$36,606 thousand, constituting 31% and 32% of the consolidated total comprehensive income respectively.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of ATEN INTERNATIONAL CO., LTD. and its subsidiaries as of March 31, 2025 and 2024, and of 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 Huang, Po-Shu and Wu, Chung-Shun.

KPMG

Taipei, Taiwan (Republic of China)
April 29, 2025

Notes to Readers

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

The independent auditors’ report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors’ report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

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

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2025		December 31, 2024		March 31, 2024				March 31, 2025		December 31, 2024		March 31, 2024	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
11xx	Assets														
	Current assets:														
1100	Cash and cash equivalents (note 6(a))	\$	1,105,146	16	1,128,293	16	1,017,549	15	21xx	Current liabilities:	\$	380,307	5	366,758	5
1110	Financial assets at fair value through profit or loss — current (note 6(c))		202,277	3	276,048	4	443,538	7	2102	Short-term borrowings (notes 6(k) and 8)					392,682
									2120	Financial liabilities at fair value through profit or loss — current (note 6(c))		9,463	-	5,942	-
1136	Current financial assets at amortized cost, net (note 6(b))		103,706	1	138,088	2	94,563	1	2150	Notes payable		908	-	1,342	-
1140	Contract assets — current (note 6(r))		4,432	-	4,393	-	6,027	-	2170	Accounts payable		336,262	5	383,383	5
1150	Notes receivable, net (notes 6(e) and (r))		4,379	-	4,441	-	4,757	-	2216	Dividends Payable (note 6(p))		254,189	4	203,101	3
1170	Accounts receivable, net (notes 6(e) and (r))		729,251	10	717,330	10	698,219	10	2219	Other payable (notes 6(s) and 8)		480,637	7	544,969	8
1200	Other receivables (note 6(f))		6,982	-	6,859	-	12,030	-	2230	Current tax liabilities		137,959	2	130,686	2
130x	Inventories (note 6(g))		1,323,414	19	1,325,349	19	1,260,832	18	2250	Provisions — current (note 6(l))		24,205	-	24,205	-
1410	Prepayments		109,942	2	70,176	1	79,401	1	2280	Current lease liabilities (note 6(m))		94,528	1	65,019	1
1470	Other current assets		17,232	-	22,648	-	11,389	-	2399	Other current liabilities		75,943	1	82,736	1
	Total current assets		3,606,761	51	3,693,625	52	3,628,305	52		Total current liabilities		1,794,401	25	1,808,141	25
15xx	Non-current assets:														
1517	Financial assets at fair value through other comprehensive income — non-current (note 6(d))		-	-	12,080	-	27,246	-	25xx	Non-Current liabilities:		50,000	1	-	-
1535	Non-current financial assets at amortized cost, net (note 6(b))		80,000	1	80,000	1	-	-	2540	Deferred income tax liabilities		154,815	2	154,443	2
1600	Property, plant and equipment (notes 6(h), 7, 8 and 9)		2,803,862	39	2,800,976	39	2,685,220	39	2570	Non-current lease liabilities (note 6(m))		210,937	3	166,044	3
1755	Right-of-use assets (note 6(i))		291,122	4	217,423	3	277,570	4	2580	Net defined benefit liabilities — non-current		60,968	1	60,926	1
1780	Intangible assets (note 6(j))		2,855	-	3,151	-	4,040	-	2640	Deposits received		1,014	-	1,014	-
1840	Deferred income tax assets		177,985	3	177,348	2	143,435	2	2645	Other non-current liabilities		61,522	1	58,039	1
1915	Prepayments for equipment		-	-	34	-	3,594	-		Total non-current liabilities		539,256	8	440,466	7
1920	Refundable deposits		43,965	1	42,206	1	33,979	1		Total liabilities		2,333,657	33	2,248,607	32
1980	Other financial assets — non-current (notes 8 and 9)		95,738	1	95,439	2	115,947	2		Equity attributable to shareholders of the company (notes 6(d) and (p)):					
1990	Other non-current assets		1,140	-	1,316	-	1,408	-	3110	Common stock		1,194,711	17	1,194,711	17
	Total non-current assets		3,496,667	49	3,429,973	48	3,292,439	48	3200	Capital surplus:					
									3210	Additional paid-in capital		316,913	4	316,913	4
									3250	Donated assets received		50	-	50	-
												316,963	4	316,963	4
									3300	Retained earnings:					
									3310	Legal reserve		1,623,232	23	1,623,232	23
									3320	Special reserve		178,017	3	178,017	2
									3350	Unappropriated retained earnings		1,508,153	21	1,650,188	23
												3,309,402	47	3,451,437	48
									3400	Other equity interest:					
									3410	Financial statements translation differences for foreign operations		(110,608)	(2)	(150,870)	(2)
									3420	Unrealized gain (loss) on financial assets at fair value through other comprehensive income		(4,000)	-	(920)	-
												(114,608)	(2)	(151,790)	(2)
										Total equity attributable to shareholders of the company		4,706,468	66	4,811,321	67
									36xx	Non-controlling interests		63,303	1	63,670	1
									3xxx	Total equity		4,769,771	67	4,874,991	68
1xxx	Total assets	\$	7,103,428	100	7,123,598	100	6,920,744	100	2-3xxx	Total liabilities and equity	\$	7,103,428	100	7,123,598	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		For the three months ended March 31			
		2025		2024	
		Amount	%	Amount	%
4000	Operating revenue (note 6(r))	\$ 1,204,701	100	1,175,022	100
5000	Operating costs (notes 6(g), (h), (i), (m), (n) and (s))	496,364	41	459,986	39
5900	Gross profit	708,337	59	715,036	61
6000	Operating expenses (notes 6(e), (h), (i), (j), (m), (n), (s) and 7):				
6100	Selling expenses	300,916	25	306,426	26
6200	Administrative expenses	128,419	11	123,536	11
6300	Research and development expenses	138,192	11	132,825	11
6450	Impairment loss determined in accordance with IFRS 9	40	-	-	-
	Total operating expenses	567,567	47	562,787	48
6900	Operating profit	140,770	12	152,249	13
7000	Non-operating income and expenses (notes 6(m) and (t)):				
7100	Interest income	4,750	-	2,624	-
7010	Other income	4,374	-	3,270	-
7020	Other gains and losses	10,817	1	4,393	1
7050	Finance costs	(7,037)	(1)	(10,461)	(1)
	Total non-operating income and expenses	12,904	-	(174)	-
7900	Profit from continuing operations before tax	153,674	12	152,075	13
7950	Less: Income tax expenses (note 6(o))	42,080	3	39,688	3
	Net income	111,594	9	112,387	10
8300	Other comprehensive income (note 6(p)):				
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(2,976)	-	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	(2,976)	-	-	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	40,351	3	1,631	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	40,351	3	1,631	-
8300	Other comprehensive income	37,375	3	1,631	-
8500	Total comprehensive income	\$ 148,969	12	114,018	10
8600	Net income attributable to:				
8610	Shareholders of the parent	\$ 108,750	9	110,618	10
8620	Non-controlling interests	2,844	-	1,769	-
		\$ 111,594	9	112,387	10
8700	Total comprehensive income attributable to:				
8710	Shareholders of the parent	\$ 146,036	12	112,276	10
8720	Non-controlling interests	2,933	-	1,742	-
		\$ 148,969	12	114,018	10
	Basic earnings per share(in New Taiwan dollars) (note 6(q))				
9710	Basic earnings per share	\$ 0.91		0.93	
9850	Diluted earnings per share	\$ 0.90		0.92	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
 Consolidated Statements of Changes in Equity
 For the three months ended March 31, 2025 and 2024
 (Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Total other equity interest					
	Share capital		Retained earnings				Financial statements translation differences for foreign operations	Unrealized gain (loss) on financial assets measured at fair value through other comprehensive income	Total	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total						
Balance at January 1, 2024	\$ 1,194,711	316,963	1,566,677	203,711	1,655,497	3,425,885	(175,518)	(22,030)	(197,548)	4,740,011	64,750	4,804,761
Appropriation and distribution of retained earnings:												
Cash dividends of ordinary share	-	-	-	-	(262,837)	(262,837)	-	-	-	(262,837)	(3,380)	(266,217)
Net income	-	-	-	-	110,618	110,618	-	-	-	110,618	1,769	112,387
Other comprehensive income	-	-	-	-	-	-	1,658	-	1,658	1,658	(27)	1,631
Total comprehensive income	-	-	-	-	110,618	110,618	1,658	-	1,658	112,276	1,742	114,018
Balance at March 31, 2024	<u>\$ 1,194,711</u>	<u>316,963</u>	<u>1,566,677</u>	<u>203,711</u>	<u>1,503,278</u>	<u>3,273,666</u>	<u>(173,860)</u>	<u>(22,030)</u>	<u>(195,890)</u>	<u>4,589,450</u>	<u>63,112</u>	<u>4,652,562</u>
Balance at January 1, 2025	\$ 1,194,711	316,963	1,623,232	178,017	1,650,188	3,451,437	(150,870)	(920)	(151,790)	4,811,321	63,670	4,874,991
Appropriation and distribution of retained earnings:												
Cash dividends of ordinary share	-	-	-	-	(250,889)	(250,889)	-	-	-	(250,889)	(3,300)	(254,189)
Net income	-	-	-	-	108,750	108,750	-	-	-	108,750	2,844	111,594
Other comprehensive income	-	-	-	-	-	-	40,262	(2,976)	37,286	37,286	89	37,375
Total comprehensive income	-	-	-	-	108,750	108,750	40,262	(2,976)	37,286	146,036	2,933	148,969
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	104	104	-	(104)	(104)	-	-	-
Balance at March 31, 2025	<u>\$ 1,194,711</u>	<u>316,963</u>	<u>1,623,232</u>	<u>178,017</u>	<u>1,508,153</u>	<u>3,309,402</u>	<u>(110,608)</u>	<u>(4,000)</u>	<u>(114,608)</u>	<u>4,706,468</u>	<u>63,303</u>	<u>4,769,771</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	For the three months ended March 31	
	2025	2024
Cash flows from operating activities:		
Net income before tax	\$ 153,674	152,075
Adjustments:		
Adjustments to reconcile profit and loss		
Depreciation expense	53,601	58,373
Amortization expense	296	296
Impairment loss determined in accordance with IFRS9	40	-
Interest expense	7,037	10,461
Interest income	(4,750)	(2,624)
Dividend income	(1,119)	-
Gains on disposal of property, plant and equipment	(211)	(342)
Gains on lease modification	(210)	(253)
Total adjustments to reconcile profit and loss	54,684	65,911
Changes in assets / liabilities relating to operating activities:		
Net changes in operating assets:		
Financial assets at fair value through profit or loss	73,771	(46,298)
Contract assets	(39)	1,857
Notes receivable	62	1,965
Accounts receivable	(11,961)	16,697
Other receivable	(123)	2,324
Inventories	672	3,958
Prepayments	(39,766)	(18,299)
Other current assets	5,416	(1,135)
Total changes in operating assets, net	28,032	(38,931)
Net changes in operating liabilities:		
Financial liabilities held for trading	3,521	5,306
Notes payable	(434)	(492)
Accounts payable	(47,121)	19,898
Other payable	(64,332)	(67,884)
Other current liabilities	(6,793)	34,500
Net defined benefit liabilities	42	30
Other non-current liabilities	3,483	1,031
Total changes in operating liabilities, net	(111,634)	(7,611)
Total changes in operating assets / liabilities, net	(83,602)	(46,542)
Total adjustments	(28,918)	19,369
Cash provided by operating activities	124,756	171,444
Dividends received	1,119	-
Payment of income tax	(36,213)	(40,986)
Net cash provided by operating activities	89,662	130,458
Cash flows from investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	1,004	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	8,100	-
Proceeds (acquisition) of financial assets at amortised cost	34,382	(4,114)
Acquisition of property, plant and equipment	(17,371)	(14,454)
Proceeds from disposal of property, plant and equipment	255	621
Decrease (increase) in refundable deposits	(1,759)	1,070
Decrease (increase) in other financial assets — non-current	(299)	186
Decrease in other non-current assets	64	127
Interest received	4,750	2,624
Net cash provided by (used in) investing activities	29,126	(13,940)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	11,343	(12,882)
Proceeds from long-term borrowings	50,000	-
Increase in deposits received	-	410
Payment of lease liabilities	(25,518)	(28,487)
Cash dividends paid	(203,101)	(250,889)
Interest paid	(7,037)	(10,461)
Net cash used in financing activities	(174,313)	(302,309)
Effect of exchange rate changes on cash and cash equivalents	32,378	9,353
Net decrease in cash and cash equivalents for the period	(23,147)	(176,438)
Cash and cash equivalents at beginning of period	1,128,293	1,193,987
Cash and cash equivalents at end of period	\$ 1,105,146	1,017,549

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

ATEN INTERNATIONAL CO., LTD. (the “Company”) was incorporated on July 6, 1979, under the laws of the Republic of China (ROC). The Company and its subsidiaries (the “Group”) are mainly engaged in the manufacturing and trading of computer peripheral equipment, manufacturing of wired and wireless communication equipment, and manufacturing of electronic modules and parts.

(2) Approval date and procedures of the consolidated financial statements

These consolidated financial statements were authorized for issuance by the Board of Directors on April 29, 2025.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

(Continued)

ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027

(Continued)

ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(4) Summary of material policies

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" ("the Regulations") and IAS 34 Interim Financial Reporting endorsed by the FSC, and do not present all the disclosures required for a complete set of annual consolidated financial statements prepared in accordance with the International Financial Reporting Standards, International Accounting Statements, IFRIC Interpretations, or SIC Interpretations endorsed by the FSC for a complete set of the annual consolidated financial statements.

(b) Basis of consolidation

List of subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Scope of business	Percentage of ownership			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
The Company	TOPMOST INTERNATIONAL CO., LTD. (TOPMOST)	Investing	100.00 %	100.00 %	100.00 %	
The Company	ATEN JAPAN CO., LTD. (ATEN JAPAN)	Trading of computer peripheral products	100.00 %	100.00 %	100.00 %	Note 1
The Company	ATEN US HOLDINGS INC. (ATEN US)	Investing	100.00 %	100.00 %	100.00 %	

(Continued)

ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Scope of business	Percentage of ownership			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
The Company	FOREMOST INTERNATIONAL CO., LTD. (FOREMOST)	Investing	100.00 %	100.00 %	100.00 %	Note 1
The Company and TOPMOST	ATEN INFOTECH N.V. (ATEN INFOTECH)	Trading of computer peripheral products	100.00 %	100.00 %	100.00 %	Note 1
The Company	ATECH PERIPHERALS INC. (ATECH PERIPHERALS)	Manufacturing and trading of computer peripheral products	100.00 %	100.00 %	100.00 %	Note 1
The Company	ATEN COMPUTER PRODUCTS CO., LTD. (ATEN COMPUTER)	Manufacturing of computer peripheral products	100.00 %	100.00 %	100.00 %	Note 1
The Company	VISIONTOP CO., LTD. (VISIONTOP)	Specialized printing	59.58 %	59.58 %	59.58 %	Note 1
The Company	HONG JHENG TECHNOLOGY CO., LTD. (HONG JHENG)	Investing	100.00 %	100.00 %	100.00 %	Note 1
The Company	HONG YUAN CO., LTD. (HONG YUAN)	Investing	100.00 %	100.00 %	100.00 %	Note 1
The Company	ATEN ANZ PTY LTD. (ATEN ANZ)	Trading of computer peripheral products	100.00 %	100.00 %	100.00 %	Note 1
The Company	RCM FULLY AUTOMATION CO., LTD. (RCM FULLY)	Trading of computer peripheral products	26.00 %	26.00 %	26.00 %	Note 1
The Company	ATEN INFO COMMUNICAION LIMITED LIABILITY COMPANY (ATEN TURKEY)	Trading of computer peripheral products	100.00 %	100.00 %	100.00 %	Note 1
The Company	ATEN POLAND SP Z.O. O. (ATEN POLAND)	Trading of computer peripheral products	100.00 %	100.00 %	100.00 %	Note 1
The Company	ATEN ROMANIA S.R.L. (ATEN ROMANIA)	Trading of computer peripheral products	100.00 %	100.00 %	100.00 %	Note 1
The Company	ATEN SOUTH AFRICA PTY LTD. (ATEN SOUTH AFRICA)	Trading of computer peripheral products	100.00 %	100.00 %	100.00 %	Note 1
The Company and HONG YUAN	ATEN ADVANCE PRIVATE LIMITED (ATEN ADVANCE)	Trading of computer peripheral products	100.00 %	100.00 %	100.00 %	Note 1
The Company and HONG YUAN	ATEN LATAM MEXICO S.A. DE C.V (ATEN MEXICO)	Trading of computer peripheral products	100.00 %	100.00 %	100.00 %	Note 1
The Company and HONG YUAN	PT ATEN TECHNOLOGY INDONESIA (ATEN INDONESIA)	Trading of computer peripheral products	100.00 %	100.00 %	100.00 %	Note 1
TOPMOST	EXPAND INTERNATIONAL CO., LTD. (EXPAND)	Investing	100.00 %	100.00 %	100.00 %	
TOPMOST	ATEN EUROPE LIMITED (ATEN EUROPE)	Investing	100.00 %	100.00 %	100.00 %	Note 1
TOPMOST	I/O MASTER INC. (I/O MASTER)	Investing	100.00 %	100.00 %	100.00 %	Note 1
The Company & FOREMOST	ATEN CHINA CO., LTD. (ATEN CHINA)	Trading of computer peripheral products	- %	- %	100.00 %	Notes 1 and 2
FOREMOST	ATEN FOREMOST INTERNATIONAL CO., LTD. (ATEN FOREMOST)	Research and trading of computer peripheral products	100.00 %	100.00 %	100.00 %	Note 1

(Continued)

ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Scope of business	Percentage of ownership			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
ATEN FOREMOST	ATEN CHINA CO., LTD. (ATEN CHINA)	Trading of computer peripheral products	100.00 %	100.00 %	- %	Notes 1 and 2
EXPAND	EXPAND ELECTRONIC CO., LTD. (EXPAND ELECTRONIC)	Manufacturing of computer peripheral products	100.00 %	100.00 %	100.00 %	
ATEN EUROPE	ATEN UK LIMITED (ATEN UK)	Trading of computer peripheral products	100.00 %	100.00 %	100.00 %	Note 1
ATEN EUROPE	ATEN KOREA CO., LTD. (ATEN KOREA)	Trading of computer peripheral products	85.00 %	85.00 %	85.00 %	Note 1
ATEN US	ATEN TECHNOLOGY INC. (ATEN TECHNOLOGY)	Trading of computer peripheral products	99.39 %	99.39 %	99.39 %	
ATEN US & ATEN TECHNOLOGY	ATEN NEW JERSEY INC. (ATEN NEW JERSEY)	Trading of computer peripheral products	99.52 %	99.52 %	99.52 %	Note 1
I/O MASTER	ATEN CANADA TECHNOLOGIES INC. (ATEN CANADA)	Research and development	100.00 %	100.00 %	100.00 %	Note 1
I/O MASTER	IOGEAR, INC.(IOGEAR)	Trading of computer peripheral products	100.00 %	100.00 %	100.00 %	Note 1
ATECH PERIPHERALS	RCM FULLY AUTOMATION CO., LTD. (RCM FULLY)	Trading of computer peripheral products	74.00 %	74.00 %	74.00 %	Note 1

Note 1: It's an insignificant subsidiary, and its financial statement have not been reviewed.

Note 2: The Company & FOREMOST dispose 100% shares of ATEN CHINA to ATEN FOREMOST on April 1, 2024. The transaction was an organizational restructuring under common control, Therefore, the Company's ownership percentage of ATEN CHINA remains unchanged and there has been no substantial change to the reporting entity.

(c) Employee 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 fiscal year plus any adjustments for significant post-market fluctuations, curtailments, settlements, or other one-time events.

(d) Income tax

Tax expense in the consolidated financial statements is measured and disclosed according to paragraph B12 of IAS 34 "Interim Financial Reporting".

Income tax expense for the period is best estimated by multiplying pretax income of the reporting period by the effective annual tax rate which was forecasted by the management. The outcome is then fully recognized as current tax expense.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

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ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 “Interim Financial Reporting” endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2024. For the related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2024.

(6) Explanation of significant accounts

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2024. Please refer to note 6 of the consolidated financial statements for the year ended December 31, 2024.

(a) Cash and cash equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash and cash equivalents	\$ 1,699	1,339	1,706
Saving deposits and foreign currency deposits	781,078	915,284	752,703
Checking deposits	21,133	20,107	31,590
Time deposits	166,213	129,232	231,550
Repurchase agreement	135,023	62,331	-
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 1,105,146</u>	<u>1,128,293</u>	<u>1,017,549</u>

Please refer to note 6(u) for the interest rate risk and the fair value sensitivity analysis of the financial assets and liabilities of the Group.

(b) Financial assets at amortized cost

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets at amortized cost – current:			
Bank's time deposits	<u>\$ 103,706</u>	<u>138,088</u>	<u>94,563</u>
Interest rate(%)	<u>1.425~3.9</u>	<u>1.425~5</u>	<u>1.3~5</u>

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ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2025	December 31, 2024
Financial assets at amortized cost – non current:		
Corporate bonds	\$ 80,000	80,000
Interest rate(%)	3.7	3.7

The Group has assessed that these financial assets are held to maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

(c) Financial assets and liabilities at fair value through profit or loss

	March 31, 2025	December 31, 2024	March 31, 2024
Mandatorily measured at fair value through profit or loss – current:			
Derivative instruments not used for hedging	\$ 964	2,961	372
Non-derivative financial assets	201,313	273,087	443,166
Total	\$ 202,277	276,048	443,538
	March 31, 2025	December 31, 2024	March 31, 2024
Financial liabilities held for trading – current:			
Derivative instruments not used for hedging	\$ 9,463	5,942	6,564

For the amount of financial assets and liabilities remeasured at fair value through profit or loss, please refer to note 6(t).

As of March 31, 2025, December 31 and March 31, 2024, the Group has not provided any aforementioned financial assets as collateral.

The Group uses derivative financial instruments to manage the exposures due to fluctuations of foreign exchange risk from its operating activities. The Group reported the following derivatives financial instruments as financial assets and liabilities at fair value through profit or loss without the application of hedge accounting were classified as mandatorily measured at fair value through profit or loss and held-for-trading financial instruments on March 31, 2025, December 31 and March 31, 2024.

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ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Mandatorily measured at fair value through profit or loss financial assets — Forward contract:

March 31, 2025			
	Contract amount (thousand dollars)	Currency	Maturity dates
Forward exchange sold	EUR 133 / NTD 4,775	EUR/NTD	2025.06.20
Forward exchange sold	JPY 60,000 / NTD 13,366	JPY/NTD	2025.04.18
Forward exchange sold	AUD 205 / NTD 4,256	AUD/NTD	2025.04.02~2025.06.02
Forward exchange purchased	USD 1,840 / KRW 2,665,942	USD/KRW	2025.04.29~2025.05.29
December 31, 2024			
	Contract amount (thousand dollars)	Currency	Maturity dates
Forward exchange sold	EUR 3,048 / NTD 104,937	EUR/NTD	2025.01.15~2025.03.05
Forward exchange sold	JPY 180,000 / NTD 38,333	JPY/NTD	2025.01.17
Forward exchange sold	GBP 234 / NTD 9,628	GBP/NTD	2025.01.17~2025.04.07
Forward exchange sold	AUD 105 / NTD 2,209	AUD/NTD	2025.03.03
Forward exchange purchased	USD 990 / KRW 1,395,947	USD/KRW	2025.01.23~2025.02.26
March 31, 2024			
	Contract amount (thousand dollars)	Currency	Maturity dates
Forward exchange sold	EUR 250 / NTD 8,585	EUR/NTD	2024.06.24
Forward exchange sold	USD 500 / NTD 15,794	USD/NTD	2024.07.29~2024.08.05
Forward exchange sold	AUD 62 / NTD 1,302	AUD/NTD	2024.04.02
Forward exchange purchased	USD 970 / KRW 1,292,996	USD/KRW	2024.04.26~2024.05.29

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ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Held-for-trading financial liabilities — Forward contract:

March 31, 2025			
	Contract amount (thousand dollars)	Currency	Maturity dates
Forward exchange sold	EUR 3,733 / NTD 128,037	EUR/NTD	2025.04.02~2025.07.30
Forward exchange sold	USD 5,110 / NTD 166,359	USD/NTD	2025.04.07~2025.06.30
Forward exchange sold	JPY 124,000 / NTD 27,462	JPY/NTD	2025.04.18~2025.05.19
Forward exchange sold	GBP 311 / NTD 12,727	GBP/NTD	2025.04.07~2025.06.06
Forward exchange sold	AUD 312 / NTD 6,391	AUD/NTD	2025.04.02~2025.06.02
December 31, 2024			
	Contract amount (thousand dollars)	Currency	Maturity dates
Forward exchange sold	EUR 1,000 / NTD 33,947	EUR/NTD	2025.02.26
Forward exchange sold	USD 6,770 / NTD 244,739	USD/NTD	2025.01.06~2025.04.21
Forward exchange sold	JPY 50,000 / NTD 10,370	JPY/NTD	2025.02.19
Forward exchange purchased	USD 230 / KRW 338,102	USD/KRW	2025.02.26
March 31, 2024			
	Contract amount (thousand dollars)	Currency	Maturity dates
Forward exchange sold	EUR 2,778 / NTD 94,089	EUR/NTD	2024.04.10~2024.06.05
Forward exchange sold	USD 5,720 / NTD 177,576	USD/NTD	2024.04.03~2024.07.26
Forward exchange sold	JPY 116,000 / NTD 24,432	JPY/NTD	2024.04.19
Forward exchange sold	GBP 555 / NTD 21,966	GBP/NTD	2024.04.16~2024.06.17
Forward exchange sold	USD 370 / CNY 2,658	USD/CNY	2024.04.03
Forward exchange sold	AUD 136 / NTD 2,810	AUD/NTD	2024.04.30~2024.05.29

For credit risk and market risk please refer to note 6(u).

(Continued)

ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Financial assets at fair value through other comprehensive income

	March 31, 2025	December 31, 2024	March 31, 2024
Equity investments at fair value through other comprehensive income:			
Unlisted stocks (domestic) — non-current	\$ <u>-</u>	<u>12,080</u>	<u>27,246</u>

(i) Equity investments at fair value through other comprehensive income

The Group held equity instrument investment for long-term strategic purposes, not held for trading purposes, which have been designated as measured at fair value through other comprehensive income.

(ii) The Company sold the domestic unlisted stocks at the fair value for the three month ended March 31, 2025, the fair value at that time of disposal was \$1,004 thousand and accumulated gain on disposal was \$104 thousand, which has been transferred from other equity to retained earnings.

(iii) The Company sold the domestic listed stocks at the fair value for the year ended December 31, 2024, the fair value at that time of disposal was \$24,987 thousand and accumulated gain on disposal was \$9,294 thousand, which has been transferred from other equity to retained earnings.

(iv) For credit risk and market risk, please refer to note 6(u).

(v) The Group did not hold any collateral for the collectible amounts.

(e) Notes and accounts receivable and other receivables

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	\$ 4,379	4,441	4,757
Accounts receivable, net	729,531	717,570	698,319
Less: allowance for impairment	<u>280</u>	<u>240</u>	<u>100</u>
	<u><u>\$ 733,630</u></u>	<u><u>721,771</u></u>	<u><u>702,976</u></u>

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ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected credit loss provision for all receivables on March 31, 2025. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward-looking information, including macroeconomic and relevant industry information. The expected credit losses as of was determined as follows:

March 31, 2025			
	Gross carrying amount	Weighted-average expected credit loss rate	Loss allowance provision
Current	\$ 667,051	0%	-
0 to 30 days past due	52,289	0%	-
31 to 60 days past due	13,259	0%	-
61 to 90 days past due	742	0%	-
121 to 180 days past due	354	0%	-
181 to 360 days past due	139	100%	139
More than 360 days past due	76	100%	76
	\$ 733,910		215
December 31, 2024			
	Gross carrying amount	Weighted-average expected credit loss rate	Loss allowance provision
Current	\$ 703,423	0%	-
0 to 30 days past due	17,552	0%	-
31 to 60 days past due	410	0%	-
61 to 90 days past due	397	0%	-
91 to 120 days past due	22	0%	-
121 to 180 days past due	35	0%	-
181 to 360 days past due	165	70%~100%	118
More than 360 days past due	7	100%	7
	\$ 722,011		125

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ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2024		
	Gross carrying amount	Weighted- average expected credit loss rate	Loss allowance provision
Current	\$ 671,004	0%	-
0 to 30 days past due	31,059	0%	-
31 to 60 days past due	472	0%	-
61 to 90 days past due	333	0%	-
91 to 120 days past due	29	0%	-
121 to 180 days past due	46	0%	-
More than 360 days past due	133	75%~100%	100
	\$ 703,076		100

The movement in the allowance for accounts receivable was as follows:

	For the three months ended March 31	
	2025	2024
Balance at January 1	\$ 240	100
Impairment loss recognized	70	-
Impairment loss reversed	(30)	-
Balance at March 31	\$ 280	100

As of March 31, 2025, December 31 and March 31, 2024, the bank has priority claim over the Group's accounts receivable amounting to \$87,561 thousand, \$118,472 thousand and \$118,567 thousand, respectively.

(f) Other receivables

	March 31, 2025	December 31, 2024	March 31, 2024
Other receivables	\$ 6,982	6,859	12,030

For the three months ended March 31, 2025 and 2024, the Group's loss allowance for other receivables did not move.

As of March 31, 2025, December 31 and March 31, 2024, the Group had no other receivable that were past due but not impaired.

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ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(g) Inventories

The components of the Group's inventories were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Finished goods	\$ 686,453	695,533	641,560
Work in process	205,793	201,606	152,839
Raw material	431,168	428,210	466,433
	\$ 1,323,414	1,325,349	1,260,832

Due to the decrease in the net realizable value of inventories, the Group recognized the inventory pricing loss as cost of goods sold. The amounts are as follows:

	For the three months ended March 31	
	2025	2024
Losses on decline in market value of inventory	\$ 7,968	9,849
Losses on scrapping of inventory	940	620
Losses (gains) on physical inventory and others	(72)	84
Total	\$ 8,836	10,553

As of March 31, 2025, December 31 and March 31, 2024, the bank has priority claim over the Group's inventories amounting to \$183,538 thousand, \$215,126 thousand and \$228,951 thousand, respectively.

(h) Property, plant and equipment

The cost and depreciation of the property, plant and equipment of the Group were as follows:

	Land	Land improvements	Buildings	Machinery	Other equipment	Construction in progress and testing equipment	Total
Cost or deemed cost:							
Balance at January 1, 2025	\$ 1,718,344	9,448	1,170,631	308,267	493,541	102,473	3,802,704
Additions	-	-	-	2,404	9,188	5,779	17,371
Disposals	-	-	-	(860)	(3,874)	-	(4,734)
Reclassification	-	-	-	189	169	(212)	146
Effect of changes in exchange rates	3,940	110	13,148	1,614	4,737	-	23,549
Balance at March 31, 2025	\$ 1,722,284	9,558	1,183,779	311,614	503,761	108,040	3,839,036
Balance at January 1, 2024	\$ 1,705,303	9,514	1,135,860	313,251	468,744	9,018	3,641,690
Additions	-	-	158	24	1,701	12,571	14,454
Disposals	-	-	-	(35,000)	(9,009)	-	(44,009)
Reclassification	-	-	6,248	143	4,058	(8,382)	2,067
Effect of changes in exchange rates	(1,530)	(52)	(5,132)	70	2,910	-	(3,734)
Balance at March 31, 2024	\$ 1,703,773	9,462	1,137,134	278,488	468,404	13,207	3,610,468

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ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Land	Land improvements	Buildings	Machinery	Other equipment	Construction in progress and testing equipment	Total
Depreciation:							
Balance at January 1, 2025	\$ -	8,398	436,938	178,131	378,261	-	1,001,728
Depreciation	-	226	9,042	7,105	11,084	-	27,457
Disposal	-	-	-	(860)	(3,830)	-	(4,690)
Effect of changes in exchange rates	-	77	5,268	1,118	4,216	-	10,679
Balance at March 31, 2025	<u>\$ -</u>	<u>8,701</u>	<u>451,248</u>	<u>185,494</u>	<u>389,731</u>	<u>-</u>	<u>1,035,174</u>
Balance at January 1, 2024	\$ -	7,542	400,586	186,180	343,666	-	937,974
Depreciation	-	225	9,500	6,599	11,915	-	28,239
Disposal	-	-	-	(35,000)	(8,730)	-	(43,730)
Effect of changes in exchange rates	-	(34)	(430)	470	2,759	-	2,765
Balance at March 31, 2024	<u>\$ -</u>	<u>7,733</u>	<u>409,656</u>	<u>158,249</u>	<u>349,610</u>	<u>-</u>	<u>925,248</u>
Carrying value:							
January 1, 2025	<u>\$ 1,718,344</u>	<u>1,050</u>	<u>733,693</u>	<u>130,136</u>	<u>115,280</u>	<u>102,473</u>	<u>2,800,976</u>
March 31, 2025	<u>\$ 1,722,284</u>	<u>857</u>	<u>732,531</u>	<u>126,120</u>	<u>114,030</u>	<u>108,040</u>	<u>2,803,862</u>
January 1, 2024	<u>\$ 1,705,303</u>	<u>1,972</u>	<u>735,274</u>	<u>127,071</u>	<u>125,078</u>	<u>9,018</u>	<u>2,703,716</u>
March 31, 2024	<u>\$ 1,703,773</u>	<u>1,729</u>	<u>727,478</u>	<u>120,239</u>	<u>118,794</u>	<u>13,207</u>	<u>2,685,220</u>

As of March 31, 2025, December 31 and March 31, 2024, the detail of property, plant and equipment pledged for car purchasing payables, short-term borrowings and credit facilities, please refer to note 8.

As of March 31, 2025, December 31 and March 31, 2024, the bank has priority claim over the Group's property, plant and equipment amounting to \$4,156 thousand, \$4,562 thousand and \$5,423 thousand, respectively.

(i) Right-of-use assets

The Group leases its assets including its land, buildings, transportation equipment and other equipment. Information about leases, for which the Group is the lessee, is presented below:

	Land and buildings	Transportation equipment	Other equipment	Total
Cost:				
Balance at January 1, 2025	\$ 439,882	10,686	6,631	457,199
Additions	94,752	610	-	95,362
Write-off	(75,947)	-	-	(75,947)
Effect of changes in foreign exchange rates	8,674	419	85	9,178
Balance at March 31, 2025	<u>\$ 467,361</u>	<u>11,715</u>	<u>6,716</u>	<u>485,792</u>
Balance at January 1, 2024	\$ 440,575	10,805	6,356	457,736
Additions	12,052	1,304	-	13,356
Write-off	(17,405)	(2,489)	-	(19,894)
Effect of changes in exchange rates	10,860	46	165	11,071
Balance at March 31, 2024	<u>\$ 446,082</u>	<u>9,666</u>	<u>6,521</u>	<u>462,269</u>

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ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Land and buildings</u>	<u>Transportation equipment</u>	<u>Other equipment</u>	<u>Total</u>
Accumulated depreciation:				
Balance at January 1, 2025	\$ 229,199	6,427	4,150	239,776
Depreciation	25,074	854	216	26,144
Write-off	(75,551)	-	-	(75,551)
Effect of changes in exchange rates	3,955	292	54	4,301
Balance at March 31, 2025	<u>\$ 182,677</u>	<u>7,573</u>	<u>4,420</u>	<u>194,670</u>
Balance at January 1, 2024	\$ 159,007	5,650	3,116	167,773
Depreciation	29,236	689	209	30,134
Write-off	(13,768)	(2,057)	-	(15,825)
Effect of changes in exchange rates	2,484	23	110	2,617
Balance at March 31, 2024	<u>\$ 176,959</u>	<u>4,305</u>	<u>3,435</u>	<u>184,699</u>
Carrying value:				
January 1, 2025	<u>\$ 210,683</u>	<u>4,259</u>	<u>2,481</u>	<u>217,423</u>
March 31, 2025	<u>\$ 284,684</u>	<u>4,142</u>	<u>2,296</u>	<u>291,122</u>
January 1, 2024	<u>\$ 281,568</u>	<u>5,155</u>	<u>3,240</u>	<u>289,963</u>
March 31, 2025	<u>\$ 269,123</u>	<u>5,361</u>	<u>3,086</u>	<u>277,570</u>

(j) **Intangible assets**

The cost and amortization of the intangible assets of the Group were as follows:

	<u>Goodwill</u>	<u>Trademark</u>	<u>Customer relationship</u>	<u>Total</u>
Costs:				
Balance at January 1, 2025 (Balance at March 31, 2025)	<u>\$ 105,814</u>	<u>4,857</u>	<u>5,926</u>	<u>116,597</u>
Balance at January 1, 2024 (Balance at March 31, 2024)	<u>\$ 105,814</u>	<u>4,857</u>	<u>5,926</u>	<u>116,597</u>
Amortization:				
Balance at January 1, 2025	\$ 103,058	4,857	5,531	113,446
Amortization	-	-	296	296
Balance at March 31, 2025	<u>\$ 103,058</u>	<u>4,857</u>	<u>5,827</u>	<u>113,742</u>
Balance at January 1, 2024	\$ 103,058	4,857	4,346	112,261
Amortization	-	-	296	296
Balance at March 31, 2024	<u>\$ 103,058</u>	<u>4,857</u>	<u>4,642</u>	<u>112,557</u>
Carrying value:				
January 1, 2025	<u>\$ 2,756</u>	<u>-</u>	<u>395</u>	<u>3,151</u>
March 31, 2025	<u>\$ 2,756</u>	<u>-</u>	<u>99</u>	<u>2,855</u>
January 1, 2024	<u>\$ 2,756</u>	<u>-</u>	<u>1,580</u>	<u>4,336</u>
March 31, 2024	<u>\$ 2,756</u>	<u>-</u>	<u>1,284</u>	<u>4,040</u>

(i) **Amortization Fee**

The amortization fee for the intangible assets in 2025 and 2024 are recorded under operating expense in the Consolidated Statements of Comprehensive Income.

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ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Collateral

As of March 31, 2025, December 31 and March 31, 2024, none of the Group's intangible assets has not been pledged as collateral.

(k) Short-term and long-term borrowings

The details, terms and clauses of the Group's short-term and long-term borrowings were as follows:

(i) Short-term borrowings

March 31, 2025				
	Currency	Interest rate (%)	Maturity year	Amount
Secured loans	USD	6.2	2025	\$ 134,387
Secured loans	KRW	3.61~3.83	2025	33,543
Unsecured loans	AUD	5.2039	2025	6,242
Unsecured loans	EUR	3.453	2025	35,946
Unsecured loans	GBP	5.48	2025	14,406
Unsecured loans	CNY	2.20182~3.9	2025	145,783
Unsecured loans	TWD	2.22	2025	10,000
Total				<u><u>\$ 380,307</u></u>

December 31, 2024				
	Currency	Interest rate (%)	Maturity year	Amount
Secured loans	USD	6.2	2025	\$ 99,981
Secured loans	KRW	3.61~3.83	2025	33,345
Unsecured loans	USD	5.85	2025	6,556
Unsecured loans	EUR	3.844	2025	34,132
Unsecured loans	GBP	5.45~5.62	2025	13,791
Unsecured loans	CNY	2.92636~4.68	2025	128,953
Unsecured loans	TWD	1.75~2.22	2025	50,000
Total				<u><u>\$ 366,758</u></u>

(Continued)

ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

March 31, 2024				
	Currency	Interest rate (%)	Maturity year	Amount
Secured loans	USD	7.2	2024	\$ 143,953
Secured loans	KRW	3.97~4.52	2024	59,543
Secured loans	THB	4.9~5.22	2024	6,710
Unsecured loans	EUR	4.8028	2024	34,447
Unsecured loans	GBP	5.93~5.99	2024	25,634
Unsecured loans	CNY	3.806~4.73	2024	86,739
Unsecured loans	TWD	1.68	2024	20,000
Unsecured loans	THB	4.9~5.22	2024	15,656
Total				<u><u>\$ 392,682</u></u>

As of March 31, 2025, December 31 and March 31, 2024, the unused credit facilities of the Group's short-term borrowings amounted to \$3,151,361 thousand, \$3,179,207 thousand and \$2,700,908 thousand, respectively.

(ii) Long-term borrowings

March 31, 2025				
	Currency	Interest rate (%)	Maturity year	Amount
Unsecured loans	TWD	2.038	2030	\$ <u>50,000</u>
Non-current				<u><u>\$ 50,000</u></u>

As of March 31, 2025, the unused credit facilities of the Group's long-term borrowings amounted to \$50,000 thousand.

The Group does not have long-term borrowings on December 31 and March 31, 2024.

For the risk information of the Group interest rate, foreign currency and liquidity risk, please refer to note 6(u).

(iii) Collateral of loans

The Group has mortgaged their assets as collateral of loans. Please refer to note 8.

(l) Provisions

	March 31, 2025	December 31, 2024	March 31, 2024
Warranties	<u><u>\$ 24,205</u></u>	<u><u>24,205</u></u>	<u><u>22,810</u></u>

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ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024, the Group did not have any significant change on the provisions. For other relative information, please refer to note 6(l) of the consolidated financial statements for the year ended December 31, 2024.

(m) Lease liabilities

The Group's lease liabilities were as follow:

	March 31, 2025	December 31, 2024	March 31, 2024
Current	\$ <u>94,528</u>	<u>65,019</u>	<u>73,147</u>
Non-current	\$ <u>210,937</u>	<u>166,044</u>	<u>212,311</u>

For the maturity analysis, please refer to note 6(u).

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31	
	2025	2024
Interest on lease liabilities	\$ <u>4,016</u>	<u>4,107</u>
Expenses relating to short-term leases	\$ <u>3,607</u>	<u>3,418</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>728</u>	<u>200</u>

The amounts recognized in the statement of cash flows for the Group was as follows:

	For the three months ended March 31	
	2025	2024
Total cash outflow for leases	\$ <u>33,869</u>	<u>36,212</u>

(n) Employee benefits

(i) Defined benefit plans

In the prior fiscal year, there was no material volatility of the market, material reimbursement and settlement or other material one-time events. As a result, pension cost in the consolidated interim financial statements was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate as of December 31, 2024 and 2023.

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ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group's expenses recognized in profit or loss were as follows:

	For the three months ended March 31	
	2025	2024
Operating costs	\$ 95	100
Selling expenses	60	55
Administration expenses	192	171
Research and development expenses	36	36
Total	<u><u>\$ 383</u></u>	<u><u>362</u></u>

(ii) Defined contribution plans

According to the defined contribution plans, the Group made contributions to the Bureau of Labor Insurance and the local authorities of the consolidated overseas subsidiaries. The Group recognized pension costs of the defined contribution plans in profit or loss were as follows:

	For the three months ended March 31	
	2025	2024
Operating costs	\$ 1,968	2,343
Selling expenses	9,769	9,271
Administration expenses	2,364	2,125
Research and development expenses	2,825	2,674
Total	<u><u>\$ 16,926</u></u>	<u><u>16,413</u></u>

(o) Income tax

Income tax expense was best estimated by multiplying pretax income for the interim reporting period by the effective tax rate which was forecasted by the management.

The amount of income tax were as follows:

	For the three months ended March 31	
	2025	2024
Current tax expense		
Current period	\$ 42,080	39,688
Income tax expense from continuing operations	<u><u>\$ 42,080</u></u>	<u><u>39,688</u></u>

The tax returns of the Company have been assessed by the tax authorities for all years through 2022.

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ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(p) Capital and other equity

Except for those mentioned below, there were no significant changes in capital for the three months ended March 31, 2025 and 2024. Please refer to note 6(p) to the consolidated financial statements for the year ended December 31, 2024, for related information.

(i) Retained earnings

The Company's amended articles of incorporation stipulates that the Company's earnings distribution may be made on a quarterly basis after the close of each quarter. When allocating earnings, the Company shall first estimate and reserve the remuneration to employees and the taxes to be paid, offset prior years' deficits, provide 10% as legal reserve, provide or reverse a special reserve in accordance with relevant laws or regulations or as requested by authorities in charge. After the abovementioned appropriations, the distribution of the remaining earnings, if any, by way of stock dividends should be proposed by the board of directors and is subject to the stockholders' approval; by way of cash dividends should be approved by the board of directors. The Company's net earnings from the current year shall be used to pay income tax, offset prior years' deficits, provide 10% as legal reserve, provide or reverse a special reserve in accordance with relevant laws or regulations or as requested by authorities in charge. After the abovementioned appropriations, the distribution of the remaining earnings, if any, should be proposed by the board of directors and is subject to the stockholders' approval. For earning distribution issued in cash may be passed by the Board of Directors with more than two-thirds of the directors' attendance, and be resolved by more than half of the directors, then be reported to the shareholders' general meeting.

The Company's business cycle is in the constant growth stage. In consideration of the Company's future capital requirements, its long term financial plan and shareholders' satisfaction as to cash inflow, the Company's articles of incorporation stipulate that the board of directors may propose 30% or more of the distributable earnings as dividends, of which at least 10% should be distributed as cash dividends. However, such distribution depends on the current earnings and the capital condition, and is subject to the approval of stockholders.

The Group's Board of Directors resolved to appropriate the 2024 earnings from from July to December and January to June. These earnings were appropriated as follows:

	2024	2024
	<u>July – December</u>	<u>January – June</u>
	<u>February 25,</u>	
	<u>2025</u>	<u>August 8, 2024</u>
Resolution Date of ATEN's Board of Directors		
Cash dividends to shareholders	\$ <u>250,889</u>	<u>203,101</u>
Cash dividends per share (NTD)	\$ <u>2.1</u>	<u>1.7</u>

(Continued)

ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group's Board of Directors resolved to appropriate the 2023 earnings from July to December and January to June. These earnings were appropriated as follows:

	2023 July – December February 29, 2024	2023 January – June August 8, 2023
Resolution Date of ATEN's Board of Directors		
Cash dividends to shareholders	\$ 262,837	250,889
Cash dividends per share (NTD)	\$ 2.2	2.1

(ii) Other equities (net of tax)

	Foreign exchange differences arising from foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Non-controlling interests	Total
Balance as of January 1, 2025	\$ (150,870)	(920)	(7,583)	(159,373)
Foreign exchange differences arising from foreign operations	40,262	-	89	40,351
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(2,976)	-	(2,976)
Disposal of investments in equity instruments designed at fair value through other comprehensive income	-	(104)	-	(104)
Balance as of March 31, 2025	\$ (110,608)	(4,000)	(7,494)	(122,102)
Balance as of January 1, 2024	\$ (175,518)	(22,030)	(6,271)	(203,819)
Foreign exchange differences arising from foreign operations	1,658	-	(27)	1,631
Balance as of March 31, 2024	\$ (173,860)	(22,030)	(6,298)	(202,188)

(q) Earnings per share

The calculation of the Group's basic earnings per share and diluted earnings per share for the three months ended March 31, 2025 and 2024 was as follows:

(i) Basic earnings per share

	Unit: thousand of shares For the three months ended March 31	
	2025	2024
Net income attributable to ordinary shareholders of the Company	\$ 108,750	110,618
Weighted-average number of ordinary shares	119,471	119,471
Basic earnings per share (NTD)	\$ 0.91	0.93

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ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Diluted earnings per share

Unit: thousand of shares		
For the three months ended		
March 31		
	2025	2024
Net income attributable to ordinary shareholders of the Company	\$ 108,750	110,618
Weighted-average number of ordinary shares (basic)	119,471	119,471
Impact of potential common shares		
Effect of employee share bonus	1,169	1,314
Weighted-average number of ordinary shares (diluted)	120,640	120,785
Diluted earnings per share (NTD)	\$ 0.90	0.92

(r) Revenue from contracts with customers

(i) Disaggregation of revenue

For the three months ended			
March 31, 2025			
	Computer peripheral products	Other	Total
Primary geographical markets:			
Japan	\$ 204,207	-	204,207
United States	194,952	-	194,952
Taiwan	127,775	33,557	161,332
South Korea	109,444	-	109,444
China	82,217	-	82,217
Others	452,549	-	452,549
	\$ 1,171,144	33,557	1,204,701
Major product lines:			
IT infrastructure management solutions	\$ 748,121	-	748,121
Video products	214,288	-	214,288
Others	208,735	33,557	242,292
	\$ 1,171,144	33,557	1,204,701

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ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the three months ended March 31, 2024			
	Computer peripheral products	Other	Total
Primary geographical markets:			
United States	\$ 214,058	-	214,058
Japan	192,399	-	192,399
Taiwan	152,245	29,033	181,278
China	89,999	-	89,999
Others	497,288	-	497,288
	<u><u>\$ 1,145,989</u></u>	<u><u>29,033</u></u>	<u><u>1,175,022</u></u>
Major product lines:			
IT infrastructure management solutions	\$ 730,631	-	730,631
Video products	212,933	-	212,933
Others	202,425	29,033	231,458
	<u><u>\$ 1,145,989</u></u>	<u><u>29,033</u></u>	<u><u>1,175,022</u></u>
(ii) Contract balance			
	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	\$ 4,379	4,441	4,757
Accounts receivable, net	729,531	717,570	698,319
Less: allowance for impairment	280	240	100
Total	<u><u>\$ 733,630</u></u>	<u><u>721,771</u></u>	<u><u>702,976</u></u>
Contract assets	<u><u>\$ 4,432</u></u>	<u><u>4,393</u></u>	<u><u>6,027</u></u>

Please refer to note 6(e) for the disclosure of accounts receivable and its impairment.

(s) Remuneration to employees, directors and supervisors

In accordance with the Company's articles, the net income before tax, after deducting the remuneration to employees, directors and supervisors, shall first be offset against any deficit, then 10%~16% will be distributed as employee remuneration and less than 2% will be allocated as directors' and supervisors' remuneration. The amounts of employee, directors' and supervisors' remuneration, to be distributed in cash or stock, should be decided in the board meeting, with two thirds of the board members attending the meeting, and over half of the attendees approving the amounts for distribution that are to be reported at the shareholders meeting. Employees who are entitled to receive the above-mentioned employee remuneration, in share or cash, include the employees of the subsidiaries of the Group who meet certain specific requirement.

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ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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For the three months ended March 31, 2025 and 2024, the estimated amounts of employees' compensation were \$23,642 thousand and \$24,128 thousand, respectively, and the estimated amounts of directors' remuneration were \$1,576 thousand and \$1,930 thousand, respectively. The estimated amounts mentioned above are based on the net profit before tax, excluding employee compensation and directors' remuneration, of each respective ending period, multiplied by the percentage of the employee compensation, and the directors' remuneration, as specified in the Company's article. The estimations are recorded under operating cost or operating expenses. If there are any subsequent adjustments to the actual remuneration amount, the adjustments will be regarded as changes in accounting estimate and will be reflected in profit or loss in the following year.

For the years ended December 31, 2024 and 2023, the remunerations to employees amounted to \$104,184 thousand and \$123,866 thousand, respectively, and the remunerations to directors amounted to \$8,335 thousand and \$9,909 thousand, respectively. The amounts are identical to those of the actual distributions. The information is available on the Market Observation Post System.

(t) Non-operating income and expenses

(i) Interest income

	For the three months ended	
	March 31	
	2025	2024
Interest income from bank deposits	\$ <u>4,750</u>	<u>2,624</u>

(ii) Other income

	For the three months ended	
	March 31	
	2025	2024
Dividend income	\$ 1,119	-
Total other income—Other	<u>3,255</u>	<u>3,270</u>
Total other income	\$ <u>4,374</u>	<u>3,270</u>

(iii) Other gains and losses

	For the three months ended	
	March 31	
	2025	2024
Gains on disposal of property, plant and equipment	\$ 211	342
Gains on foreign exchange	28,429	14,491
Losses on financial assets / liabilities at fair value through profit or loss	(17,972)	(10,407)
Others	<u>149</u>	<u>(33)</u>
Net other gains and losses	\$ <u>10,817</u>	<u>4,393</u>

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ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Finance costs

	For the three months ended March 31	
	2025	2024
Interest expense	<u><u>\$ 7,037</u></u>	<u><u>10,461</u></u>

(u) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and in the degree of exposure to credit risk, liquidity risk— interest rate risk and market risk arising from financial instruments. For the related information, please refer to note 6(u) of the consolidated financial statements for the year ended December 31, 2024.

(i) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>3-5 years</u>	<u>Over 5 years</u>
March 31, 2025							
Non-derivative financial liabilities							
Secured loans	\$ 167,930	172,192	172,192	-	-	-	-
Unsecured loans	262,377	268,085	214,773	1,019	10,968	41,325	-
Notes and accounts payable	337,170	337,170	337,170	-	-	-	-
Dividends Payable	254,189	254,189	254,189	-	-	-	-
Other payables	480,637	480,637	480,637	-	-	-	-
Lease liabilities	305,465	337,067	108,264	92,914	70,412	65,477	-
Deposits received	1,014	1,014	1,014	-	-	-	-
Derivative financial liabilities							
Other forward contracts:							
Outflow	9,463	9,463	9,463	-	-	-	-
	<u><u>\$ 1,818,245</u></u>	<u><u>1,859,817</u></u>	<u><u>1,577,702</u></u>	<u><u>93,933</u></u>	<u><u>81,380</u></u>	<u><u>106,802</u></u>	<u><u>-</u></u>
December 31, 2024							
Non-derivative financial liabilities							
Secured loans	\$ 133,326	137,752	137,751	-	-	-	-
Unsecured loans	233,432	236,046	236,046	-	-	-	-
Notes and accounts payable	384,725	384,725	384,725	-	-	-	-
Dividends Payable	203,101	203,101	203,101	-	-	-	-
Other payables	544,969	544,969	544,969	-	-	-	-
Lease liabilities	231,063	261,881	77,088	61,087	47,307	76,399	-
Deposits received	1,014	1,014	1,014	-	-	-	-
Derivative financial liabilities							
Other forward contracts:							
Outflow	5,942	5,942	5,942	-	-	-	-
	<u><u>\$ 1,737,572</u></u>	<u><u>1,775,430</u></u>	<u><u>1,590,636</u></u>	<u><u>61,087</u></u>	<u><u>47,307</u></u>	<u><u>76,399</u></u>	<u><u>-</u></u>

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ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>3-5 years</u>	<u>Over 5 years</u>
March 31, 2024							
Non-derivative financial liabilities							
Secured loans	\$ 210,206	216,160	216,160	-	-	-	-
Unsecured loans	182,476	184,260	184,260	-	-	-	-
Notes and accounts payable	308,243	308,243	308,243	-	-	-	-
Dividends Payable	266,217	266,217	266,217	-	-	-	-
Other payables	482,754	482,754	482,754	-	-	-	-
Lease liabilities	285,458	325,305	110,385	57,076	48,622	93,590	15,632
Deposits received	1,174	1,174	1,174	-	-	-	-
Derivative financial liabilities							
Other forward contracts:							
Outflow	6,564	6,564	6,564	-	-	-	-
	<u>\$ 1,743,092</u>	<u>1,790,677</u>	<u>1,575,757</u>	<u>57,076</u>	<u>48,622</u>	<u>93,590</u>	<u>15,632</u>

The Group is not expecting the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(ii) Liquidity risk

1) Exchange rate risk

The Group's significant exposure to foreign currency risk was as follows:

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>
March 31, 2025			
Financial assets:			
Monetary items:			
USD	\$ 18,398	33.1820	610,467
JPY	199,353	0.2224	44,336
GBP	660	43.0039	28,404
EUR	7,548	35.9461	271,306
CNY	30,240	4.5700	138,196
Financial liabilities:			
Monetary items:			
USD	\$ 6,564	33.1820	217,805
CNY	32,232	4.5700	147,300
THB	24,215	0.9785	23,695

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ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>
December 31, 2024			
Financial assets:			
Monetary items:			
USD	\$ 19,858	32.7810	650,961
JPY	308,857	0.2099	64,829
EUR	8,717	34.1316	297,510
CNY	26,243	4.4775	117,504
Financial liabilities:			
Monetary items:			
USD	\$ 7,217	32.7810	236,591
CNY	28,107	4.4775	125,850
THB	37,014	0.9570	35,422
EUR	644	34.1316	21,993
March 31, 2024			
Financial assets:			
Monetary items:			
USD	\$ 16,577	31.9900	530,292
JPY	188,477	0.2114	39,844
EUR	4,277	34.4468	147,321
CNY	20,899	4.4074	92,110
GBP	662	40.3682	26,729
Financial liabilities:			
Monetary items:			
USD	\$ 4,548	31.9900	145,496
CNY	21,310	4.4074	93,923
THB	39,454	0.8787	34,668

Note: Since the effect of foreign exchange risk derived from the transactions within the Group cannot be fully eliminated, analysis is based on the amounts prior to the eliminated adjustments.

The Group's exposure to foreign currency risk arises from the translation of foreign currency exchange gains and losses on cash and cash equivalents, trade and other receivables, loans and borrowings, and trade and other payables that are denominated in foreign currency. A 1% appreciation or depreciation of the NTD against the USD, JPY, EUR, CNY, GBP and THB as of March 31, 2025 and 2024 would have increased or decreased the net profit by \$7,039 thousand and \$5,622 thousand, respectively. The analysis is performed on the same basis for both periods.

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ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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Since the Group books its transaction in different functional currencies, the information on foreign exchange gains (loss) on monetary items is disclosed based on the total amount. For the three months ended March 31, 2025 and 2024, foreign exchange gains (losses) (including realized and unrealized portion) amounted to \$28,429 thousand and \$14,491 thousand, respectively.

2) Interest rate risk

The financial assets of the consolidated company subject to fair value risk of interest rate changes are bank deposits; financial liabilities are short for term and long-term loans, the impact of changes in interest rates on the fair value of the underlying financial assets is not material.

The following sensitivity analysis is based on the risk exposure of the interest rate on derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is on the basis of the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the management of the Group's assessment on the reasonably possible interval of interest rate change.

With all other variable factors remain constant. If the interest rate increases or decreases by 1%, the effect on the Group's income before tax is not material for the three months ended March 31, 2025 and 2024.

(iii) Fair value and carrying amount

1) Categories and fair value of financial instruments

Except for the followings, carrying amount of the Group's financial assets and liabilities are valued approximately to their fair value, and are not based on observable market date and the value measurements which are not reliable. No additional fair value disclosure is required in accordance to the Regulations.

		March 31, 2025			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Derivative financial assets	\$ 964	-	964	-	964
Non derivative financial assets mandatorily measured at fair value through profit or loss	201,313	201,313	-	-	201,313
Total	\$ 202,277	201,313	964	-	202,277
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	\$ (9,463)	-	(9,463)	-	(9,463)

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ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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December 31, 2024					
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Derivative financial assets	\$ 2,961	-	2,961	-	2,961
Non derivative financial assets mandatorily measured at fair value through profit or loss	<u>273,087</u>	<u>273,087</u>	<u>-</u>	<u>-</u>	<u>273,087</u>
Subtotal	<u>276,048</u>	<u>273,087</u>	<u>2,961</u>	<u>-</u>	<u>276,048</u>
Financial assets at fair value through other comprehensive income					
Unlisted stocks (domestic and overseas)	<u>12,080</u>	<u>-</u>	<u>-</u>	<u>12,080</u>	<u>12,080</u>
Total	<u><u>\$ 288,128</u></u>	<u><u>273,087</u></u>	<u><u>2,961</u></u>	<u><u>12,080</u></u>	<u><u>288,128</u></u>
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	<u><u>\$ (5,942)</u></u>	<u><u>-</u></u>	<u><u>(5,942)</u></u>	<u><u>-</u></u>	<u><u>(5,942)</u></u>
March 31, 2024					
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Derivative financial assets	\$ 372	-	372	-	372
Non derivative financial assets mandatorily measured at fair value through profit or loss	<u>443,166</u>	<u>443,166</u>	<u>-</u>	<u>-</u>	<u>443,166</u>
Subtotal	<u>443,538</u>	<u>443,166</u>	<u>372</u>	<u>-</u>	<u>443,538</u>
Financial assets at fair value through other comprehensive income					
Unlisted stocks (domestic and overseas)	<u>27,246</u>	<u>-</u>	<u>-</u>	<u>27,246</u>	<u>27,246</u>
Total	<u><u>\$ 470,784</u></u>	<u><u>443,166</u></u>	<u><u>372</u></u>	<u><u>27,246</u></u>	<u><u>470,784</u></u>
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	<u><u>\$ (6,564)</u></u>	<u><u>-</u></u>	<u><u>(6,564)</u></u>	<u><u>-</u></u>	<u><u>(6,564)</u></u>

(Continued)

ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Valuation techniques in financial instruments measured at fair value

a) Non—derivative financial instruments

If there are quoted prices in the active markets for financial instruments, the fair value of those prices may be based on the quoted market prices. The market prices announced by Securities Exchange and Over the Counter are the benchmarks of the fair value of equity instruments and Liability instruments trading in active markets.

The fair value of financial assets and liabilities traded in the active markets will be based on the quoted market prices when the quoted prices can be obtained from the exchanges, brokers, underwriters, industrial unions, pricing service agencies or authorities, as well as if they can represent as the one usually traded in fair market transaction in practice. If the requirements above mentioned don't actually accomplish, the market ought to be seen inactive condition. Generally speaking, the index of inactive market are based on the large difference of the price between buying and selling transaction, the difference of the price between buying and selling transaction distinctively increasing or little quantity of trading volume.

The fair values of the Group's financial instruments trading in active markets are categorized by types and nature as follows:

Stocks of listed Companies and open-ended funds are financial assets possessing standard provision and trading in active markets. Their fair values are determined based on the market quotes and net assets value, respectively.

In addition to the aforementioned financial instruments trading in active markets, the fair values of other financial instruments are obtained through valuation or by referencing the quotes from counterparties. Such valuation technique involves referencing the fair value of financial instruments that are virtually alike in terms and characteristic, and using discounted cash flow model or other pricing models. Other pricing models may utilize the available market information on the balance sheet date such as yield curve from Over the Counter and the average quotes on the interest rates of Reuters Commercial Paper.

b) Derivative financial instrument

Derivatives are priced based on the pricing models widely accepted by markets. Forward Exchange Contracts are normally priced based on the current forward exchange rates or the forward interest rate estimated using interest rate parity theory.

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ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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3) Fair value hierarchy

The Company used the fair value that can be observed in the market to measure the value of assets and liabilities. Fair values levels are based on the degree in which the fair value can be observed and grouped in to Levels 1 to 3 as follows:

- a) Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.
- b) Level 2: inputs, other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- c) Level 3: inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

There was no such situation that the Company reclassified the financial instruments from one level to another as of the reporting date.

4) Transfers between level 1 and level 2

There was no significant transfer from level 2 financial instrument to level 1 financial instrument.

5) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
	Unquoted equity instruments
Balance at January 1, 2025	\$ 12,080
Recognized in other comprehensive income	(2,976)
Refund due to capital reduction	(8,100)
Disposal	(1,004)
Balance at March 31, 2025	\$ -
Balance at January 1, 2024 (Balance at March 31, 2024)	\$ 27,246

The aforementioned gains or losses were listed in “Unrealized gains (losses) from financial assets at fair value through other comprehensive income”.

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ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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- 6) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through other comprehensive income equity investments without an active market	Comparative company	<ul style="list-style-type: none"> Multipliers of price-book ratios as of December 31 and March 31, 2024 were 1.13 and 1.05~1.85, respectively. Multipliers of price-earnings ratio as of December 31 and March 31, 2024 was 24.25. Market illiquidity discount rate as of December 31 and March 31, 2024 were both 20%. 	<p>The estimated fair value would increase (decrease) if</p> <ul style="list-style-type: none"> the multiplier were higher (lower) the market illiquidity discount were lower (higher)

- 7) Fair value measurements in Level 3— sensitivity analysis of reasonably possible alternative assumptions

For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on profit or loss and other comprehensive income:

			<u>Other comprehensive income</u>	
	<u>Input</u>	<u>Assumptions</u>	<u>Favorable</u>	<u>Unfavorable</u>
December 31, 2024				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Liquidity discount at 20%	5%	755	(755)
March 31, 2024				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Liquidity discount at 20%	5%	1,704	(1,704)

The favorable and unfavorable effects represent the changes in fair value, and the fair value is based on a variety of unobservable inputs calculated using a valuation technique.

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ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Financial risk management

The objective and policies of the consolidated company are identical to those disclosed in note 6(v) of the consolidated financial statement for the year ended 2024.

(w) Capital management

The disclosure of objectives, policies and procedures of the Group's capital management are the same as those specified in the consolidated financial statements for the year ended December 31, 2024; and there were no significant changes in the Group's collective quantitative information from those disclosed in the consolidated financial statements for the year ended December 31, 2024. For related information, please refer to note 6(w) of the consolidated financial statements for the year ended December 31, 2024.

(x) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the three months ended March 31, 2025 and 2024, were as follows:

For right-of-use assets under leases, please refer to note 6(i).

Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes		
	January 1, 2025	Cash flows	Effect of change in exchange rates	Others	March 31, 2025
Short-term borrowings	\$ 366,758	11,343	2,206	-	380,307
Long-term borrowings	\$ -	50,000	-	-	50,000
Lease liabilities	231,063	(29,534)	5,164	98,772	305,465
Deposits received	1,014	-	-	-	1,014
Total liabilities from financing activities	<u>\$ 598,835</u>	<u>31,809</u>	<u>7,370</u>	<u>98,772</u>	<u>736,786</u>

			Non-cash changes		
	January 1, 2024	Cash flows	Effect of change in exchange rates	Others	March 31, 2024
Short-term borrowings	\$ 404,297	(12,882)	1,267	-	392,682
Lease liabilities	296,236	(32,594)	8,675	13,141	285,458
Deposits received	764	410	-	-	1,174
Total liabilities from financing activities	<u>\$ 701,297</u>	<u>(45,066)</u>	<u>9,942</u>	<u>13,141</u>	<u>679,314</u>

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ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(7) Related-party transactions

Key management personnel compensation comprised:

	For the three months ended March 31	
	2025	2024
	\$ 21,312	20,659
Short-term employee benefits		

For the three months ended March 31, 2025 and 2024, the Group provided three vehicles at a cost of \$12,250 thousand for key management personnel.

(8) Pledged assets

The carrying values of pledged assets were as follows:

Pledged assets	Object	March 31, 2025	December 31, 2024	March 31, 2024
Cash and negotiable certificate of deposits (recorded under other financial assets — non current)	Guarantee for provisional attachment	\$ 50,000	50,000	71,428
Time deposits (recorded under other financial assets — non current)	Guarantee for customs	4,290	4,242	4,222
Negotiable certificate of deposits (recorded under other financial assets — non current)	Guarantee for provisional seizure	30,000	30,000	30,000
Time deposits (recorded under other financial assets — non current)	Guarantee for short-term borrowings	11,448	11,197	10,297
Property, plant and equipment	Guarantee for short-term borrowings	54,858	54,656	58,997
Other equipment	Guarantee for car purchasing	6,038	6,273	6,979
		\$ 156,634	156,368	181,923

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ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(9) Commitments and contingencies

- (a) As of March 31, 2025, December 31 and March 31, 2024, subsidiary ATEN COMPUTER has the unrecognized construction contract amounting to \$16,065 thousand, \$15,712 thousand and \$18,205 thousand, respectively.
- (b) To expand the business and optimize the production lines for medium-to long-term, the Board of Directors approved a resolution for making use of the Company's land to build a factory in Taoyuan City Yangmei District on August 8, 2024. The total contract amount is \$549,333 thousand (excluding tax). As of March 31, 2025, the amount invested is \$95,786 thousand and recorded as construction in progress and testing equipment.
- (c) As of December 31 and March 31, 2024, the Group had an unused line of credit for purchasing raw materials amounting to \$5,116 thousand (USD156,080) and \$1,998 thousand (USD62,462), respectively.
- (d) As of March 31, 2025, December 31 and March 31, 2024, the outstanding bank drafts to secure credit facilities and financial instruments amounted to \$3,653,050 thousand, \$3,413,578 thousand and \$3,421,303 thousand, respectively.
- (e) YiFeng Technology Co., Ltd. filed lawsuit against the Company for the damage of the product that is under previous provisional attachment requested by the Company in September 2019. The Company has retained attorney to handle the case. The Company received the first and second instance judgment in favor of the Company from the Intellectual Property Court in June 2021 and August 2022, and YiFeng Technology Co., Ltd. filed an appeal in July 2021 and September 2022 respectively. The Supreme Court remanded to the Intellectual Property Court for retrial proceedings in October, 2024. The Company has retained attorneys to handle the cases, which were still in progress as of the reporting date.

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

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ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(12) Other

- (a) The following is a summary statement of employee benefits, depreciation and amortization expenses by function:

By function By nature	Three months ended March 31 2025			Three months ended March 31 2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	85,557	358,368	443,925	81,348	352,948	434,296
Labor and health insurance	10,210	34,717	44,927	8,585	33,200	41,785
Pension	2,063	15,246	17,309	2,443	14,332	16,775
Directors' remuneration	-	3,076	3,076	-	3,430	3,430
Others	5,559	12,317	17,876	5,138	11,083	16,221
Depreciation	18,065	35,536	53,601	21,438	36,935	58,373
Amortization	-	296	296	-	296	296

- (b) Seasonality operations

The business of the Group is neither seasonal nor cyclical.

- (c) The Company filed criminal charges against its former employees for not following its policy, wherein they illegally gained profit for themselves during their service in 2015 to 2016. The suspects have already resigned from the Company at the end of 2016. After the Company filed the lawsuit, Taiwan Taipei District Court and Taiwan Taipei High Court ruled the defendant to be guilty and made the sentence in July 2019 and February 2020, respectively. The Company and both of the defendant filed appeal to the Taiwan Supreme Court in March 2020. The Supreme Court rendered a judgement on March 19, 2021 and declared that both defendants committed Subparagraph 2, Paragraph 1, Article 171 of Securities and Exchange Act for making the Company process the non-arm's length transactions and were both sentenced 32 months in prison. Both defendants turned in the criminal proceeds plus the interest amounted to \$3,174 thousand and \$3,342 thousand should be returned to the Company. The seized \$70,296 thousand and \$6,516 thousand criminal proceeds were returned to the Company in 2019 and 2021. The Company received the judgement in favor of the Company from Taipei District Court in June 2024. The Taiwan High Court dismissed the defendant's appeal of the second item of the first-instance syllabus in March 2025. The first item of the first-instance syllabus is currently proceeded by the Taiwan High Court.

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ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(13) Other disclosures

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the three month ended March 31, 2025:

- (i) Loans to other parties: None.
- (ii) Guarantees and endorsements for other parties: None.
- (iii) Securities held as of March 31, 2025 (excluding investment in subsidiaries, associates and joint ventures):

Unit: thousand dollars

Name of holder	Nature and name of security	Relationship with the security issuer	Account name	Ending balance				Remarks
				Number of shares	Book value	Holding percentage	Market value	
	Mutual fund:							
The Company	JihSun Money Market Fund	-	Financial assets at fair value through profit or loss – current	3,927	60,979	-	60,979	
The Company	SinoPac Money Market Fund	-	Financial assets at fair value through profit or loss – current	3,172	46,193	-	46,193	
The Company	Union Money Market Fund	-	Financial assets at fair value through profit or loss – current	94	1,303	-	1,303	
The Company	First Bank Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss – current	5,232	83,851	-	83,851	
The Company	Fubon Chi-Hsiang Money Market Fund	-	Financial assets at fair value through profit or loss – current	548	8,987	-	8,987	
	Stock:							
HONG JHENG TECHNOLOGY CO.,LTD	Common Stock of Visionary Dynamics Co., Ltd.	-	Financial assets at fair value through other comprehensive income – non current	20	-	-	-	Note 1
	Bonds:							
The Company	Cathay Life Insurance Bonds	-	Financial assets at amortized cost – non current	-	80,000	-	79,937	

Note 1: The impairment loss was fully recognized.

- (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Unit: thousand dollars

Name of Company	Counter-party	Relationship	Transaction details				The status and reason for deviation from arm's-length transaction		Account / note receivable (payable)		Remarks
			Purchase / Sale	Amount	Percentage of total purchases / sales	Credit period	Unit price	Credit period	Balance	Percentage of total accounts / notes receivable (payable)	
The Company	EXPAND ELECTRONIC CO., LTD.	Subsidiary	Purchase	109,320	36	30 days	No significant differences	Note 1	(61,574)	(22)	Note 2
EXPAND ELECTRONIC CO., LTD.	The Company	Subsidiary	(Sales)	(109,320)	(100)	30 days	No significant differences	Note 1	61,574	100	Note 2

Note 1: Payments are netted with the account receivable resulting from the Company purchasing on behalf of related parties.

Note 2: The transactions within the Group were eliminated in the consolidated financial statements.

- (v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Unit: thousand dollars

Name of related party	Counter-party	Relationship	Balance of receivables from related party	Turnover rate	Overdue amount		Amounts received in subsequent period	Allowances for bad debts
					Amount	Action taken		
The Company	ATEN INFOTECH N.V.	Subsidiary	214,431	0.89	-		- (As of April 29, 2025)	-
The Company	ATEN TECHNOLOGY INC.	Subsidiary	128,632	1.20	-		34,940 (As of April 29, 2025)	-
EXPAND INTERNATIONAL CO., LTD.	The Company	The ultimate parent company	191,868	-	-	Depend on capital budgeting	- (As of April 29, 2025)	-

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ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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(vi) Business relationships and significant intercompany transactions:

Unit: thousand dollars

No.	Name of company	Name of counter-party	Existing relationship with the counter-party	Transaction details			
				Account name	Amount	Trading terms	Percentage of the total consolidated revenue or total assets
0	The Company	ATEN TECHNOLOGY INC.	1	Sales revenue	44,103	No significant differences	4 %
0	The Company	ATEN INFOTECH N.V.	1	Sales revenue	50,409	No significant differences	4 %
0	The Company	ATEN CHINA CO., LTD.	1	Sales revenue	48,148	No significant differences	4 %
0	The Company	ATEN JAPAN CO., LTD.	1	Sales revenue	78,216	No significant differences	6 %
0	The Company	ATEN KOREA CO., LTD.	1	Sales revenue	88,681	No significant differences	7 %
0	The Company	ATEN UK LTD.	1	Sales revenue	16,273	No significant differences	1 %
0	The Company	ATECH PERIPHERALS.	1	Sales revenue	50,544	No significant differences	4 %
0	The Company	ATEN POLAND SP. Z O. O.	1	Sales revenue	16,143	No significant differences	1 %
0	The Company	ATEN TECHNOLOGY INC.	1	Accounts receivable	128,632	155 days	2 %
0	The Company	ATEN INFOTECH N.V.	1	Accounts receivable	214,431	150 days	3 %
0	The Company	ATEN CHINA CO., LTD.	1	Accounts receivable	93,071	120 days	1 %
1	EXPAND INTERNATIONAL CO., LTD.	The Company	2	Accounts receivable	191,868	Payments are netted with the accounts receivable resulting from the Company purchasing on behalf of related parties.	3 %
2	ATEN FOREMOST INTERNATIONAL CO., LTD.	The Company	2	Sales revenue	20,383	Payments are netted with the accounts receivable resulting from the Company purchasing on behalf of related parties.	2 %
3	EXPAND ELECTRONIC CO., LTD.	The Company	2	Sales revenue	109,320	The Company is its only customer	9 %
4	ATEN CANADA TECHNOLOGIES INC.	The Company	2	Sales revenue	26,415	The Company is its only customer	2 %
5	ATEN COMPUTER PRODUCTS CO., LTD.	The Company	2	Sales revenue	44,509	Payments are netted with the accounts receivable resulting from the Company purchasing on behalf of related parties.	4 %

Note 1: Company numbering is as follows:

- (1) Parent company is 0.
- (2) Subsidiary starts from 1.

Note 2: The number of the relationship with the transaction counterparty represents the following:

- (1) 1 represents downstream transactions.
- (2) 2 represents upstream transactions.
- (3) 3 represents sidestream transactions.

Note 3: For balance sheet items, over 1% of total consolidated assets, and for profit or loss items, over 1% of total consolidated revenue were selected for disclosure.

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ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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(b) Information on investees:

The following is the information on investees for the three month ended March 31, 2025 (excluding information on investees in Mainland China):

Unit: thousand dollars

Name of investor	Name of investee	Location	Scope of business	Original cost		Ending balance			Net income (loss) of investee	Investment income (losses)	Remarks
				March 31, 2025	December 31, 2024	Shares	Ratio of shares	Book value			
The Company	TOPMOST INTERNATIONAL CO., LTD.	Cayman	Investing	22,183	22,183	700,000	100 %	585,506	(350)	(350)	note 1
The Company	ATEN JAPAN CO., LTD.	Japan	Trading of computer peripheral equipment	25,105	25,105	1,600	100 %	182,413	18,574	18,574	note 1
The Company	ATEN US HOLDINGS INC.	USA	Investing	133,398	413,050	4,844,914	100 %	(20,236)	(32,669)	(32,669)	note 1 and 2
The Company	FOREMOST INTERNATIONAL CO., LTD.	Mauritius	Investing	69,730	69,730	2,180,628	100 %	4,814	(520)	(520)	note 1
The Company	ATECH PERIPHERALS.	Taiwan	Manufacturing and trading of computer peripheral equipment	90,479	90,479	10,000,000	100 %	140,127	3,935	3,943	note 1
The Company	ATEN INFOTECH N.V.	Belgium	Trading of computer peripheral equipment	54,197	54,197	58,343	100 %	6,485	1,648	1,648	note 1
The Company	ATEN COMPUTER PRODUCTS CO., LTD.	Thailand	Manufacturing of computer peripheral equipment	452,304	452,304	4,799,998	100 %	348,024	(3,986)	(3,986)	note 1
The Company	VISIONTOP CO., LTD.	Taiwan	Specialized printing	81,345	81,345	5,958,228	60 %	69,747	3,923	2,338	note 1
The Company	HONG JHENG TECHNOLOGY CO., LTD.	Taiwan	Investing	16,778	16,778	100,000	100 %	4,633	(2)	(3)	note 1
The Company	HONG YUAN CO., LTD.	Taiwan	Investing	16,778	16,778	100,000	100 %	4,780	(2)	(3)	note 1
The Company	ATEN ANZ PTY LTD.	Australia	Trading of computer peripheral equipment	77,350	77,350	3,500,000	100 %	11,322	(591)	(591)	note 1
The Company	RCM FULLY AUTOMATION CO., LTD.	Taiwan	Trading of computer peripheral equipment	7,800	7,800	780,000	26 %	5,891	(2,105)	(416)	note 1
The Company	ATEN INFO COMMUNICATION LIMITED LIABILITY COMPANY	Turkey	Trading of computer peripheral equipment	23,714	23,714	7,000	100 %	6,251	882	882	note 1
The Company	ATEN POLAND SP. Z O. O.	Poland	Trading of computer peripheral equipment	8,295	8,295	20,000	100 %	5,891	(35)	(35)	note 1
The Company	ATEN ROMANIA S.R.L	Romania	Trading of computer peripheral equipment	5,839	5,839	80,000	100 %	11,412	320	320	note 1
The Company	ATEN SOUTH AFRICA	South Africa	Trading of computer peripheral equipment	7,572	7,572	4,300	100 %	4,645	(580)	(580)	note 1
The Company and HONGYUAN CO., LTD.	ATEN ADVANCE PRIVATE LIMITED	India	Trading of computer peripheral equipment	9,030	9,030	2,200,000	100 %	18,334	7,223	7,223	note 1
The Company and HONGYUAN CO., LTD.	ATEN LATAM MEXICO S.A. DE C.V.	Mexico	Trading of computer peripheral equipment	13,827	13,827	8,700,000	100 %	6,954	(14)	(14)	note 1
The Company and HONGYUAN CO., LTD.	PT ATEN TECHNOLOGY INDONESIA	Indonesia	Trading of computer peripheral equipment	5,099	5,099	2,500	100 %	4,057	136	136	note 1
TOPMOST INTERNATIONAL CO., LTD.	ATEN EUROPE LTD.	UK	Investing	67,279	67,279	1,069,000	100 %	268,818	11,110	11,110	note 1
TOPMOST INTERNATIONAL CO., LTD.	I/O MASTER INC.	Samoa	Investing	9,782	9,782	700,000	100 %	37,742	(4,618)	(4,618)	note 1
ATEN US HOLDING INC.	ATEN NEW JERSEY INC.	USA	Trading of computer peripheral equipment	17,592	17,592	20	20 %	267	(51)	(10)	note 1
ATEN US HOLDING INC.	ATEN TECHNOLOGY INC.	USA	Trading of computer peripheral equipment	393,171	393,171	12,672,084	99 %	32,788	(33,114)	(32,912)	note 1
ATEN TECHNOLOGY INC.	ATEN NEW JERSEY INC.	USA	Trading of computer peripheral equipment	-	-	80	80 %	1,068	(51)	(41)	note 1
ATEN EUROPE LTD.	ATEN UK LTD.	UK	Trading of computer peripheral equipment	46,298	46,298	850,000	100 %	7,313	999	999	note 1
ATEN EUROPE LTD.	ATEN KOREA CO., LTD.	Korea	Trading of computer peripheral equipment	34,811	34,811	102,000	85 %	98,476	10,091	8,577	note 1
I/O MASTER INC.	ATEN CANADA TECHNOLOGIES INC.	Canada	Research and development	3	3	300	100 %	46,651	(4,620)	(4,620)	note 1
I/O MASTER INC.	IOGEAR, Inc.	USA	Trading of computer peripheral equipment	3	3	10	100 %	-	-	-	note 1
ATECH PERIPHERALS.	RCM FULLY AUTOMATION CO., LTD.	Taiwan	Trading of computer peripheral equipment	22,066	22,066	2,220,000	74 %	21,898	(2,105)	(1,558)	note 1

Note 1: Eliminated in the consolidated financial statements.
 Note 2: ATEN US HOLDINGS INC. executed the capital reduction with the amount of \$279,652 thousand (USD 8,535 thousand) in January 2025 and the reduction portion was 63.79%.

ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Unit: thousand dollars

Name of investee in Mainland China	Scope of business	Issued capital	Method of investment (Note 1)	Cumulative investment (amount) from Taiwan as of January 1, 2025	Investment flow during current period	Cumulative investment (amount) from Taiwan as of March 31, 2025	Net income (loss) on investee	Direct / indirect investment holding percentage	Investment income (loss) (Note 4)	Book value	Accumulated remittance of earnings in current period
EXPAND INTERNATIONAL CO., LTD. (Note 2)	Investing	21,383	(3)	21,383	-	21,383	(3,295)	100 %	(3,295) (1)	339,129	69,337
ATEN CHINA CO., LTD.	Trading of computer peripheral equipment	70,634 (Note 6)	(3)	51,394	-	51,394	(490)	100 %	(490) (2)	(564)	86,093
ATEN FOREMOST INTERNATIONAL CO., LTD.	Research and trading of computer peripheral equipment	29,315	(3)	29,315	-	29,315	(428)	100 %	(428) (2)	16,534	-
EXPAND ELECTRONIC CO., LTD.	Manufacturing of computer peripheral products	67,184	(3)	34,706	-	34,706	(3,410)	100 %	(3,410) (1)	138,186	-

Note 1: The method of investment is divided into the following four categories:

- (1) Remittance from third-region companies to invest in Mainland China.
- (2) Through the establishment of third-region companies then investing in Mainland China.
- (3) Through transferring the investment to third-region existing companies then investing in Mainland China.
- (4) Other methods: EX: delegated investments.

Note 2: In response to the regulation toward processing plants in China and Chinese government's incentive rewards for processing plants turn funded enterprises, the Company's investment through third party companies to reinvest the mainland areas of existing processing plant in Shenzhen, mainland was converted to a wholly owned company (EXPAND ELECTRONIC CO., LTD.) on March 27, 2012.

Note 3: Aforementioned amounts have been eliminated upon consolidation.

Note 4: The basis used for recognizing net income (loss) for the period:

- (1) The amount of investment income (loss) was recognized under the equity method based on the financial statements which were reviewed by the auditor of the Company.
- (2) The amount of investment income (loss) from investees was recognized under the equity method based on the financial statements which were not reviewed by the auditor of the Company.

Note 5: The exchange rate is USD 1 to NTD33.182.

Note 6: ATEN CHINA CO., Ltd executed the capital increase with the amount of \$13,710 thousand in March 2025.

(ii) Limitation on investment in Mainland China:

Company name	Accumulated investment amount remitted from Taiwan to Mainland China at the end of the period	Investment (amount) approved by Investment Commission, Ministry of Economic Affairs	Maximum investment amount set by Investment Commission, Ministry of Economic Affairs
The Company	136,798	182,501	- (Note 1)

Note 1: The Company was certified as an operations center by the Industrial Development Bureau, Ministry of Economic Affairs, in approval letter No.11251033200, and the certification is valid from August 14, 2023 to August 13, 2026. The Company has no limitation on investment in Mainland China during the abovementioned period.

Note 2: The exchange rate is USD1 to NTD33.182.

(iii) Significant transactions:

Please refer to 13(a) item No. 6 for further information.

(Continued)

ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(14) Segment information:

The Group's operating segment information and reconciliation are as follows:

	<u>Computer peripheral equipment</u>	<u>Others</u>	<u>Adjustments or elimination</u>	<u>Total</u>
Three months ended March 31, 2025				
Revenue:				
Revenue from external customers	\$ 1,171,144	33,557	-	1,204,701
Inter-segment revenues	<u>672,787</u>	<u>-</u>	<u>(672,787)</u>	<u>-</u>
Total revenue	<u>\$ 1,843,931</u>	<u>33,557</u>	<u>(672,787)</u>	<u>1,204,701</u>
Reportable segment profit or loss	<u>\$ 153,216</u>	<u>4,904</u>	<u>(4,446)</u>	<u>153,674</u>
Three months ended March 31, 2024				
Revenue:				
Revenue from external customers	\$ 1,145,989	29,033	-	1,175,022
Inter-segment revenues	<u>702,765</u>	<u>-</u>	<u>(702,765)</u>	<u>-</u>
Total revenue	<u>\$ 1,848,754</u>	<u>29,033</u>	<u>(702,765)</u>	<u>1,175,022</u>
Reportable segment profit or loss	<u>\$ 147,335</u>	<u>2,550</u>	<u>2,190</u>	<u>152,075</u>