

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

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Six Months Ended June 30, 2025 and 2024**

**Address: 3rd Floor, No. 125, Sec. 2, Datong Rd., Xizhi Dist., New Taipei City,  
Taiwan, R.O.C.**

**Telephone: (02)8692-6789**

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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安侯建業聯合會計師事務所  
KPMG

台北市110615信義路5段7號68樓(台北101大樓)  
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,  
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel	+ 886 2 8101 6666
傳真 Fax	+ 886 2 8101 6667
網址 Web	kpmg.com/tw

## 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 June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2025 and 2024, as well as the changes in equity and cash flows for the six months ended June 30, 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 \$2,287,915 thousand and \$2,151,302 thousand, constituting 33% and 30% of the consolidated total assets as of June 30, 2025 and 2024, respectively, total liabilities amounting to \$704,363 thousand and \$651,223 thousand, constituting 32% and 28% of the consolidated total liabilities at June 30, 2025 and 2024, respectively, and total comprehensive income amounting to \$43,558 thousand, \$20,689 thousand, \$90,037 thousand and \$57,295 thousand, constituting (395)%, 19%, 65% and 26% of the consolidated total comprehensive income for the three months and six months ended June 30, 2025 and 2024, 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 June 30, 2025 and 2024, and of its consolidated financial performance for the three months and six months ended June 30, 2025 and 2024, as well as its consolidated cash flows for the six months ended June 30, 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)  
August 7, 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**

**June 30, 2025, December 31, and June 30, 2024**

**(Expressed in Thousands of New Taiwan Dollars)**

		June 30, 2025		December 31, 2024		June 30, 2024				June 30, 2025		December 31, 2024		June 30, 2024	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
11xx	<b>Assets</b>							21xx	<b>Liabilities and Equity</b>						
1100	<b>Current assets:</b>							2102	<b>Current liabilities:</b>						
1110	Cash and cash equivalents (note 6(a))	\$ 1,025,256	15	1,128,293	16	1,095,375	16	2120	Short-term borrowings (notes 6(k) and 8)	\$ 318,998	5	366,758	5	389,838	6
	Financial assets at fair value through profit or loss — current (note 6(c))	302,305	4	276,048	4	445,433	6		Financial liabilities at fair value through profit or loss — current (note 6(c))	3,592	-	5,942	-	2,987	-
1136	Current financial assets at amortized cost, net (note 6(b))	88,650	1	138,088	2	157,243	2	2150	Notes payable	1,172	-	1,342	-	1,473	-
1140	Contract assets — current (note 6(r))	4,549	-	4,393	-	10,664	-	2170	Accounts payable	290,496	4	383,383	5	345,049	5
1150	Notes receivable, net (notes 6(e) and (r))	3,049	-	4,441	-	5,889	-	2216	Dividends Payable (note 6(p))	250,889	4	203,101	3	262,837	4
1170	Accounts receivable, net (notes 6(e) and (r))	663,415	10	717,330	10	662,227	10	2219	Other payable (notes 6(s) and 8)	500,289	7	544,969	8	539,210	8
1200	Other receivables (note 6(f))	3,757	-	6,859	-	16,641	-	2230	Current tax liabilities	67,695	1	130,686	2	85,858	1
130x	Inventories (note 6(g))	1,222,299	18	1,325,349	19	1,243,487	18	2250	Provisions — current (note 6(l))	24,205	-	24,205	-	22,810	-
1410	Prepayments	97,277	1	70,176	1	73,372	1	2280	Current lease liabilities (note 6(m))	100,818	1	65,019	1	68,479	1
1470	Other current assets	21,795	-	22,648	-	12,763	-	2399	Other current liabilities	80,767	1	82,736	1	86,496	1
	<b>Total current assets</b>	<u>3,432,352</u>	<u>49</u>	<u>3,693,625</u>	<u>52</u>	<u>3,723,094</u>	<u>53</u>		<b>Total current liabilities</b>	<u>1,638,921</u>	<u>23</u>	<u>1,808,141</u>	<u>25</u>	<u>1,805,037</u>	<u>26</u>
15xx	<b>Non-current assets:</b>							25xx	<b>Non-Current liabilities:</b>						
1517	Financial assets at fair value through other comprehensive income — non-current (note 6(d))	-	-	12,080	-	25,205	-	2540	Long-term borrowings (note 6(k))	50,000	1	-	-	-	-
1535	Non-current financial assets at amortized cost, net (note 6(b))	80,000	1	80,000	1	80,000	1	2570	Deferred income tax liabilities	153,638	2	154,443	2	180,694	2
1600	Property, plant and equipment (notes 6(h), 7, 8 and 9)	2,808,133	40	2,800,976	39	2,689,983	38	2580	Non-current lease liabilities (note 6(m))	247,310	4	166,044	3	194,949	3
1755	Right-of-use assets (note 6(i))	331,315	5	217,423	3	252,288	4	2640	Net defined benefit liabilities — non-current	60,591	1	60,926	1	70,694	1
1780	Intangible assets (note 6(j))	2,756	-	3,151	-	3,744	-	2645	Deposits received	1,014	-	1,014	-	1,014	-
1840	Deferred income tax assets	175,836	3	177,348	2	144,661	2	2670	Other non-current liabilities	59,989	1	58,039	1	56,447	1
1915	Prepayments for equipment	66	-	34	-	3	-		<b>Total non-current liabilities</b>	<u>572,542</u>	<u>9</u>	<u>440,466</u>	<u>7</u>	<u>503,798</u>	<u>7</u>
1920	Refundable deposits	40,988	1	42,206	1	32,321	-	2xxx	<b>Total liabilities</b>	<u>2,211,463</u>	<u>32</u>	<u>2,248,607</u>	<u>32</u>	<u>2,308,835</u>	<u>33</u>
1980	Other financial assets — non-current (notes 8 and 9)	95,055	1	95,439	2	115,982	2		<b>Equity attributable to shareholders of the company (notes 6(d) and (p)):</b>						
1990	Other non-current assets	886	-	1,316	-	1,270	-	3110	Common stock	1,194,711	17	1,194,711	17	1,194,711	17
	<b>Total non-current assets</b>	<u>3,535,035</u>	<u>51</u>	<u>3,429,973</u>	<u>48</u>	<u>3,345,457</u>	<u>47</u>	3200	Capital surplus:						
								3210	Additional paid-in capital	316,913	5	316,913	4	316,913	4
								3250	Donated assets received	50	-	50	-	50	-
										<u>316,963</u>	<u>5</u>	<u>316,963</u>	<u>4</u>	<u>316,963</u>	<u>4</u>
								3300	Retained earnings:						
								3310	Legal reserve	1,623,232	23	1,623,232	23	1,623,232	23
								3320	Special reserve	151,790	2	178,017	2	211,752	3
								3350	Unappropriated retained earnings	1,597,846	23	1,650,188	23	1,525,938	22
										<u>3,372,868</u>	<u>48</u>	<u>3,451,437</u>	<u>48</u>	<u>3,360,922</u>	<u>48</u>
								3400	Other equity interest:						
								3410	Financial statements translation differences for foreign operations	(186,639)	(3)	(150,870)	(2)	(175,557)	(3)
								3420	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(4,000)	-	(920)	-	(2,460)	-
										<u>(190,639)</u>	<u>(3)</u>	<u>(151,790)</u>	<u>(2)</u>	<u>(178,017)</u>	<u>(3)</u>
									<b>Total equity attributable to shareholders of the company</b>	<u>4,693,903</u>	<u>67</u>	<u>4,811,321</u>	<u>67</u>	<u>4,694,579</u>	<u>66</u>
								36xx	<b>Non-controlling interests</b>	62,021	1	63,670	1	65,137	1
								3xxx	<b>Total equity</b>	<u>4,755,924</u>	<u>68</u>	<u>4,874,991</u>	<u>68</u>	<u>4,759,716</u>	<u>67</u>
1xxx	<b>Total assets</b>	<u>\$ 6,967,387</u>	<u>100</u>	<u>7,123,598</u>	<u>100</u>	<u>7,068,551</u>	<u>100</u>	2-3xxx	<b>Total liabilities and equity</b>	<u>\$ 6,967,387</u>	<u>100</u>	<u>7,123,598</u>	<u>100</u>	<u>7,068,551</u>	<u>100</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 Comprehensive Income**

**For the six months ended June 30, 2025 and 2024**

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

		For the three months ended June 30				For the six months ended June 30			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	<b>Operating revenue (note 6(r))</b>	\$ 1,131,683	100	1,211,679	100	2,336,384	100	2,386,701	100
5000	<b>Operating costs (notes 6(g), (h), (i), (m), (n) and (s))</b>	<u>458,232</u>	<u>41</u>	<u>496,305</u>	<u>41</u>	<u>954,596</u>	<u>41</u>	<u>956,291</u>	<u>40</u>
5900	<b>Gross profit</b>	<u>673,451</u>	<u>59</u>	<u>715,374</u>	<u>59</u>	<u>1,381,788</u>	<u>59</u>	<u>1,430,410</u>	<u>60</u>
6000	<b>Operating expenses (notes 6(e), (h), (i), (j), (m), (n), (s) and 7):</b>								
6100	Selling expenses	307,278	27	312,632	26	608,194	26	619,058	26
6200	Administrative expenses	129,930	11	133,459	11	258,349	11	256,995	11
6300	Research and development expenses	136,929	12	135,167	11	275,121	12	267,992	11
6450	Impairment loss (reversal of impairment loss) determined in accordance with IFRS9	<u>(47)</u>	<u>-</u>	<u>123</u>	<u>-</u>	<u>(7)</u>	<u>-</u>	<u>123</u>	<u>-</u>
	<b>Total operating expenses</b>	<u>574,090</u>	<u>50</u>	<u>581,381</u>	<u>48</u>	<u>1,141,657</u>	<u>49</u>	<u>1,144,168</u>	<u>48</u>
6900	<b>Operating profit</b>	<u>99,361</u>	<u>9</u>	<u>133,993</u>	<u>11</u>	<u>240,131</u>	<u>10</u>	<u>286,242</u>	<u>12</u>
7000	<b>Non-operating income and expenses (notes 6(m) and (t)):</b>								
7100	Interest income	4,772	-	5,091	-	9,522	-	7,715	-
7010	Other income	3,376	-	3,399	-	7,750	-	6,669	-
7020	Other gains and losses	(32,753)	(3)	3,215	-	(21,936)	(1)	7,608	-
7050	Finance costs	<u>(8,641)</u>	<u>-</u>	<u>(8,446)</u>	<u>-</u>	<u>(15,678)</u>	<u>-</u>	<u>(18,907)</u>	<u>-</u>
	<b>Total non-operating income and expenses</b>	<u>(33,246)</u>	<u>(3)</u>	<u>3,259</u>	<u>-</u>	<u>(20,342)</u>	<u>(1)</u>	<u>3,085</u>	<u>-</u>
7900	<b>Profit from continuing operations before tax</b>	66,115	6	137,252	11	219,789	9	289,327	12
7950	<b>Less: Income tax expenses (note 6(o))</b>	<u>919</u>	<u>-</u>	<u>29,807</u>	<u>2</u>	<u>42,999</u>	<u>2</u>	<u>69,495</u>	<u>3</u>
	<b>Net income</b>	<u>65,196</u>	<u>6</u>	<u>107,445</u>	<u>9</u>	<u>176,790</u>	<u>7</u>	<u>219,832</u>	<u>9</u>
8300	<b>Other comprehensive income (note 6(p)):</b>								
8310	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	-	-	1,421	-	(2,976)	-	1,421	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>	<u>-</u>	<u>-</u>	<u>1,421</u>	<u>-</u>	<u>(2,976)</u>	<u>-</u>	<u>1,421</u>	<u>-</u>
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>								
8361	Exchange differences on translation of foreign financial statements	(76,214)	(7)	(1,712)	-	(35,863)	(1)	(81)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>	<u>(76,214)</u>	<u>(7)</u>	<u>(1,712)</u>	<u>-</u>	<u>(35,863)</u>	<u>(1)</u>	<u>(81)</u>	<u>-</u>
8300	<b>Other comprehensive income</b>	<u>(76,214)</u>	<u>(7)</u>	<u>(291)</u>	<u>-</u>	<u>(38,839)</u>	<u>(1)</u>	<u>1,340</u>	<u>-</u>
8500	<b>Total comprehensive income</b>	<u>\$ (11,018)</u>	<u>(1)</u>	<u>107,154</u>	<u>9</u>	<u>137,951</u>	<u>6</u>	<u>221,172</u>	<u>9</u>
8600	<b>Net income attributable to:</b>								
8610	Shareholders of the parent	\$ 63,466	6	105,405	9	172,216	7	216,023	9
8620	Non-controlling interests	<u>1,730</u>	<u>-</u>	<u>2,040</u>	<u>-</u>	<u>4,574</u>	<u>-</u>	<u>3,809</u>	<u>-</u>
		<u>\$ 65,196</u>	<u>6</u>	<u>107,445</u>	<u>9</u>	<u>176,790</u>	<u>7</u>	<u>219,832</u>	<u>9</u>
8700	<b>Total comprehensive income attributable to:</b>								
8710	Shareholders of the parent	\$ (12,565)	(1)	105,129	9	133,471	6	217,405	9
8720	Non-controlling interests	<u>1,547</u>	<u>-</u>	<u>2,025</u>	<u>-</u>	<u>4,480</u>	<u>-</u>	<u>3,767</u>	<u>-</u>
		<u>\$ (11,018)</u>	<u>(1)</u>	<u>107,154</u>	<u>9</u>	<u>137,951</u>	<u>6</u>	<u>221,172</u>	<u>9</u>
	<b>Basic earnings per share(in New Taiwan dollars) (note 6(q))</b>								
9710	Basic earnings per share	<u>\$ 0.53</u>		<u>0.88</u>		<u>1.44</u>		<u>1.81</u>	
9850	Diluted earnings per share	<u>\$ 0.53</u>		<u>0.88</u>		<u>1.43</u>		<u>1.79</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 Changes in Equity  
 For the six months ended June 30, 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:												
Legal reserve appropriated	-	-	56,555	-	(56,555)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	8,041	(8,041)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(262,837)	(262,837)	-	-	-	(262,837)	(3,380)	(266,217)
Net income	-	-	-	-	216,023	216,023	-	-	-	216,023	3,809	219,832
Other comprehensive income	-	-	-	-	-	-	(39)	1,421	1,382	1,382	(42)	1,340
Total comprehensive income	-	-	-	-	216,023	216,023	(39)	1,421	1,382	217,405	3,767	221,172
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(18,149)	(18,149)	-	18,149	18,149	-	-	-
Balance at June 30, 2024	\$ 1,194,711	316,963	1,623,232	211,752	1,525,938	3,360,922	(175,557)	(2,460)	(178,017)	4,694,579	65,137	4,759,716
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:												
Special reserve reversed	-	-	-	(26,227)	26,227	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(250,889)	(250,889)	-	-	-	(250,889)	(6,129)	(257,018)
Net income	-	-	-	-	172,216	172,216	-	-	-	172,216	4,574	176,790
Other comprehensive income	-	-	-	-	-	-	(35,769)	(2,976)	(38,745)	(38,745)	(94)	(38,839)
Total comprehensive income	-	-	-	-	172,216	172,216	(35,769)	(2,976)	(38,745)	133,471	4,480	137,951
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	104	104	-	(104)	(104)	-	-	-
Balance at June 30, 2025	\$ 1,194,711	316,963	1,623,232	151,790	1,597,846	3,372,868	(186,639)	(4,000)	(190,639)	4,693,903	62,021	4,755,924

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 six months ended June 30, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the six months ended June 30</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities:</b>		
Net income before tax	\$ 219,789	289,327
<b>Adjustments:</b>		
Adjustments to reconcile profit and loss		
Depreciation expense	109,251	115,771
Amortization expense	395	592
Impairment loss (reversal of impairment loss) determined in accordance with IFRS9	(7)	123
Interest expense	15,678	18,907
Interest income	(9,522)	(7,715)
Dividend income	(1,119)	-
Gains on disposal of property, plant and equipment	(371)	(322)
Property, plant and equipment transferred to expenses	71	133
Gains on lease modification	(100)	(254)
Total adjustments to reconcile profit and loss	114,276	127,235
Changes in assets / liabilities relating to operating activities:		
Net changes in operating assets:		
Financial assets at fair value through profit or loss	(26,257)	(48,193)
Contract assets	(156)	(2,780)
Notes receivable	1,392	833
Accounts receivable	53,922	52,566
Other receivable	3,102	(2,287)
Inventories	106,433	20,405
Prepayments	(27,101)	(12,270)
Other current assets	853	(2,509)
Total changes in operating assets, net	112,188	5,765
Net changes in operating liabilities:		
Financial liabilities held for trading	(2,350)	1,729
Notes payable	(170)	(208)
Accounts payable	(92,887)	57,893
Other payable	(44,680)	(11,428)
Other current liabilities	(1,969)	11,914
Net defined benefit liabilities	(335)	(163)
Other non-current liabilities	1,950	(1,201)
Total changes in operating liabilities, net	(140,441)	58,536
Total changes in operating assets / liabilities, net	(28,253)	64,301
Total adjustments	86,023	191,536
Cash provided by operating activities	305,812	480,863
Dividends received	1,119	-
Payment of income tax	(102,846)	(67,864)
<b>Net cash provided by operating activities</b>	<b>204,085</b>	<b>412,999</b>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	1,004	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	1,851
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	8,100	-
Proceeds (acquisition) of financial assets at amortised cost	49,438	(66,794)
Acquisition of financial assets at amortised cost — non-current	-	(80,000)
Acquisition of property, plant and equipment	(73,737)	(42,650)
Proceeds from disposal of property, plant and equipment	748	630
Decrease in refundable deposits	1,218	2,728
Decrease in other financial assets — non-current	384	151
Decrease in other non-current assets	430	265
Increase in prepayments for equipment	(35)	(1,858)
Interest received	9,522	7,715
<b>Net cash used in investing activities</b>	<b>(2,928)</b>	<b>(177,962)</b>
<b>Cash flows from financing activities:</b>		
Decrease in short-term borrowings	(51,390)	(15,453)
Proceeds from long-term borrowings	50,000	-
Increase in deposits received	-	250
Payment of lease liabilities	(50,225)	(55,604)
Cash dividends paid	(209,230)	(254,269)
Interest paid	(15,678)	(18,907)
<b>Net cash used in financing activities</b>	<b>(276,523)</b>	<b>(343,983)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(27,671)</b>	<b>10,334</b>
<b>Net decrease in cash and cash equivalents for the period</b>	<b>(103,037)</b>	<b>(98,612)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,128,293</b>	<b>1,193,987</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 1,025,256</b>	<b>1,095,375</b>

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**

**June 30, 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 August 7, 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:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards— Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(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:

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
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"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>	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 19 “Subsidiaries without Public Accountability: Disclosures”

#### (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
			June 30, 2025	December 31, 2024	June 30, 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 %	
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

(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
			June 30, 2025	December 31, 2024	June 30, 2024	
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
FOREMOST	ATEN FOREMOST INTERNATIONAL CO., LTD. (ATEN FOREMOST)	Research and trading of computer peripheral products	100.00 %	100.00 %	100.00 %	Note 1
ATEN FOREMOST	ATEN CHINA CO., LTD. (ATEN CHINA)	Trading of computer peripheral products	100.00 %	100.00 %	100.00 %	Note 1
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 %	

(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
			June 30, 2025	December 31, 2024	June 30, 2024	
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.

**(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.

**(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.

(Continued)

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

**(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**

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Cash and cash equivalents	\$ 1,535	1,339	1,618
Saving deposits and foreign currency deposits	731,231	915,284	613,885
Checking deposits	16,937	20,107	20,028
Time deposits	187,247	129,232	122,748
Repurchase agreement	88,306	62,331	337,096
Cash and cash equivalents in the consolidated statement of cash flows	<u><u>\$ 1,025,256</u></u>	<u><u>1,128,293</u></u>	<u><u>1,095,375</u></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**

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Financial assets at amortized cost – current:			
Bank's time deposits	<u><u>\$ 88,650</u></u>	<u><u>138,088</u></u>	<u><u>157,243</u></u>
Interest rate(%)	<u><u>1.285~4.01</u></u>	<u><u>1.425~5</u></u>	<u><u>1.3~5</u></u>
Financial assets at amortized cost – non current:			
Corporate bonds	<u><u>\$ 80,000</u></u>	<u><u>80,000</u></u>	<u><u>80,000</u></u>
Interest rate(%)	<u><u>3.7</u></u>	<u><u>3.7</u></u>	<u><u>3.7</u></u>

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.

(Continued)

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

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

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Mandatorily measured at fair value through profit or loss — current:			
Derivative instruments not used for hedging	\$ 5,046	2,961	1,162
Non-derivative financial assets	297,259	273,087	444,271
Total	<b>\$ 302,305</b>	<b>276,048</b>	<b>445,433</b>
	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Financial liabilities held for trading — current:			
Derivative instruments not used for hedging	<b>\$ 3,592</b>	<b>5,942</b>	<b>2,987</b>

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

As of June 30, 2025, December 31 and June 30, 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 June 30, 2025, December 31 and June 30, 2024.

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

	<b>June 30, 2025</b>		
	<b>Contract amount (thousand dollars)</b>	<b>Currency</b>	<b>Maturity dates</b>
Forward exchange sold	EUR 1,263 / NTD 46,090	EUR/NTD	2025.07.18~2025.08.29
Forward exchange sold	USD 4,200 / NTD 128,084	USD/NTD	2025.07.07~2025.09.24
Forward exchange sold	JPY 89,000 / NTD 18,594	JPY/NTD	2025.07.18
Forward exchange sold	GBP 141 / NTD 5,936	GBP/NTD	2025.07.07
Forward exchange sold	AUD 135 / NTD 2,770	AUD/NTD	2025.08.01
Forward exchange purchased	USD 120 / KRW 161,951	USD/KRW	2025.08.28

(Continued)

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

<b>December 31, 2024</b>			
	<b>Contract amount (thousand dollars)</b>	<b>Currency</b>	<b>Maturity dates</b>
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

<b>June 30, 2024</b>			
	<b>Contract amount (thousand dollars)</b>	<b>Currency</b>	<b>Maturity dates</b>
Forward exchange sold	EUR 2,961 / NTD 103,117	EUR/NTD	2024.07.01~2024.08.28
Forward exchange sold	JPY 161,000 / NTD 32,945	JPY/NTD	2024.07.19~2024.08.19
Forward exchange sold	GBP 180 / NTD 7,370	GBP/NTD	2024.08.16~2024.09.16
Forward exchange sold	AUD 145 / NTD 3,106	AUD/NTD	2024.09.30
Forward exchange purchased	USD 400 / KRW 545,903	USD/KRW	2024.07.29~2024.08.29

Held-for-trading financial liabilities — Forward contract:

<b>June 30, 2025</b>			
	<b>Contract amount (thousand dollars)</b>	<b>Currency</b>	<b>Maturity dates</b>
Forward exchange sold	EUR 1,214 / NTD 41,244	EUR/NTD	2025.07.18~2025.10.29
Forward exchange sold	USD 3,530 / NTD 103,524	USD/NTD	2025.07.21~2025.11.26
Forward exchange sold	JPY 109,000 / NTD 22,225	JPY/NTD	2025.08.20
Forward exchange sold	GBP 300 / NTD 11,985	GBP/NTD	2025.08.06~2025.09.05
Forward exchange sold	AUD 123 / NTD 2,360	AUD/NTD	2025.09.03~2025.10.01
Forward exchange purchased	USD 565 / KRW 776,680	USD/KRW	2025.07.30~2025.08.28

(Continued)



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

<b>December 31, 2024</b>			
	<b>Contract amount (thousand dollars)</b>	<b>Currency</b>	<b>Maturity dates</b>
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
<b>June 30, 2024</b>			
	<b>Contract amount (thousand dollars)</b>	<b>Currency</b>	<b>Maturity dates</b>
Forward exchange sold	EUR 1,440 / NTD 49,606	EUR/NTD	2024.07.05~2024.09.23
Forward exchange sold	USD 7,950 / NTD 253,900	USD/NTD	2024.07.05~2024.10.30
Forward exchange sold	GBP 190 / NTD 7,657	GBP/NTD	2024.07.15~2024.08.16
Forward exchange sold	USD 300 / CNY 2,179	USD/CNY	2024.07.03
Forward exchange sold	AUD 247 / NTD 5,210	AUD/NTD	2024.07.01~2024.08.30
Forward exchange purchased	USD 350 / KRW 483,170	USD/KRW	2024.07.29~2024.08.29

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

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

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Equity investments at fair value through other comprehensive income:			
Unlisted stocks (domestic) — non-current	\$ -	12,080	25,205

(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.

(Continued)

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

- (ii) The Company sold the domestic unlisted stocks at the fair value for the six month ended June 30, 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 six month ended June 30, 2024, the fair value at that time of disposal was \$1,851 thousand and accumulated loss on disposal was \$18,149 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

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Notes receivable	\$ 3,049	4,441	5,889
Accounts receivable, net	663,648	717,570	662,450
Less: allowance for impairment	233	240	223
	<u><b>\$ 666,464</b></u>	<u><b>721,771</b></u>	<u><b>668,116</b></u>

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 June 30, 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:

	<b>June 30, 2025</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average expected credit loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 650,153	0%	-
0 to 30 days past due	15,050	0%	-
31 to 60 days past due	710	0%	-
61 to 90 days past due	155	0%	-
91 to 120 days past due	64	0%	-
121 to 180 days past due	27	0%	-
181 to 360 days past due	428	25%~100%	123
More than 360 days past due	110	100%	110
	<u><b>\$ 666,697</b></u>		<u><b>233</b></u>

(Continued)

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

	<b>December 31, 2024</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average expected credit loss rate</b>	<b>Loss allowance provision</b>
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
	<b>\$ 722,011</b>		<b>125</b>

  

	<b>June 30, 2024</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average expected credit loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 626,086	0%	-
0 to 30 days past due	40,248	0%	-
31 to 60 days past due	976	0%	-
61 to 90 days past due	537	0%	-
121 to 180 days past due	405	0%~50%	168
More than 360 days past due	87	60%~100%	55
	<b>\$ 668,339</b>		<b>223</b>

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

	<b>For the six months ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Balance at January 1	\$ 240	100
Impairment loss recognized	23	168
Impairment loss reversed	(30)	(45)
Balance at June 30	<b>\$ 233</b>	<b>223</b>

As of June 30, 2025, December 31 and June 30, 2024, the bank has priority claim over the Group's accounts receivable amounting to \$84,014 thousand, \$118,472 thousand and \$105,697 thousand, respectively.

(Continued)

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

(f) Other receivables

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Other receivables	<u>\$ 3,757</u>	<u>6,859</u>	<u>16,641</u>

As of June 30, 2025, December 31 and June 30, 2024, the Group had no other receivable that were past due and did not have any impairment on other receivables.

(g) Inventories

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

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Finished goods	\$ 639,980	695,533	669,325
Work in process	168,421	201,606	154,639
Raw material	<u>413,898</u>	<u>428,210</u>	<u>419,523</u>
	<u>\$ 1,222,299</u>	<u>1,325,349</u>	<u>1,243,487</u>

The Group except for operating costs arising from the ordinary sale of inventories, other gains and losses directly recorded under operating cost were as follows:

	<b>For the three months ended June 30</b>		<b>For the six months ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Losses on (reversal of) decline in market value of inventory	\$ (1,799)	4,157	6,169	14,006
Losses on scrapping of inventory	2,685	4,947	3,625	5,567
Losses (gains) on physical inventory and others	<u>(5)</u>	<u>88</u>	<u>(77)</u>	<u>172</u>
Total	<u>\$ 881</u>	<u>9,192</u>	<u>9,717</u>	<u>19,745</u>

As of June 30, 2025, December 31 and June 30, 2024, the bank has priority claim over the Group's inventories amounting to \$163,658 thousand, \$215,126 thousand and \$235,769 thousand, respectively.

(Continued)

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

(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	-	-	14,047	2,419	16,919	40,352	73,737
Disposals	-	-	-	(860)	(13,429)	-	(14,289)
Reclassification	-	-	2,133	185	1,938	(4,161)	95
Effect of changes in exchange rates	(1,492)	(22)	(8,303)	(4,021)	(9,626)	(4)	(23,468)
Balance at June 30, 2025	<u>\$ 1,716,852</u>	<u>9,426</u>	<u>1,178,508</u>	<u>305,990</u>	<u>489,343</u>	<u>138,660</u>	<u>3,838,779</u>
Balance at January 1, 2024	\$ 1,705,303	9,514	1,135,860	313,251	468,744	9,018	3,641,690
Additions	12,259	-	7,778	925	13,515	8,173	42,650
Disposals	-	-	-	(35,000)	(10,365)	-	(45,365)
Reclassification	2,901	-	3,143	2,112	2,460	(3,097)	7,519
Effect of changes in exchange rates	(3,594)	(139)	(5,346)	524	3,956	2	(4,597)
Balance at June 30, 2024	<u>\$ 1,716,869</u>	<u>9,375</u>	<u>1,141,435</u>	<u>281,812</u>	<u>478,310</u>	<u>14,096</u>	<u>3,641,897</u>
Depreciation:							
Balance at January 1, 2025	\$ -	8,398	436,938	178,131	378,261	-	1,001,728
Depreciation	-	451	17,996	14,057	21,899	-	54,403
Disposal	-	-	-	(860)	(13,052)	-	(13,912)
Effect of changes in exchange rates	-	(16)	(192)	(3,151)	(8,214)	-	(11,573)
Balance at June 30, 2025	<u>\$ -</u>	<u>8,833</u>	<u>454,742</u>	<u>188,177</u>	<u>378,894</u>	<u>-</u>	<u>1,030,646</u>
Balance at January 1, 2024	\$ -	7,542	400,586	186,180	343,666	-	937,974
Depreciation	-	449	18,065	13,214	23,665	-	55,393
Disposal	-	-	-	(35,000)	(10,057)	-	(45,057)
Effect of changes in exchange rates	-	(92)	(907)	821	3,782	-	3,604
Balance at June 30, 2024	<u>\$ -</u>	<u>7,899</u>	<u>417,744</u>	<u>165,215</u>	<u>361,056</u>	<u>-</u>	<u>951,914</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>
June 30, 2025	<u>\$ 1,716,852</u>	<u>593</u>	<u>723,766</u>	<u>117,813</u>	<u>110,449</u>	<u>138,660</u>	<u>2,808,133</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>
June 30, 2024	<u>\$ 1,716,869</u>	<u>1,476</u>	<u>723,691</u>	<u>116,597</u>	<u>117,254</u>	<u>14,096</u>	<u>2,689,983</u>

As of June 30, 2025, December 31 and June 30, 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 June 30, 2025, December 31 and June 30, 2024, the bank has priority claim over the Group's property, plant and equipment amounting to \$3,356 thousand, \$4,562 thousand and \$4,829 thousand, respectively.

(Continued)

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

(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:

	<u>Land and buildings</u>	<u>Transportation equipment</u>	<u>Other equipment</u>	<u>Total</u>
Cost:				
Balance at January 1, 2025	\$ 439,882	10,686	6,631	457,199
Additions	187,359	609	-	187,968
Write-off	(155,991)	(1,280)	-	(157,271)
Effect of changes in foreign exchange rates	(26,844)	(4)	(416)	(27,264)
Balance at June 30, 2025	<u>\$ 444,406</u>	<u>10,011</u>	<u>6,215</u>	<u>460,632</u>
Balance at January 1, 2024	\$ 440,575	10,805	6,356	457,736
Additions	14,019	1,290	-	15,309
Write-off	(21,171)	(2,491)	-	(23,662)
Effect of changes in exchange rates	15,328	36	210	15,574
Balance at June 30, 2024	<u>\$ 448,751</u>	<u>9,640</u>	<u>6,566</u>	<u>464,957</u>
Accumulated depreciation:				
Balance at January 1, 2025	\$ 229,199	6,427	4,150	239,776
Depreciation	52,820	1,605	423	54,848
Write-off	(155,307)	(1,280)	-	(156,587)
Effect of changes in exchange rates	(8,456)	52	(316)	(8,720)
Balance at June 30, 2025	<u>\$ 118,256</u>	<u>6,804</u>	<u>4,257</u>	<u>129,317</u>
Balance at January 1, 2024	\$ 159,007	5,650	3,116	167,773
Depreciation	58,579	1,376	423	60,378
Write-off	(17,508)	(2,054)	-	(19,562)
Effect of changes in exchange rates	3,904	30	146	4,080
Balance at June 30, 2024	<u>\$ 203,982</u>	<u>5,002</u>	<u>3,685</u>	<u>212,669</u>
Carrying value:				
January 1, 2025	<u>\$ 210,683</u>	<u>4,259</u>	<u>2,481</u>	<u>217,423</u>
June 30, 2025	<u>\$ 326,150</u>	<u>3,207</u>	<u>1,958</u>	<u>331,315</u>
January 1, 2024	<u>\$ 281,568</u>	<u>5,155</u>	<u>3,240</u>	<u>289,963</u>
June 30, 2025	<u>\$ 244,769</u>	<u>4,638</u>	<u>2,881</u>	<u>252,288</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 June 30, 2025)	<u>\$ 105,814</u>	<u>4,857</u>	<u>5,926</u>	<u>116,597</u>
Balance at January 1, 2024 (Balance at June 30, 2024)	<u>\$ 105,814</u>	<u>4,857</u>	<u>5,926</u>	<u>116,597</u>

(Continued)

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

	<u>Goodwill</u>	<u>Trademark</u>	<u>Customer relationship</u>	<u>Total</u>
Amortization:				
Balance at January 1, 2025	\$ 103,058	4,857	5,531	113,446
Amortization	-	-	395	395
Balance at June 30, 2025	<u>\$ 103,058</u>	<u>4,857</u>	<u>5,926</u>	<u>113,841</u>
Balance at January 1, 2024	\$ 103,058	4,857	4,346	112,261
Amortization	-	-	592	592
Balance at June 30, 2024	<u>\$ 103,058</u>	<u>4,857</u>	<u>4,938</u>	<u>112,853</u>
Carrying value:				
January 1, 2025	<u>\$ 2,756</u>	-	<u>395</u>	<u>3,151</u>
June 30, 2025	<u>\$ 2,756</u>	-	-	<u>2,756</u>
January 1, 2024	<u>\$ 2,756</u>	-	<u>1,580</u>	<u>4,336</u>
June 30, 2024	<u>\$ 2,756</u>	-	<u>988</u>	<u>3,744</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.

(ii) Collateral

As of June 30, 2025, December 31 and June 30, 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

	<u>June 30, 2025</u>		
	<u>Currency</u>	<u>Interest rate (%)</u>	<u>Maturity year</u>
Secured loans	USD	6.2	2025
Secured loans	KRW	3.61~3.83	2025
Unsecured loans	EUR	2.8326	2025
Unsecured loans	GBP	5.2~5.25	2025
Unsecured loans	CNY	2.2437~3.7	2025
Unsecured loans	TWD	2.22	2025
Total			<u>\$ 318,998</u>

(Continued)

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

<b>December 31, 2024</b>				
	<b>Currency</b>	<b>Interest rate (%)</b>	<b>Maturity year</b>	<b>Amount</b>
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>

<b>June 30, 2024</b>				
	<b>Currency</b>	<b>Interest rate (%)</b>	<b>Maturity year</b>	<b>Amount</b>
Secured loans	USD	7.2	2024	\$ 121,688
Secured loans	KRW	3.79~4.52	2024	47,598
Unsecured loans	EUR	4.566	2024	34,705
Unsecured loans	GBP	6.03~6.04	2024	26,056
Unsecured loans	JPY	1.84545	2024	40,320
Unsecured loans	CNY	3.49~4.25	2024	104,471
Unsecured loans	TWD	1.8	2024	15,000
Total				<u><u>\$ 389,838</u></u>

As of June 30, 2025, December 31 and June 30, 2024, the unused credit facilities of the Group's short-term borrowings amounted to \$2,625,653 thousand, \$3,179,207 thousand and \$2,512,100 thousand, respectively.

(ii) Long-term borrowings

<b>June 30, 2025</b>				
	<b>Currency</b>	<b>Interest rate (%)</b>	<b>Maturity year</b>	<b>Amount</b>
Unsecured loans	TWD	2.038	2030	<u><u>\$ 50,000</u></u>
Non-current				<u><u>\$ 50,000</u></u>

As of June 30, 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 June 30, 2024.

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

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

(iii) Collateral of loans

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

(l) Provisions

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Warranties	\$ <u>24,205</u>	<u>24,205</u>	<u>22,810</u>

For the six months ended June 30, 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:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Current	\$ <u>100,818</u>	<u>65,019</u>	<u>68,479</u>
Non-current	\$ <u>247,310</u>	<u>166,044</u>	<u>194,949</u>

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

The amounts recognized in profit or loss were as follows:

	<b>For the three months ended June 30</b>		<b>For the six months ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Interest on lease liabilities	\$ <u>4,132</u>	<u>3,944</u>	<u>8,148</u>	<u>8,051</u>
Expenses relating to short-term leases	\$ <u>4,884</u>	<u>3,806</u>	<u>8,491</u>	<u>7,224</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>661</u>	<u>195</u>	<u>1,389</u>	<u>395</u>

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

	<b>For the six months ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Total cash outflow for leases	\$ <u>68,253</u>	<u>71,274</u>

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

(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.

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

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Operating costs	\$ 97	84	192	184
Selling expenses	54	53	114	108
Administration expenses	194	104	386	275
Research and development expenses	38	87	74	123
Total	<u>\$ 383</u>	<u>328</u>	<u>766</u>	<u>690</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 June 30		For the six months ended June 30	
	2025	2024	2025	2024
Operating costs	\$ 2,102	1,746	4,070	4,089
Selling expenses	8,824	7,608	18,593	16,879
Administration expenses	2,359	2,379	4,723	4,504
Research and development expenses	2,868	2,719	5,693	5,393
Total	<u>\$ 16,153</u>	<u>14,452</u>	<u>33,079</u>	<u>30,865</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.

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

The amount of income tax were as follows:

	<b>For the three months ended June 30</b>		<b>For the six months ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Current tax expense				
Current period	\$ 19,512	31,984	61,592	71,672
Adjustment for prior periods	<u>(18,593)</u>	<u>(2,177)</u>	<u>(18,593)</u>	<u>(2,177)</u>
Income tax expense from continuing operations	<u><b>\$ 919</b></u>	<u><b>29,807</b></u>	<u><b>42,999</b></u>	<u><b>69,495</b></u>

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

(p) Capital and other equity

Except for those mentioned below, there were no significant changes in capital for the six months ended June 30, 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.

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

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:

	<b>2025</b>
	<b>January – June</b>
	<b>August 7, 2025</b>
Resolution Date of ATEN's Board of Directors	
Cash dividends to shareholders	\$ <u>119,471</u>
Cash dividends per share (NTD)	\$ <u>1.0</u>

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

	<b>2024</b>	<b>2024</b>
	<b>July – December</b>	<b>January – June</b>
	<b>February 25,</b>	<b>August 8, 2024</b>
	<b>2025</b>	<b>August 8, 2024</b>
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>

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:

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

(ii) Other equities (net of tax)

	<b>Foreign exchange differences arising from foreign operations</b>	<b>Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income</b>	<b>Non-controlling interests</b>	<b>Total</b>
Balance as of January 1, 2025	\$ (150,870)	(920)	(7,583)	(159,373)
Foreign exchange differences arising from foreign operations	(35,769)	-	(94)	(35,863)
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 June 30, 2025	\$ <u>(186,639)</u>	<u>(4,000)</u>	<u>(7,677)</u>	<u>(198,316)</u>

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

	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, 2024	\$ (175,518)	(22,030)	(6,271)	(203,819)
Foreign exchange differences arising from foreign operations	(39)	-	(42)	(81)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	1,421	-	1,421
Disposal of investments in equity instruments designed at fair value through other comprehensive income	-	18,149	-	18,149
Balance as of June 30, 2024	<u>\$ (175,557)</u>	<u>(2,460)</u>	<u>(6,313)</u>	<u>(184,330)</u>

(q) Earnings per share

The calculation of the Group's basic earnings per share and diluted earnings per share for the six months ended June 30, 2025 and 2024 was as follows:

(i) Basic earnings per share

	For the three months ended June 30		Unit: thousand of shares For the six months ended June 30	
	2025	2024	2025	2024
Net income attributable to ordinary shareholders of the Company	<u>\$ 63,466</u>	<u>105,405</u>	<u>172,216</u>	<u>216,023</u>
Weighted-average number of ordinary shares	<u>119,471</u>	<u>119,471</u>	<u>119,471</u>	<u>119,471</u>
Basic earnings per share (NTD)	<u>\$ 0.53</u>	<u>0.88</u>	<u>1.44</u>	<u>1.81</u>

(ii) Diluted earnings per share

	For the three months ended June 30		Unit: thousand of shares For the six months ended June 30	
	2025	2024	2025	2024
Net income attributable to ordinary shareholders of the Company	<u>\$ 63,466</u>	<u>105,405</u>	<u>172,216</u>	<u>216,023</u>
Weighted-average number of ordinary shares (basic)	119,471	119,471	119,471	119,471
Impact of potential common shares				
Effect of employee share bonus	567	563	988	1,072
Weighted-average number of ordinary shares (diluted)	<u>120,038</u>	<u>120,034</u>	<u>120,459</u>	<u>120,543</u>
Diluted earnings per share (NTD)	<u>\$ 0.53</u>	<u>0.88</u>	<u>1.43</u>	<u>1.79</u>

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

(r) Revenue from contracts with customers

(i) Disaggregation of revenue

<b>For the three months ended June 30, 2025</b>			
	<b>Computer peripheral products</b>	<b>Other</b>	<b>Total</b>
Primary geographical markets:			
United States	\$ 193,849	-	193,849
Japan	177,255	-	177,255
Taiwan	142,696	35,382	178,078
South Korea	75,720	-	75,720
China	74,089	-	74,089
Others	432,692	-	432,692
	<b>\$ 1,096,301</b>	<b>35,382</b>	<b>1,131,683</b>
Major product lines:			
IT infrastructure management solutions	\$ 702,148	-	702,148
Video products	179,895	-	179,895
Others	214,258	35,382	249,640
	<b>\$ 1,096,301</b>	<b>35,382</b>	<b>1,131,683</b>
<b>For the three months ended June 30, 2024</b>			
	<b>Computer peripheral products</b>	<b>Other</b>	<b>Total</b>
Primary geographical markets:			
United States	\$ 257,636	-	257,636
Japan	142,182	-	142,182
Taiwan	145,580	33,036	178,616
South Korea	89,382	-	89,382
China	87,663	-	87,663
Others	456,200	-	456,200
	<b>\$ 1,178,643</b>	<b>33,036</b>	<b>1,211,679</b>
Major product lines:			
IT infrastructure management solutions	\$ 763,709	-	763,709
Video products	203,522	-	203,522
Others	211,412	33,036	244,448
	<b>\$ 1,178,643</b>	<b>33,036</b>	<b>1,211,679</b>

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

<b>For the six months ended June 30, 2025</b>			
	<b>Computer peripheral products</b>	<b>Other</b>	<b>Total</b>
Primary geographical markets:			
United States	\$ 388,801	-	388,801
Japan	381,462	-	381,462
Taiwan	270,471	68,939	339,410
South Korea	185,164	-	185,164
China	156,306	-	156,306
Others	885,241	-	885,241
	<b>\$ 2,267,445</b>	<b>68,939</b>	<b>2,336,384</b>
Major product lines:			
IT infrastructure management solutions	\$ 1,450,269	-	1,450,269
Video products	394,183	-	394,183
Others	422,993	68,939	491,932
	<b>\$ 2,267,445</b>	<b>68,939</b>	<b>2,336,384</b>
<b>For the six months ended June 30, 2024</b>			
	<b>Computer peripheral products</b>	<b>Other</b>	<b>Total</b>
Primary geographical markets:			
United States	\$ 471,694	-	471,694
Japan	334,581	-	334,581
Taiwan	297,825	62,069	359,894
China	177,662	-	177,662
South Korea	176,098	-	176,098
Others	866,772	-	866,772
	<b>\$ 2,324,632</b>	<b>62,069</b>	<b>2,386,701</b>
Major product lines:			
IT infrastructure management solutions	\$ 1,494,340	-	1,494,340
Video products	416,455	-	416,455
Others	413,837	62,069	475,906
	<b>\$ 2,324,632</b>	<b>62,069</b>	<b>2,386,701</b>

(Continued)

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

(ii) Contract balance

	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivable	\$ 3,049	4,441	5,889
Accounts receivable, net	663,648	717,570	662,450
Less: allowance for impairment	233	240	223
Total	<u>\$ 666,464</u>	<u>721,771</u>	<u>668,116</u>
Contract assets	<u>\$ 4,549</u>	<u>4,393</u>	<u>10,664</u>

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

(s) Remuneration to employees, directors and supervisors

On May 28, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 10%~16% shall be allocated as employee remuneration (including a minimum of 15%~35% to those base-level employees) and a maximum of 2% as remunerations for directors and supervisors. 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. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, may include employees of the subsidiaries who meet certain specific requirements.

In accordance with the Company's articles before amendment, 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.

For the three months and six months ended June 30, 2025 and 2024, the estimated amounts of employees' compensation were \$9,776 thousand, \$22,674 thousand, \$33,418 thousand and \$46,802 thousand, respectively, and the estimated amounts of directors' remuneration were \$652 thousand, \$1,814 thousand, \$2,228 thousand and \$3,744 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.

(Continued)



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

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 June 30		For the six months ended June 30	
	2025	2024	2025	2024
Interest income from bank deposits	\$ <u>4,772</u>	<u>5,091</u>	<u>9,522</u>	<u>7,715</u>

(ii) Other income

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Dividend income	\$ -	-	1,119	-
Total other income—Other	<u>3,376</u>	<u>3,399</u>	<u>6,631</u>	<u>6,669</u>
Total other income	\$ <u>3,376</u>	<u>3,399</u>	<u>7,750</u>	<u>6,669</u>

(iii) Other gains and losses

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Gains (losses) on disposal of property, plant and equipment	\$ 160	(20)	371	322
Gains (losses) on foreign exchange	(53,385)	6,663	(24,956)	21,154
Gains (losses) on financial assets / liabilities at fair value through profit or loss	21,475	(3,252)	3,503	(13,659)
Others	(1,003)	(176)	(854)	(209)
Net other gains and losses	\$ <u>(32,753)</u>	<u>3,215</u>	<u>(21,936)</u>	<u>7,608</u>

(iv) Finance costs

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Interest expense	\$ <u>8,641</u>	<u>8,446</u>	<u>15,678</u>	<u>18,907</u>

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

(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.

	Carrying amount	Contractual cash flows	Within a year	1-2 years	2-3 years	3-5 years	Over 5 years
<b>June 30, 2025</b>							
Non-derivative financial liabilities							
Secured loans	\$ 179,700	182,171	182,171	-	-	-	-
Unsecured loans	189,298	193,795	140,738	1,019	10,917	41,121	-
Notes and accounts payable	291,668	291,668	291,668	-	-	-	-
Dividends Payable	250,889	250,889	250,889	-	-	-	-
Other payables	500,289	500,289	500,289	-	-	-	-
Lease liabilities	348,128	382,889	114,840	97,427	74,045	80,026	16,551
Deposits received	1,014	1,014	1,014	-	-	-	-
Derivative financial liabilities							
Other forward contracts:							
Outflow	3,592	3,592	3,592	-	-	-	-
	<u>\$ 1,764,578</u>	<u>1,806,307</u>	<u>1,485,201</u>	<u>98,446</u>	<u>84,962</u>	<u>121,147</u>	<u>16,551</u>
<b>December 31, 2024</b>							
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>\$ 1,737,572</u>	<u>1,775,430</u>	<u>1,590,636</u>	<u>61,087</u>	<u>47,307</u>	<u>76,399</u>	<u>-</u>
<b>June 30, 2024</b>							
Non-derivative financial liabilities							
Secured loans	\$ 169,286	171,656	171,656	-	-	-	-
Unsecured loans	220,552	222,365	222,365	-	-	-	-
Notes and accounts payable	346,522	346,522	346,522	-	-	-	-
Dividends Payable	262,837	262,837	262,837	-	-	-	-
Other payables	539,210	539,210	539,210	-	-	-	-
Lease liabilities	263,428	300,083	97,621	55,195	48,055	95,247	3,965
Deposits received	1,014	1,014	1,014	-	-	-	-
Derivative financial liabilities							
Other forward contracts:							
Outflow	2,987	2,987	2,987	-	-	-	-
	<u>\$ 1,805,836</u>	<u>1,846,674</u>	<u>1,644,212</u>	<u>55,195</u>	<u>48,055</u>	<u>95,247</u>	<u>3,965</u>

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**ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES**  
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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>
<b>June 30, 2025</b>			
Financial assets:			
Monetary items:			
USD	\$ 17,168	29.9020	513,344
JPY	278,047	0.2075	57,695
GBP	729	40.9627	29,873
EUR	5,915	35.0481	207,309
CNY	25,659	4.1749	107,125
Financial liabilities:			
Monetary items:			
USD	\$ 3,586	29.9020	107,229
CNY	21,476	4.1749	89,659
<b>December 31, 2024</b>			
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

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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>
<b>June 30, 2024</b>			
Financial assets:			
Monetary items:			
USD	\$ 18,804	32.4500	610,206
JPY	171,982	0.2016	34,672
EUR	6,581	34.7053	228,395
CNY	20,494	4.4456	91,110
GBP	559	41.0330	22,948
Financial liabilities:			
Monetary items:			
USD	\$ 5,159	32.4500	167,416
CNY	24,110	4.4456	107,184
THB	27,678	0.8817	24,403

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 June 30, 2025 and 2024 would have increased or decreased the net profit by \$7,185 thousand and \$6,883 thousand, respectively. The analysis is performed on the same basis for both periods.

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 and six months ended June 30, 2025 and 2024, foreign exchange gains (including realized and unrealized portion) amounted to \$(53,385) thousand, \$6,663 thousand, \$(24,956) thousand and \$21,154 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.

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

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 six months ended June 30, 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.

<b>June 30, 2025</b>					
	<b>Carrying amount</b>	<b>Fair value</b>			
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at fair value through profit or loss					
Derivative financial assets	\$ 5,046	-	5,046	-	5,046
Non derivative financial assets mandatorily measured at fair value through profit or loss	297,259	297,259	-	-	297,259
<b>Total</b>	<b>\$ 302,305</b>	<b>297,259</b>	<b>5,046</b>	<b>-</b>	<b>302,305</b>
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	\$ (3,592)	-	(3,592)	-	(3,592)
<b>December 31, 2024</b>					
	<b>Carrying amount</b>	<b>Fair value</b>			
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
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	273,087	273,087	-	-	273,087
<b>Subtotal</b>	<b>276,048</b>	<b>273,087</b>	<b>2,961</b>	<b>-</b>	<b>276,048</b>
Financial assets at fair value through other comprehensive income					
Unlisted stocks (domestic and overseas)	12,080	-	-	12,080	12,080
<b>Total</b>	<b>\$ 288,128</b>	<b>273,087</b>	<b>2,961</b>	<b>12,080</b>	<b>288,128</b>

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

<b>December 31, 2024</b>					
	<b>Carrying amount</b>	<b>Fair value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	\$ <u>(5,942)</u>	<u>-</u>	<u>(5,942)</u>	<u>-</u>	<u>(5,942)</u>
<b>June 30, 2024</b>					
	<b>Carrying amount</b>	<b>Fair value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial assets at fair value through profit or loss					
Derivative financial assets	\$ 1,162	-	1,162	-	1,162
Non derivative financial assets mandatorily measured at fair value through profit or loss	<u>444,271</u>	<u>444,271</u>	<u>-</u>	<u>-</u>	<u>444,271</u>
Subtotal	<u>445,433</u>	<u>444,271</u>	<u>1,162</u>	<u>-</u>	<u>445,433</u>
Financial assets at fair value through other comprehensive income					
Unlisted stocks (domestic and overseas)	<u>25,205</u>	<u>-</u>	<u>-</u>	<u>25,205</u>	<u>25,205</u>
Total	<u>\$ 470,638</u>	<u>444,271</u>	<u>1,162</u>	<u>25,205</u>	<u>470,638</u>
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	\$ <u>(2,987)</u>	<u>-</u>	<u>(2,987)</u>	<u>-</u>	<u>(2,987)</u>

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.

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## ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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.

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.

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

	<b>Fair value through other comprehensive income</b>
	<b>Unquoted equity instruments</b>
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 June 30, 2025	\$ -
Balance at January 1, 2024	\$ 27,246
Recognized in other comprehensive income	(190)
Disposal	(1,851)
Balance at June 30, 2024	\$ <b>25,205</b>

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**  
**Notes to the Consolidated Financial Statements**

- 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"> <li>Multipliers of price-book ratios as of December 31 and June 30, 2024 were 1.13 and 1.05~1.85, respectively.</li> <li>Multipliers of price-earnings ratio as of December 31 and June 30, 2024 was 24.25.</li> <li>Market illiquidity discount rate as of December 31 and June 30, 2024 were both 20%.</li> </ul>	<p>The estimated fair value would increase (decrease) if</p> <ul style="list-style-type: none"> <li>the multiplier were higher (lower)</li> <li>the market illiquidity discount were lower (higher)</li> </ul>

- 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>
<b>December 31, 2024</b>				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Liquidity discount at 20%	5%	755	(755)
<b>June 30, 2024</b>				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Liquidity discount at 20%	5%	1,576	(1,576)

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.

(Continued)

**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 six months ended June 30, 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:

	January 1, 2025	Cash flows	Non-cash changes		June 30, 2025
			Effect of change in exchange rates	Others	
Short-term borrowings	\$ 366,758	(51,390)	3,630	-	318,998
Long-term borrowings	\$ -	50,000	-	-	50,000
Lease liabilities	231,063	(58,373)	(19,894)	195,332	348,128
Deposits received	1,014	-	-	-	1,014
Total liabilities from financing activities	<u>\$ 598,835</u>	<u>(59,763)</u>	<u>(16,264)</u>	<u>195,332</u>	<u>718,140</u>

  

	January 1, 2024	Cash flows	Non-cash changes		June 30, 2024
			Effect of change in exchange rates	Others	
Short-term borrowings	\$ 404,297	(15,453)	994	-	389,838
Lease liabilities	296,236	(63,655)	11,841	19,006	263,428
Deposits received	764	250	-	-	1,014
Total liabilities from financing activities	<u>\$ 701,297</u>	<u>(78,858)</u>	<u>12,835</u>	<u>19,006</u>	<u>654,280</u>

(Continued)

**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 June 30		For the six months ended June 30	
	2025	2024	2025	2024
Short-term employee benefits	\$ <u>20,408</u>	<u>20,541</u>	<u>41,720</u>	<u>41,200</u>

For the six months ended June 30, 2025 and 2024, the Group provided three vehicles at a cost of \$10,120 thousand and \$12,250 thousand for key management personnel.

**(8) Pledged assets**

The carrying values of pledged assets were as follows:

<b>Pledged assets</b>	<b>Object</b>	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
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	10,765	11,197	10,332
Property, plant and equipment	Guarantee for short-term borrowings	53,600	54,656	58,446
Other equipment	Guarantee for car purchasing	5,803	6,273	6,745
		<u>\$ 154,458</u>	<u>156,368</u>	<u>181,173</u>

**(9) Commitments and contingencies**

- (a) As of June 30, 2025, December 31 and June 30, 2024, subsidiary ATEN COMPUTER has the unrecognized construction contract amounting to \$16,166 thousand, \$15,712 thousand and \$14,971 thousand, respectively.

(Continued)

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

- (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 June 30, 2025, the amount invested is \$132,045 thousand and recorded as construction in progress and testing equipment.
- (c) As of June 30, 2025, December 31 and June 30, 2024, the Group had an unused line of credit for purchasing raw materials amounting to \$0 thousand (USD0), \$5,116 thousand (USD156,080) and \$1,613 thousand (USD49,703), respectively.
- (d) As of June 30, 2025, December 31 and June 30, 2024, the outstanding bank drafts to secure credit facilities and financial instruments amounted to \$3,215,018 thousand, \$3,413,578 thousand and \$3,385,779 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.**

**(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 June 30, 2025			Three months ended June 30, 2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	83,629	343,755	427,384	86,522	351,976	438,498
Labor and health insurance	9,595	32,280	41,875	8,422	31,090	39,512
Pension	2,199	14,337	16,536	1,830	12,950	14,780
Remuneration of directors	-	2,152	2,152	-	3,314	3,314
Others	5,064	15,638	20,702	6,009	16,103	22,112
Depreciation	20,516	35,134	55,650	21,349	36,049	57,398
Amortization	-	99	99	-	296	296

(Continued)

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

By function By nature	Six months ended June 30 2025			Six months ended June 30 2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	169,186	702,123	871,309	167,870	704,924	872,794
Labor and health insurance	19,805	66,997	86,802	17,007	64,290	81,297
Pension	4,262	29,583	33,845	4,273	27,282	31,555
Directors' remuneration	-	5,228	5,228	-	6,744	6,744
Others	10,623	27,955	38,578	11,147	27,186	38,333
Depreciation	38,581	70,670	109,251	42,787	72,984	115,771
Amortization	-	395	395	-	592	592

(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.

(Continued)

## 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 six month ended June 30, 2025:

- (i) Loans to other parties: None.
- (ii) Guarantees and endorsements for other parties: None.
- (iii) Securities held as of June 30, 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	7,526	117,323	-	117,323	
The Company	SinoPac Money Market Fund	-	Financial assets at fair value through profit or loss – current	3,172	46,368	-	46,368	
The Company	Union Money Market Fund	-	Financial assets at fair value through profit or loss – current	94	1,308	-	1,308	
The Company	First Bank Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss – current	3,986	64,125	-	64,125	
The Company	Fubon Chi-Hsiang Money Market Fund	-	Financial assets at fair value through profit or loss – current	4,140	68,135	-	68,135	
	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	-	80,715	

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	238,808	43	30 days	No significant differences	Note 1	(64,471)	(28)	Note 2
EXPAND ELECTRONIC CO., LTD.	The Company	Subsidiary	(Sales)	(238,808)	(100)	30 days	No significant differences	Note 1	64,471	100	Note 2
The Company	ATEN INFOTECH N.V.	Subsidiary	(Sales)	(107,412)	(8)	150 days	No significant differences	No significant differences	152,449	24	Note 2
ATEN INFOTECH N.V.	The Company	Subsidiary	Purchase	107,412	100	150 days	No significant differences	No significant differences	(152,449)	(100)	Note 2
The Company	ATEN KOREA CO., LTD.	Invested by sub subsidiary	(Sales)	(133,498)	(9)	60 days	No significant differences	No significant differences	25,572	4	Note 2
ATEN KOREA CO., LTD.	The Company	Invested by sub subsidiary	Purchase	133,498	100	60 days	No significant differences	No significant differences	(25,572)	(100)	Note 2
The Company	ATEN CHINA CO., LTD.	Invested by sub-subsubsidiary	(Sales)	(103,964)	(7)	120 days	No significant differences	No significant differences	72,050	11	Note 2
ATEN CHINA CO., LTD.	The Company	Invested by sub-subsubsidiary	Purchase	103,964	100	120 days	No significant differences	No significant differences	(72,050)	(100)	Note 2
The Company	ATEN TECHNOLOGY INC.	Subsidiary	(Sales)	(104,270)	(7)	155 days	No significant differences	No significant differences	87,377	14	Note 2

(Continued)

## ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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)	
ATEN TECHNOLOGY INC.	The Company	Subsidiary	Purchase	104,270	73	155 days	No significant differences	No significant differences	(87,377)	(85)	Note 2
The Company	ATEN JAPAN CO., LTD.	Subsidiary	(Sales)	(154,642)	(11)	75 days	No significant differences	No significant differences	55,384	9	Note 2
ATEN JAPAN CO., LTD.	The Company	Subsidiary	Purchase	154,642	100	75 days	No significant differences	No significant differences	(55,384)	(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	152,449	1.10	-		38,544 (As of August 7, 2025)	-
EXPAND INTERNATIONAL CO., LTD.	The Company	The ultimate parent company	191,724	-	-	Depend on capital budgeting	- (As of August 7, 2025)	-

- (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	104,270	No significant differences	4 %
0	The Company	ATEN INFOTECH N.V.	1	Sales revenue	107,412	No significant differences	5 %
0	The Company	ATEN CHINA CO., LTD.	1	Sales revenue	103,964	No significant differences	4 %
0	The Company	ATEN JAPAN CO., LTD.	1	Sales revenue	154,642	No significant differences	7 %
0	The Company	ATEN KOREA CO., LTD.	1	Sales revenue	133,498	No significant differences	6 %
0	The Company	ATEN UK LTD.	1	Sales revenue	30,309	No significant differences	1 %
0	The Company	ATECH PERIPHERALS.	1	Sales revenue	98,338	No significant differences	4 %
0	The Company	ATEN POLAND SP. Z O. O.	1	Sales revenue	31,606	No significant differences	1 %
0	The Company	ATEN ADVANCE PRIVATE LIMITED	1	Sales revenue	53,769	No significant differences	2 %
0	The Company	ATEN TECHNOLOGY INC.	1	Accounts receivable	87,377	155 days	1 %
0	The Company	ATEN INFOTECH N.V.	1	Accounts receivable	152,449	150 days	2 %
0	The Company	ATEN CHINA CO., LTD.	1	Accounts receivable	72,050	120 days	1 %
1	EXPAND INTERNATIONAL CO., LTD.	The Company	2	Accounts receivable	191,724	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	39,455	Payments are netted with the accounts receivable resulting from the Company purchasing on behalf of related parties.	2 %

(Continued)

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

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
2	ATEN FOREMOST INTERNATIONAL CO., LTD.	ATEN COMPUTER PRODUCTS CO., LTD.	3	Sales revenue	24,660	No significant differences	1 %
3	EXPAND ELECTORNIC CO., LTD.	The Company	2	Sales revenue	238,808	The Company is its only customer	10 %
4	ATEN CANADA TECHNOLOGIES INC.	The Company	2	Sales revenue	53,867	The Company is its only customer	2 %
5	ATEN COMPUTER PRODUCTS CO., LTD.	The Company	2	Sales revenue	88,068	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.

(b) Information on investees:

The following is the information on investees for the six month ended June 30, 2025 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Scope of business	Original cost		Ending balance			Net income (loss) of investee	Investment income (losses)	Remarks
				June 30, 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 %	563,430	(6,686)	(6,686)	note 1
The Company	ATEN JAPAN CO., LTD.	Japan	Trading of computer peripheral equipment	25,105	25,105	1,600	100 %	177,682	25,436	25,436	note 1
The Company	ATEN US HOLDINGS INC.	USA	Investing	133,398	413,050	4,844,914	100 %	(31,172)	(52,594)	(52,594)	note 1 and 2
The Company	FOREMOST INTERNATIONAL CO., LTD.	Mauritius	Investing	69,730	69,730	2,180,628	100 %	3,323	(2,046)	(2,046)	note 1
The Company	ATECH PERIPHERALS.	Taiwan	Manufacturing and trading of computer peripheral equipment	90,479	90,479	10,000,000	100 %	150,005	13,005	13,019	note 1
The Company	ATEN INFOTECH N.V.	Belgium	Trading of computer peripheral equipment	54,197	54,197	58,343	100 %	37,172	6,319	6,319	note 1
The Company	ATEN COMPUTER PRODUCTS CO., LTD.	Thailand	Manufacturing of computer peripheral equipment	452,304	452,304	4,799,998	100 %	323,817	(6,309)	(6,309)	note 1
The Company	VISIONTOP CO., LTD.	Taiwan	Specialized printing	81,345	81,345	5,958,228	60 %	67,173	6,602	3,934	note 1
The Company	HONG JHENG TECHNOLOGY CO., LTD.	Taiwan	Investing	16,778	16,778	100,000	100 %	4,113	(66)	(66)	note 1
The Company	HONG YUAN CO., LTD.	Taiwan	Investing	16,778	16,778	100,000	100 %	4,200	(84)	(84)	note 1
The Company	ATEN ANZ PTY LTD.	Australia	Trading of computer peripheral equipment	77,350	77,350	3,500,000	100 %	16,290	5,249	5,249	note 1
The Company	RCM FULLY AUTOMATION CO., LTD.	Taiwan	Trading of computer peripheral equipment	7,800	7,800	780,000	26 %	5,308	(4,849)	(999)	note 1
The Company	ATEN INFO COMMUNICATION LIMITED LIABILITY COMPANY	Turkey	Trading of computer peripheral equipment	23,714	23,714	7,000	100 %	4,869	(203)	(203)	note 1
The Company	ATEN POLAND SP. Z O. O.	Poland	Trading of computer peripheral equipment	8,295	8,295	20,000	100 %	7,105	685	685	note 1
The Company	ATEN ROMANIA S.R.L	Romania	Trading of computer peripheral equipment	5,839	5,839	80,000	100 %	11,087	766	766	note 1
The Company	ATEN SOUTH AFRICA	South Africa	Trading of computer peripheral equipment	7,572	7,572	4,300	100 %	3,071	(1,826)	(1,826)	note 1

(Continued)



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

Name of investor	Name of investee	Location	Scope of business	Original cost		Ending balance			Net income (loss) of investee	Investment income (losses)	Remarks
				June 30, 2025	December 31, 2024	Shares	Ratio of shares	Book value			
The Company and HONGYUAN CO., LTD.	ATEN ADVANCE PRIVATE LIMITED	India	Trading of computer peripheral equipment	9,030	9,030	2,200,000	100 %	28,356	21,306	21,306	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 %	6,643	(148)	(148)	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 %	3,620	96	96	note 1
TOPMOST INTERNATIONAL CO., LTD.	ATEN EUROPE LTD.	UK	Investing	67,279	67,279	1,069,000	100 %	259,311	9,832	9,832	note 1
TOPMOST INTERNATIONAL CO., LTD.	I/O MASTER INC.	Samoa	Investing	9,782	9,782	700,000	100 %	36,455	(3,849)	(3,849)	note 1
ATEN US HOLDING INC.	ATEN NEW JERSEY INC.	USA	Trading of computer peripheral equipment	17,592	17,592	20	20 %	211	(194)	(39)	note 1
ATEN US HOLDING INC.	ATEN TECHNOLOGY INC.	USA	Trading of computer peripheral equipment	393,171	393,171	12,672,084	99 %	9,942	(49,566)	(49,264)	note 1
ATEN TECHNOLOGY INC.	ATEN NEW JERSEY INC.	USA	Trading of computer peripheral equipment	-	-	80	80 %	844	(194)	(155)	note 1
ATEN EUROPE LTD.	ATEN UK LTD.	UK	Trading of computer peripheral equipment	46,298	46,298	850,000	100 %	1,453	(4,561)	(4,561)	note 1
ATEN EUROPE LTD.	ATEN KOREA CO., LTD.	Korea	Trading of computer peripheral equipment	34,811	34,811	102,000	85 %	101,906	14,726	12,517	note 1
I/O MASTER INC.	ATEN CANADA TECHNOLOGIES INC.	Canada	Research and development	3	3	300	100 %	44,483	(3,851)	(3,851)	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 %	19,880	(4,849)	(3,588)	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%.

- (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 June 30, 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	(8,525)	100 %	(8,525) (1)	321,511	69,337
ATEN CHINA CO., LTD.	Trading of computer peripheral equipment	70,634 (Note 6)	(3)	51,394	-	-	51,394	(1,585)	100 %	(1,585) (2)	17,115	86,093
ATEN FOREMOST INTERNATIONAL CO., LTD.	Research and trading of computer peripheral equipment	29,315	(3)	29,315	-	-	29,315	(1,713)	100 %	(1,713) (2)	13,760	-
EXPAND ELECTRONIC CO., LTD.	Manufacturing of computer peripheral products	67,184	(3)	34,706	-	-	34,706	(8,235)	100 %	(8,235) (1)	121,552	-

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 NTD29.902.  
 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	164,461	- (Note 1)

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

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 NTD29.902.

(iii) Significant transactions:

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

**(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>
<b>Three months ended June 30, 2025</b>				
Revenue:				
Revenue from external customers	\$ 1,096,301	35,382	-	1,131,683
Inter-segment revenues	<u>669,282</u>	<u>-</u>	<u>(669,282)</u>	<u>-</u>
<b>Total revenue</b>	<u><u>\$ 1,765,583</u></u>	<u><u>35,382</u></u>	<u><u>(669,282)</u></u>	<u><u>1,131,683</u></u>
<b>Reportable segment profit or loss</b>	<u><u>\$ 75,071</u></u>	<u><u>3,338</u></u>	<u><u>(12,294)</u></u>	<u><u>66,115</u></u>
<b>Three months ended June 30, 2024</b>				
Revenue:				
Revenue from external customers	\$ 1,178,643	33,036	-	1,211,679
Inter-segment revenues	<u>815,307</u>	<u>-</u>	<u>(815,307)</u>	<u>-</u>
<b>Total revenue</b>	<u><u>\$ 1,993,950</u></u>	<u><u>33,036</u></u>	<u><u>(815,307)</u></u>	<u><u>1,211,679</u></u>
<b>Reportable segment profit or loss</b>	<u><u>\$ 127,712</u></u>	<u><u>3,662</u></u>	<u><u>5,878</u></u>	<u><u>137,252</u></u>
<b>Six months ended June 30, 2025</b>				
Revenue:				
Revenue from external customers	\$ 2,267,445	68,939	-	2,336,384
Inter-segment revenues	<u>1,342,069</u>	<u>-</u>	<u>(1,342,069)</u>	<u>-</u>
<b>Total revenue</b>	<u><u>\$ 3,609,514</u></u>	<u><u>68,939</u></u>	<u><u>(1,342,069)</u></u>	<u><u>2,336,384</u></u>
<b>Reportable segment profit or loss</b>	<u><u>\$ 228,287</u></u>	<u><u>8,242</u></u>	<u><u>(16,740)</u></u>	<u><u>219,789</u></u>
<b>Six months ended June 30, 2024</b>				
Revenue:				
Revenue from external customers	\$ 2,324,632	62,069	-	2,386,701
Inter-segment revenues	<u>1,518,072</u>	<u>-</u>	<u>(1,518,072)</u>	<u>-</u>
<b>Total revenue</b>	<u><u>\$ 3,842,704</u></u>	<u><u>62,069</u></u>	<u><u>(1,518,072)</u></u>	<u><u>2,386,701</u></u>
<b>Reportable segment profit or loss</b>	<u><u>\$ 275,047</u></u>	<u><u>6,212</u></u>	<u><u>8,068</u></u>	<u><u>289,327</u></u>