Stock Code:6277

ATEN INTERNATIONAL CO., LTD.
AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Six Months Ended June 30, 2026 and 2025

Address: **3rd Floor, No. 125, Sec. 2, Datong Rd., Xizhi Dist., New Taipei City, Taiwan, R.O.C.**
Telephone: **(02)8692-6789**

Table of contents

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, 2026 and 2025, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2026 and 2025, as well as the changes in equity and cash flows for the six months ended June 30, 2026 and 2025, 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 $2,402,989 thousand and $2,287,915 thousand, both constituting 33% of the consolidated total assets as of June 30, 2026 and 2025, respectively, total liabilities amounting to $726,050 thousand and $704,363 thousand, constituting 29% and 32% of the consolidated total liabilities at June 30, 2026 and 2025, respectively, and total comprehensive income amounting to $58,417 thousand, $43,558 thousand, $123,386 thousand and $90,037 thousand, constituting 36%, (395)%, 44% and 65% of the consolidated total comprehensive income for the three months and six months ended June 30, 2026 and 2025, 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, 2026 and 2025, and of its consolidated financial performance for the three months and six months ended June 30, 2026 and 2025, as well as its consolidated cash flows for the six months ended June 30, 2026 and 2025 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 Wu, Chung-Shun and Huang, Tsai-Chuan.

KPMG

Taipei, Taiwan (Republic of China)
August 6, 2026

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, 2026, December 31, and June 30, 2025

(Expressed in Thousands of New Taiwan Dollars)

		June 30, 2026		December 31, 2025		June 30, 2025	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
11xx	**Current assets:**						
1100	Cash and cash equivalents (note 6(a))	$ 911,547	12	898,036	13	1,025,256	15
1110	Financial assets at fair value through profit or loss－current (note 6(c))	497,113	7	241,584	4	302,305	4
1136	Current financial assets at amortized cost, net (note 6(b))	269,534	3	260,360	4	88,650	1
1140	Contract assets－current (note 6(q))	20,725	-	20,685	-	4,549	-
1150	Notes receivable, net (notes 6(e) and (q))	2,494	-	2,821	-	3,049	-
1170	Accounts receivable, net (notes 6(e) and (q))	783,641	11	779,538	11	663,415	10
1200	Other receivables	2,741	-	10,540	-	3,757	-
130x	Inventories (note 6(f))	1,143,639	16	1,112,075	16	1,222,299	18
1410	Prepayments	101,771	1	81,894	1	97,277	1
1470	Other current assets	43,491	1	19,908	-	21,795	-
	Total current assets	3,776,696	51	3,427,441	49	3,432,352	49
15xx	**Non-current assets:**						
1535	Non-current financial assets at amortized cost, net (note 6(b))	80,000	1	80,000	1	80,000	1
1600	Property, plant and equipment (notes 6(g), 7, 8 and 9)	2,937,618	40	2,945,859	42	2,808,133	40
1755	Right-of-use assets (note 6(h))	259,761	4	296,129	4	331,315	5
1780	Intangible assets (note 6(i))	2,756	-	2,756	-	2,756	-
1840	Deferred income tax assets	155,296	2	154,393	2	175,836	3
1915	Prepayments for equipment	4,744	-	92	-	66	-
1920	Refundable deposits	43,706	1	44,723	1	40,988	1
1980	Other financial assets－non-current (notes 8 and 9)	97,684	1	95,980	1	95,055	1
1990	Other non-current assets	663	-	1,033	-	886	-
	Total non-current assets	3,582,228	49	3,620,965	51	3,535,035	51
1xxx	**Total assets**	$ 7,358,924	100	7,048,406	100	6,967,387	100

		June 30, 2026		December 31, 2025		June 30, 2025	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
21xx	**Current liabilities:**						
2102	Short-term borrowings (notes 6(j) and 8)	$ 255,054	4	240,470	4	318,998	5
2120	Financial liabilities at fair value through profit or loss－current (note 6(c))	1,925	-	7,985	-	3,592	-
2150	Notes payable	897	-	1,141	-	1,172	-
2170	Accounts payable	442,131	6	355,727	5	290,496	4
2216	Dividends Payable (note 6(o))	298,735	4	119,471	2	250,889	4
2219	Other payable (notes 6(r) and 8)	519,513	7	569,953	8	500,289	7
2230	Current tax liabilities	96,421	1	27,184	-	67,695	1
2250	Provisions－current (note 6(k))	23,044	-	23,044	-	24,205	-
2280	Current lease liabilities (note 6(l))	103,392	2	105,296	2	100,818	1
2399	Other current liabilities	99,700	1	76,390	1	80,767	1
	Total current liabilities	1,840,812	25	1,526,661	22	1,638,921	23
25xx	**Non-Current liabilities:**						
2540	Long-term borrowings (notes 6(j) and 8)	200,000	3	150,000	2	50,000	1
2570	Deferred income tax liabilities	136,745	2	136,665	2	153,638	2
2580	Non-current lease liabilities (note 6(l))	180,757	2	212,403	3	247,310	4
2640	Net defined benefit liabilities－non-current	51,429	1	52,103	1	60,591	1
2645	Deposits received	1,014	-	1,014	-	1,014	-
2670	Other non-current liabilities	74,957	1	69,531	1	59,989	1
	Total non-current liabilities	644,902	9	621,716	9	572,542	9
2xxx	**Total liabilities**	2,485,714	34	2,148,377	31	2,211,463	32
	Equity attributable to shareholders of the company (notes 6(d) and (o)):						
3110	Common stock	1,194,711	16	1,194,711	17	1,194,711	17
3200	Capital surplus:						
3210	Additional paid-in capital	316,913	4	316,913	4	316,913	5
3250	Donated assets received	50	-	50	-	50	-
		316,963	4	316,963	4	316,963	5
3300	Retained earnings:						
3310	Legal reserve	1,640,453	22	1,640,453	23	1,623,232	23
3320	Special reserve	133,302	2	190,639	3	151,790	2
3350	Unappropriated retained earnings	1,681,210	23	1,623,853	23	1,597,846	23
		3,454,965	47	3,454,945	49	3,372,868	48
3400	Other equity interest:						
3410	Financial statements translation differences for foreign operations	(154,312)	(2)	(129,302)	(2)	(186,639)	(3)
3420	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(4,000)	-	(4,000)	-	(4,000)	-
		(158,312)	(2)	(133,302)	(2)	(190,639)	(3)
	Total equity attributable to shareholders of the company	4,808,327	65	4,833,317	68	4,693,903	67
36xx	**Non-controlling interests**	64,883	1	66,712	1	62,021	1
3xxx	**Total equity**	4,873,210	66	4,900,029	69	4,755,924	68
2-3xxx	**Total liabilities and equity**	$ 7,358,924	100	7,048,406	100	6,967,387	100

See accompanying notes to consolidated financial statements.

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

ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the six months ended June 30, 2026 and 2025
(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			
		2026		2025		2026		2025	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating revenue (note 6(q))**	$ 1,342,136	100	1,131,683	100	2,635,317	100	2,336,384	100
5000	**Operating costs (notes 6(f), (g), (h), (l), (m) and (r))**	504,176	38	458,232	41	1,018,500	39	954,596	41
5900	**Gross profit**	837,960	62	673,451	59	1,616,817	61	1,381,788	59
6000	**Operating expenses (notes 6(e), (g), (h), (l), (m), (r) and 7):**								
6100	Selling expenses	342,611	26	307,278	27	667,925	25	608,194	26
6200	Administrative expenses	132,728	10	129,930	11	260,587	10	258,349	11
6300	Research and development expenses	140,690	10	136,929	12	280,153	11	275,121	12
6450	Reversal of impairment loss determined in accordance with IFRS 9	(10)	-	(47)	-	(326)	-	(7)	-
	Total operating expenses	616,019	46	574,090	50	1,208,339	46	1,141,657	49
6900	**Operating profit**	221,941	16	99,361	9	408,478	15	240,131	10
7000	**Non-operating income and expenses (notes 6(l) and (s)):**								
7100	Interest income	5,253	-	4,772	-	7,847	-	9,522	-
7010	Other income	4,531	-	3,376	-	8,990	-	7,750	-
7020	Other gains and losses	(4,666)	-	(32,753)	(3)	(8,241)	-	(21,936)	(1)
7050	Finance costs	(6,602)	-	(8,641)	-	(12,758)	-	(15,678)	-
	Total non-operating income and expenses	(1,484)	-	(33,246)	(3)	(4,162)	-	(20,342)	(1)
7900	**Profit from continuing operations before tax**	220,457	16	66,115	6	404,316	15	219,789	9
7950	**Less: Income tax expenses (note 6(n))**	47,663	3	919	-	99,781	4	42,999	2
	Net income	172,794	13	65,196	6	304,535	11	176,790	7
8300	**Other comprehensive income (note 6(o)):**								
8310	**Components of other comprehensive income (loss) that will not be reclassified to profit or loss**								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	(2,976)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	(2,976)	-
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**								
8361	Exchange differences on translation of foreign financial statements	(12,282)	(1)	(76,214)	(7)	(26,477)	(1)	(35,863)	(1)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	(12,282)	(1)	(76,214)	(7)	(26,477)	(1)	(35,863)	(1)
8300	**Other comprehensive income**	(12,282)	(1)	(76,214)	(7)	(26,477)	(1)	(38,839)	(1)
8500	**Total comprehensive income**	**$ 160,512**	**12**	**(11,018)**	**(1)**	**278,058**	**10**	**137,951**	**6**
8600	**Net income attributable to:**								
8610	Shareholders of the parent	$ 169,805	13	63,466	6	298,698	11	172,216	7
8620	Non-controlling interests	2,989	-	1,730	-	5,837	-	4,574	-
		$ 172,794	**13**	**65,196**	**6**	**304,535**	**11**	**176,790**	**7**
8700	**Total comprehensive income attributable to:**								
8710	Shareholders of the parent	$ 157,604	12	(12,565)	(1)	273,688	10	133,471	6
8720	Non-controlling interests	2,908	-	1,547	-	4,370	-	4,480	-
		$ 160,512	**12**	**(11,018)**	**(1)**	**278,058**	**10**	**137,951**	**6**
	Basic earnings per share(in New Taiwan dollars) (note 6(p))								
9710	Basic earnings per share	**$ 1.42**		**0.53**		**2.50**		**1.44**	
9850	Diluted earnings per share	**$ 1.41**		**0.53**		**2.47**		**1.43**	

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, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
	Share capital		Retained earnings				Total other equity interest					
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	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
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**
Balance at January 1,2026	$ 1,194,711	316,963	1,640,453	190,639	1,623,853	3,454,945	(129,302)	(4,000)	(133,302)	4,833,317	66,712	4,900,029
Appropriation and distribution of retained earnings:												
Special reserve reversed	-	-	-	(57,337)	57,337	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(298,678)	(298,678)	-	-	-	(298,678)	(6,199)	(304,877)
Net income	-	-	-	-	298,698	298,698	-	-	-	298,698	5,837	304,535
Other comprehensive income	-	-	-	-	-	-	(25,010)	-	(25,010)	(25,010)	(1,467)	(26,477)
Total comprehensive income	-	-	-	-	298,698	298,698	(25,010)	-	(25,010)	273,688	4,370	278,058
Balance at June 30, 2026	**$ 1,194,711**	**316,963**	**1,640,453**	**133,302**	**1,681,210**	**3,454,965**	**(154,312)**	**(4,000)**	**(158,312)**	**4,808,327**	**64,883**	**4,873,210**

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, 2026 and 2025
(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2026	2025
Cash flows from operating activities:		
Net income before tax	$ 404,316	219,789
Adjustments:		
Adjustments to reconcile profit and loss		
Depreciation expense	111,710	109,251
Amortization expense	-	395
Reversal of impairment loss determined in accordance with IFRS 9	(326)	(7)
Interest expense	12,758	15,678
Interest income	(7,847)	(9,522)
Dividend income	-	(1,119)
Gains on disposal of property, plant and equipment	(609)	(371)
Property, plant and equipment transferred to expenses	73	71
Others	-	(100)
Total adjustments to reconcile profit and loss	115,759	114,276
Changes in assets / liabilities relating to operating activities:		
Net changes in operating assets:		
Financial assets at fair value through profit or loss	(255,529)	(26,257)
Contract assets	(40)	(156)
Notes receivable	327	1,392
Accounts receivable	(3,777)	53,922
Other receivable	7,799	3,102
Inventories	(32,388)	106,433
Prepayments	(19,877)	(27,101)
Other current assets	(23,583)	853
Total changes in operating assets, net	(327,068)	112,188
Net changes in operating liabilities:		
Financial liabilities held for trading	(6,060)	(2,350)
Notes payable	(244)	(170)
Accounts payable	86,404	(92,887)
Other payable	(50,440)	(44,680)
Other current liabilities	23,310	(1,969)
Net defined benefit liabilities	(674)	(335)
Other non-current liabilities	5,426	1,950
Total changes in operating liabilities, net	57,722	(140,441)
Total changes in operating assets / liabilities, net	(269,346)	(28,253)
Total adjustments	(153,587)	86,023
Cash provided by operating activities	250,729	305,812
Dividends received	-	1,119
Payment of income tax	(31,006)	(102,846)
Net cash provided by operating activities	219,723	204,085
Cash flows from investing activities:		
Proceeds fromfinancial assets at fair value through other comprehensive income	-	1,004
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	8,100
Proceeds from (acquisition of) financial assets at amortised cost	(9,174)	49,438
Acquisition of property, plant and equipment	(61,806)	(73,737)
Proceeds from disposal of property, plant and equipment	2,209	748
Decrease in refundable deposits	1,017	1,218
Decrease (increase) in other financial assets－non-current	(1,704)	384
Decrease in other non-current assets	370	430
Increase in prepayments for equipment	(4,741)	(35)
Interest received	7,847	9,522
Net cash used in investing activities	(65,982)	(2,928)
Cash flows from financing activities:		
Decrease in short-term borrowings	(15,342)	(51,390)
Proceeds from long-term borrowings	50,000	50,000
Payment of lease liabilities	(57,236)	(50,225)
Cash dividends paid	(125,613)	(209,230)
Interest paid	(12,758)	(15,678)
Net cash used in financing activities	(160,949)	(276,523)
Effect of exchange rate changes on cash and cash equivalents	20,719	(27,671)
Net increase (decrease) in cash and cash equivalents for the period	13,511	(103,037)
Cash and cash equivalents at beginning of period	898,036	1,128,293
Cash and cash equivalents at end of period	$ **911,547**	**1,025,256**

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, 2026 and 2025

(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 6, 2026.

(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, 2026:

- 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"

(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, 2027, would not have a significant impact on its consolidated financial statements:

- IFRS 19 "Subsidiaries without Public Accountability: Disclosures" and amendments to IFRS 19
- Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"

(Continued)

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

The Group expects to adopt the following new and amended standards, which effective for annual period beginning on January 1, 2028:

(i) IFRS 18 "Presentation and Disclosure in Financial Statements"

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.

- A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities.
- Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.
- Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.

The new standard introduces consequential amendments to IAS 7, which require to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows.

The Group is evaluating the impact on its consolidated financial statements upon the initial adoption of the new standard.

(ii) Amendments to IAS 28 " The Fair Value Option for Investments in Associates and Joint Ventures"

The Group does not expect the amendments to have a significant impact on its consolidated financial statements.

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 Group does not expect the following 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 20 “Regulatory Assets and Regulatory Liabilities”

(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, 2025. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2025.

(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:

			Percentage of ownership			
Name of investor	**Name of subsidiary**	**Scope of business**	**June 30, 2026**	**December 31, 2025**	**June 30, 2025**	**Description**
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
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

(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 June 30, 2026	Percentage of ownership December 31, 2025	Percentage of ownership June 30, 2025	Description
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 COMMUNICATION 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	99.56 %	99.56 %	99.39 %	Note 2
ATEN US & ATEN TECHNOLOGY	ATEN NEW JERSEY INC. (ATEN NEW JERSEY)	Trading of computer peripheral products	99.65 %	99.65 %	99.52 %	Notes 1 and 2

(Continued)

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

			Percentage of ownership			
Name of investor	Name of subsidiary	Scope of business	June 30, 2026	December 31, 2025	June 30, 2025	Description
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 statements have not been reviewed.

Note 2: ATEN US increased investment for USD5,000 thousand in ATEN TECHNOLOGY in September, 2025. Therefore, the percentage of ownership of ATEN US increased from 99.39% to 99.56%. Meanwhile, the combined percentage of ownership of ATEN US for ATEN NEW JERSEY increased from 99.52% to 99.65%.

(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, 2025. For the related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2025.

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, 2025. Please refer to note 6 of the consolidated financial statements for the year ended December 31, 2025.

(a) Cash and cash equivalents

	June 30, 2026	December 31, 2025	June 30, 2025
Cash and cash equivalents	$ 1,590	1,449	1,535
Saving deposits and foreign currency deposits	863,548	790,775	731,231
Checking deposits	12,951	11,211	16,937
Time deposits	33,458	31,481	187,247
Repurchase agreement	-	63,120	88,306
Cash and cash equivalents in the consolidated statement of cash flows	**$ 911,547**	**898,036**	**1,025,256**

Please refer to note 6(t) 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

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets at amortized cost – current:			
Bank's time deposits	**$ 269,534**	**260,360**	**88,650**
Interest rate(%)	**1.425~4.1**	**1.425~3.9**	**1.285~4.01**

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets at amortized cost – non current:			
Corporate bonds	**$ 80,000**	**80,000**	**80,000**
Interest rate(%)	**3.7**	**3.7**	**3.7**

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

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

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

	June 30, 2026	December 31, 2025	June 30, 2025
Mandatorily measured at fair value through profit or loss－current:			
Derivative instruments not used for hedging	$ 2,537	124	5,046
Non-derivative financial assets	494,576	241,460	297,259
Total	**$ 497,113**	**241,584**	**302,305**

	June 30, 2026	December 31, 2025	June 30, 2025
Financial liabilities held for trading－current:			
Derivative instruments not used for hedging	**$ 1,925**	**7,985**	**3,592**

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

As of June 30, 2026, December 31 and June 30, 2025, 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, 2026, December 31 and June 30, 2025.

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

	June 30, 2026		
	Contract amount (thousand dollars)	**Currency**	**Maturity dates**
Forward exchange sold	EUR 2,284 / NTD 84,100	EUR/NTD	2026.07.03~2026.08.05
Forward exchange sold	USD 500 / NTD 15,851	USD/NTD	2026.09.04
Forward exchange sold	GBP 405 / NTD 17,104	GBP/NTD	2026.07.06~2026.10.02
Forward exchange sold	USD 300 / CNY 2,038	USD/CNY	2026.07.07
Forward exchange sold	AUD 275 / NTD 6,039	AUD/NTD	2026.07.20~2026.08.21
Forward exchange purchased	USD 1,458 / KRW 2,208,932	USD/KRW	2026.07.29~2026.08.28

(Continued)

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

	December 31, 2025			
	Contract amount (thousand dollars)		**Currency**	**Maturity dates**
Forward exchange sold	EUR NTD	235 / 8,700	EUR/NTD	2026.03.23
Forward exchange sold	USD NTD	1,380 / 43,260	USD/NTD	2026.01.23~2026.03.23
Forward exchange sold	JPY NTD	63,000 / 12,695	JPY/NTD	2026.01.16

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

Held-for-trading financial liabilities－Forward contract:

	June 30, 2026			
	Contract amount (thousand dollars)		**Currency**	**Maturity dates**
Forward exchange sold	EUR NTD	2,220 / 80,059	EUR/NTD	2026.09.08~2026.10.05
Forward exchange sold	USD NTD	5,500 / 173,294	USD/NTD	2026.07.06~2026.10.05
Forward exchange sold	JPY NTD	143,400 / 28,051	JPY/NTD	2026.07.17~2026.08.19
Forward exchange sold	GBP NTD	250 / 10,460	GBP/NTD	2026.09.04
Forward exchange sold	USD CNY	600 / 4,059	USD/CNY	2026.07.07~2026.07.22

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

	December 31, 2025		
	Contract amount (thousand dollars)	Currency	Maturity dates
Forward exchange sold	EUR 2,195 / NTD 79,072	EUR/NTD	2026.01.06~2026.04.07
Forward exchange sold	USD 9,360 / NTD 288,640	USD/NTD	2026.01.07~2026.05.27
Forward exchange sold	JPY 173,000 / NTD 34,704	JPY/NTD	2026.01.16~2026.02.24
Forward exchange sold	GBP 600 / NTD 24,512	GBP/NTD	2026.01.08~2026.04.07
Forward exchange sold	AUD 471 / NTD 9,673	AUD/NTD	2026.02.02~2026.04.01
Forward exchange purchased	USD 538 / KRW 786,047	USD/KRW	2026.01.29

	June 30, 2025		
	Contract amount (thousand dollars)	Currency	Maturity dates
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

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

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

The Company sold the domestic listed 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 gains on disposal was $104 thousand, which has been transferred from other equity to retained earnings.

(e) Notes and accounts receivable and other receivables

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable	$ 2,494	2,821	3,049
Accounts receivable, net	783,918	780,156	663,648
Less: allowance for impairment	277	618	233
	$ 786,135	**782,359**	**666,464**

(Continued)

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

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected credit loss provision for all receivables on June 30, 2026. 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:

	June 30, 2026		
	Gross carrying amount	**Weighted-average expected credit loss rate**	**Loss allowance provision**
Current	$ 758,817	0%	-
0 to 30 days past due	25,221	0%	-
31 to 60 days past due	1,146	0%	-
61 to 90 days past due	352	0%	-
91 to 120 days past due	232	0%	-
121 to 180 days past due	104	0%	-
181 to 360 days past due	329	20%~100%	66
More than 360 days past due	211	100%	211
	$ 786,412		**277**

	December 31, 2025		
	Gross carrying amount	**Weighted-average expected credit loss rate**	**Loss allowance provision**
Current	$ 720,964	0%	-
0 to 30 days past due	51,084	0%	-
31 to 60 days past due	7,927	0%	-
61 to 90 days past due	2,068	0%	-
91 to 120 days past due	185	0%	-
121 to 180 days past due	370	65%~100%	239
181 to 360 days past due	114	100%	114
More than 360 days past due	265	100%	265
	$ 782,977		**618**

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

	June 30, 2025		
	Gross carrying amount	Weighted-average expected credit loss rate	Loss allowance provision
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
	$ 666,697		**233**

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

	For the six months ended June 30	
	2026	2025
Balance at January 1	$ 618	240
Impairment loss recognized	18	23
Impairment loss reversed	(344)	(30)
Amounts written off	(18)	-
Foreign exchange difference	3	-
Balance at June 30	**$ 277**	**233**

As of June 30, 2026, December 31 and June 30, 2025, the bank has priority claim over the Group's accounts receivable amounting to $114,437 thousand, $165,678 thousand and $84,014 thousand, respectively.

(f) Inventories

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

	June 30, 2026	December 31, 2025	June 30, 2025
Finished goods	$ 573,747	562,261	639,980
Work in process	148,904	161,854	168,421
Raw material	420,988	387,960	413,898
	$ 1,143,639	**1,112,075**	**1,222,299**

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

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:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Losses on (reversal of) decline in market value of inventory	$ (2,969)	(1,799)	(2,867)	6,169
Losses on scrapping of inventory	4,245	2,685	4,946	3,625
Losses on physical inventory	(1,031)	(5)	(393)	(77)
Total	$ 245	881	1,686	9,717

As of June 30, 2026, December 31 and June 30, 2025, the bank has priority claim over the Group's inventories amounting to $176,175 thousand, $156,941 thousand and $163,658 thousand, respectively.

(g) 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, 2026	$ 1,717,843	9,368	1,220,053	309,837	510,847	263,242	4,031,190
Additions	-	-	2,483	1,387	6,578	51,358	61,806
Disposals	-	-	-	(1,012)	(9,488)	-	(10,500)
Reclassification	-	-	-	-	1,406	(961)	445
Effect of changes in exchange rates	(4,216)	(40)	(16,546)	431	(1,146)	-	(21,517)
Balance at June 30, 2026	$ 1,713,627	9,328	1,205,990	310,643	508,197	313,639	4,061,424
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	$ 1,716,852	9,426	1,178,508	305,990	489,343	138,660	3,838,779
Depreciation:							
Balance at January 1, 2026	$ -	8,892	478,715	200,822	396,902	-	1,085,331
Depreciation	-	32	18,772	13,000	19,917	-	51,721
Disposal	-	-	-	(1,009)	(7,891)	-	(8,900)
Effect of changes in exchange rates	-	(30)	(4,707)	1,109	(718)	-	(4,346)
Balance at June 30, 2026	$ -	8,894	492,780	213,922	408,210	-	1,123,806
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	$ -	8,833	454,742	188,177	378,894	-	1,030,646

(Continued)

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

	Land	Land improvements	Buildings	Machinery	Other equipment	Construction in progress and testing equipment	Total
Carrying value:							
January 1, 2026	$ **1,717,843**	**476**	**741,338**	**109,015**	**113,945**	**263,242**	**2,945,859**
June 30, 2026	$ **1,713,627**	**434**	**713,210**	**96,721**	**99,987**	**313,639**	**2,937,618**
January 1, 2025	$ **1,718,344**	**1,050**	**733,693**	**130,136**	**115,280**	**102,473**	**2,800,976**
June 30, 2025	$ **1,716,852**	**593**	**723,766**	**117,813**	**110,449**	**138,660**	**2,808,133**

As of June 30, 2026, December 31 and June 30, 2025, the detail of property, plant and equipment pledged for car purchasing payables, bank borrowings and credit facilities, please refer to note 8.

As of June 30, 2026, December 31 and June 30, 2025, the bank has priority claim over the Group's property, plant and equipment amounting to $3,196 thousand, $3,078 thousand and $3,356 thousand, respectively.

(h) Right-of-use assets

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

	Land and buildings	Transportation equipment	Other equipment	Total
Cost:				
Balance at January 1, 2026	$ 468,503	7,400	6,421	482,324
Additions	17,162	4,052	-	21,214
Write-off	(22,566)	(1,179)	-	(23,745)
Effect of changes in foreign exchange rates	5,672	(218)	47	5,501
Balance at June 30, 2026	$ **468,771**	**10,055**	**6,468**	**485,294**
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 exchange rates	(26,844)	(4)	(416)	(27,264)
Balance at June 30, 2025	$ **444,406**	**10,011**	**6,215**	**460,632**
Accumulated depreciation:				
Balance at January 1, 2026	$ 177,203	4,152	4,840	186,195
Depreciation	58,061	1,508	420	59,989
Write-off	(22,566)	(1,179)	-	(23,745)
Effect of changes in exchange rates	3,157	(105)	42	3,094
Balance at June 30, 2026	$ **215,855**	**4,376**	**5,302**	**225,533**
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	$ **118,256**	**6,804**	**4,257**	**129,317**
Carrying value:				
January 1, 2026	$ **291,300**	**3,248**	**1,581**	**296,129**
June 30, 2026	$ **252,916**	**5,679**	**1,166**	**259,761**
January 1, 2025	$ **210,683**	**4,259**	**2,481**	**217,423**
June 30, 2025	$ **326,150**	**3,207**	**1,958**	**331,315**

(i) Intangible assets

The carrying amount of the intangible assets of the Group were as follows:

	Goodwill	Trademark	Customer relationship	Total
January 1, 2026 (Balance at June 30, 2026)	$ 2,756	-	-	2,756
January 1, 2025	$ 2,756	-	395	3,151
June 30, 2025	$ 2,756	-	-	2,756

For the six months ended June 30, 2026 and 2025, the Group did not have any significant purchase, disposal, or provision (reversal) of impairment on intangible assets. For the information on amortization fee for the three months ended June 30, 2026 and 2025 and the six months ended June 30, 2026 and 2025, please refer to note 12. None of the Group's intangible assets has been pledged as collateral. For other related information, please refer to note 6(i) of the consolidated financial statements for the year ended December 31, 2025.

(j) 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

	June 30, 2026			
	Currency	Interest rate (%)	Maturity year	Amount
Secured loans	USD	5.35	2026	$ 79,593
Secured loans	KRW	3.28	2026	20,642
Unsecured loans	AUD	5.683	2026	7,445
Unsecured loans	EUR	2.891~3.185	2026	48,971
Unsecured loans	GBP	5.15	2026	23,380
Unsecured loans	CNY	2.71~3.70	2026	75,023
Total				$ 255,054

	December 31, 2025			
	Currency	Interest rate (%)	Maturity year	Amount
Secured loans	USD	5.35	2026	$ 12,575
Secured loans	KRW	3.22~3.82	2026	33,010
Unsecured loans	EUR	2.829	2026	36,905
Unsecured loans	GBP	5.59	2026	23,487
Unsecured loans	JPY	2.242	2026	40,160
Unsecured loans	CNY	2.65~4.28	2026	84,333
Unsecured loans	TWD	1.8	2026	10,000
Total				$ 240,470

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

	June 30, 2025			
	Currency	**Interest rate (%)**	**Maturity year**	**Amount**
Secured loans	USD	6.2	2025	$ 146,520
Secured loans	KRW	3.61~3.83	2025	33,180
Unsecured loans	EUR	2.8326	2025	35,048
Unsecured loans	GBP	5.2~5.25	2025	22,734
Unsecured loans	CNY	2.2437~3.7	2025	71,516
Unsecured loans	TWD	2.22	2025	10,000
Total				$ 318,998

As of June 30, 2026, December 31 and June 30, 2025, the unused credit facilities of the Group's short-term borrowings amounted to $2,720,374 thousand, $2,861,762 thousand and $2,625,653 thousand, respectively.

(ii) Long-term borrowings

	June 30, 2026			
	Currency	**Interest rate (%)**	**Maturity year**	**Amount**
Secured loans	TWD	1.47	2032	$ 150,000
Unsecured loans	TWD	2.039	2030	50,000
Total				$ 200,000
Non-current				$ 200,000

	December 31, 2025			
	Currency	**Interest rate (%)**	**Maturity year**	**Amount**
Secured loans	TWD	1.47	2032	$ 100,000
Unsecured loans	TWD	2.038	2030	50,000
Total				$ 150,000
Non-current				$ 150,000

	June 30, 2025			
	Currency	**Interest rate (%)**	**Maturity year**	**Amount**
Unsecured loans	TWD	2.038	2030	$ 50,000
Non-current				$ 50,000

As of June 30, 2026 and December 31, 2025 and June 30, 2025, the unused credit facilities of the Group's long-term borrowings amounted to $806,800 thousand, $856,800 thousand and $50,000 thousand.

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

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.

(k) Provisions

	June 30, 2026	December 31, 2025	June 30, 2025
Warranties	$ 23,044	23,044	24,205

For the six months ended June 30, 2026 and 2025, the Group did not have any significant change on the provisions. For other relative information, please refer to note 6(k) of the consolidated financial statements for the year ended December 31, 2025.

(l) Lease liabilities

The Group's lease liabilities were as follow:

	June 30, 2026	December 31, 2025	June 30, 2025
Current	$ 103,392	105,296	100,818
Non-current	$ 180,757	212,403	247,310

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

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Interest on lease liabilities	$ 3,451	4,132	7,128	8,148
Expenses relating to short-term leases	$ 3,246	4,884	6,547	8,491
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ 777	661	2,120	1,389

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

	For the six months ended June 30	
	2026	2025
Total cash outflow for leases	$ 73,031	68,253

(i) Leases of land, buildings and structures

The Group leases land, buildings and structures for use as office premises, factory plants and warehouse locations. The lease terms range from three to ten years.

In addition, the Group leases parking spaces with lease terms of one year. These leases are short-term leases, and the Group has elected to apply the recognition exemption and therefore does not recognize the related right-of-use assets and lease liabilities.

(ii) Other leases

The Group leases photocopying equipment with lease terms range from two to six years.

(m) 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, 2025 and 2024.

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	
	2026	**2025**	**2026**	**2025**
Operating costs	$ 88	97	154	192
Selling expenses	34	54	68	114
Administration expenses	158	194	314	386
Research and development expenses	26	38	52	74
Total	**$ 306**	**383**	**588**	**766**

(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	
	2026	**2025**	**2026**	**2025**
Operating costs	$ 2,188	2,102	4,225	4,070
Selling expenses	9,607	8,824	20,871	18,593
Administration expenses	2,264	2,359	4,493	4,723
Research and development expenses	2,873	2,868	5,654	5,693
Total	**$ 16,932**	**16,153**	**35,243**	**33,079**

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

(n) Income tax

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

The amount of income tax were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Current tax expense				
Current period	$ 48,443	19,512	100,561	61,592
Adjustment for prior periods	(780)	(18,593)	(780)	(18,593)
Income tax expense from continuing operations	**$ 47,663**	**919**	**99,781**	**42,999**

The tax returns of the Company have been assessed by the tax authorities for all years through 2024.

(o) Capital and other equity

Except for those mentioned below, there were no significant changes in capital for the six months ended June 30, 2026 and 2025. Please refer to note 6(o) to the consolidated financial statements for the year ended December 31, 2025, 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.

(Continued)

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

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

The Group's Board of Directors resolved to appropriate the 2026 earnings from January to June. These earnings were appropriated as follows:

	2026 January－June
Resolution Date of ATEN's Board of Directors	August 6, 2026
Cash dividends to shareholders	$ 274,784
Cash dividends per share (NTD)	$ 2.3

The Group's Board of Directors resolved to appropriate the 2025 earnings from July to December and January to June. These earnings were appropriated as follows:

	2025 July－December	2025 January－June
Resolution Date of ATEN's Board of Directors	March 10, 2026	August 7, 2025
Cash dividends to shareholders	$ 298,678	119,471
Cash dividends per share (NTD)	$ 2.5	1.0

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

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

(ii) Other equities (net of tax)

	Foreign exchange differences arising from foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Non-controlling interests	Total
Balance as of January 1, 2026	$ (129,302)	(4,000)	(7,653)	(140,955)
Foreign exchange differences arising from foreign operations	(25,010)	-	(1,467)	(26,477)
Balance as of June 30, 2026	$ (154,312)	(4,000)	(9,120)	(167,432)

(Continued)

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, 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	**$**	**(186,639)**	**(4,000)**	**(7,677)**	**(198,316)**

(p) Earnings per share

The calculation of the Company's basic earnings per share and diluted earnings per share for the six months ended June 30, 2026 and 2025 was as follows:

(i) Basic earnings per share

Unit: thousand of shares

		For the three months ended June 30		For the six months ended June 30	
		2026	**2025**	**2026**	**2025**
Net income attributable to ordinary shareholders of the Company	**$**	**169,805**	**63,466**	**298,698**	**172,216**
Weighted-average number of ordinary shares		**119,471**	**119,471**	**119,471**	**119,471**
Basic earnings per share (NTD)	**$**	**1.42**	**0.53**	**2.50**	**1.44**

(ii) Diluted earnings per share

Unit: thousand of shares

		For the three months ended June 30		For the six months ended June 30	
		2026	**2025**	**2026**	**2025**
Net income attributable to ordinary shareholders of the Company	**$**	**169,805**	**63,466**	**298,698**	**172,216**
Weighted-average number of ordinary shares (basic)		119,471	119,471	119,471	119,471
Impact of potential common shares					
Effect of employee share bonus		922	567	1,429	988
Weighted-average number of ordinary shares (diluted)		**120,393**	**120,038**	**120,900**	**120,459**
Diluted earnings per share (NTD)	**$**	**1.41**	**0.53**	**2.47**	**1.43**

(Continued)

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

(q) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended June 30, 2026		
	Computer peripheral products	Other	Total
Primary geographical markets:			
Taiwan	$ 203,380	31,103	234,483
United States	224,103	-	224,103
Japan	170,124	-	170,124
South Korea	137,417	-	137,417
China	95,739	-	95,739
Others	480,270	-	480,270
	$ 1,311,033	31,103	1,342,136
Major product lines:			
IT infrastructure management solutions	$ 852,421	-	852,421
Video products	203,670	-	203,670
Others	254,942	31,103	286,045
	$ 1,311,033	31,103	1,342,136

	For the three months ended June 30, 2025		
	Computer peripheral products	Other	Total
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
	$ 1,096,301	35,382	1,131,683
Major product lines:			
IT infrastructure management solutions	$ 702,148	-	702,148
Video products	179,895	-	179,895
Others	214,258	35,382	249,640
	$ 1,096,301	35,382	1,131,683

(Continued)

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

	For the six months ended June 30, 2026		
	Computer peripheral products	**Other**	**Total**
Primary geographical markets:			
Taiwan	$ 384,227	65,500	449,727
United States	430,166	-	430,166
Japan	388,508	-	388,508
South Korea	257,245	-	257,245
China	175,628	-	175,628
Others	934,043	-	934,043
	$ 2,569,817	**65,500**	**2,635,317**
Major product lines:			
IT infrastructure management solutions	$ 1,673,008	-	1,673,008
Video products	394,668	-	394,668
Others	502,141	65,500	567,641
	$ 2,569,817	**65,500**	**2,635,317**

	For the six months ended June 30, 2025		
	Computer peripheral products	**Other**	**Total**
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
	$ 2,267,445	**68,939**	**2,336,384**
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
	$ 2,267,445	**68,939**	**2,336,384**

(Continued)

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

(ii) Contract balance

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable	$ 2,494	2,821	3,049
Accounts receivable, net	783,918	780,156	663,648
Less: allowance for impairment	277	618	233
Total	**$ 786,135**	**782,359**	**666,464**
Contract assets	**$ 20,725**	**20,685**	**4,549**

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

(r) 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, 2026 and 2025, the estimated amounts of employees' compensation were $36,478 thousand, $9,776 thousand, $64,632 thousand and $33,418 thousand, respectively, and the estimated amounts of directors' remuneration were $2,432 thousand, $652 thousand, $4,309 thousand and $2,228 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.

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

For the years ended December 31, 2025 and 2024, the remunerations to employees amounted to $77,465 thousand and $104,184 thousand, respectively, and the remunerations to directors amounted to $5,164 thousand and $8,335 thousand, respectively. The amounts are identical to those of the actual distributions. The information is available on the Market Observation Post System.

(s) Non-operating income and expenses

(i) Interest income

	For the three months ended June 30		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Interest income from bank deposits	$ 5,253	4,772	7,847	9,522

(ii) Other income

	For the three months ended June 30		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Dividend income	$ -	-	-	1,119
Total other income－Other	4,531	3,376	8,990	6,631
Total other income	$ 4,531	3,376	8,990	7,750

(iii) Other gains and losses

	For the three months ended June 30		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Gains (losses) on disposal of property, plant and equipment	$ (23)	160	609	371
Losses on foreign exchange	(9,320)	(53,385)	(10,161)	(24,956)
Losses on financial assets / liabilities at fair value through profit or loss	5,000	21,475	2,216	3,503
Others	(323)	(1,003)	(905)	(854)
Net other gains and losses	$ (4,666)	(32,753)	(8,241)	(21,936)

(iv) Finance costs

	For the three months ended June 30		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Interest expense	$ 6,602	8,641	12,758	15,678

(Continued)

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

(t) 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(t) of the consolidated financial statements for the year ended December 31, 2025.

(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
June 30, 2026							
Non-derivative financial liabilities							
Secured loans	$ 250,235	260,936	103,577	2,211	29,621	76,035	49,492
Unsecured loans	204,819	208,840	156,801	10,918	10,714	30,408	-
Notes and accounts payable	443,028	443,028	443,028	-	-	-	-
Dividends Payable	298,735	298,735	298,735	-	-	-	-
Other payables	519,513	519,513	519,513	-	-	-	-
Lease liabilities	284,149	305,144	114,086	85,941	67,587	23,870	13,660
Deposits received	1,014	1,014	1,014	-	-	-	-
Derivative financial liabilities							
Other forward contracts:							
Outflow	1,925	1,925	1,925	-	-	-	-
	$ 2,003,418	2,039,135	1,638,679	99,070	107,922	130,313	63,152
December 31, 2025							
Non-derivative financial liabilities							
Secured loans	$ 145,585	153,826	48,187	1,470	7,589	51,049	45,531
Unsecured loans	244,885	250,680	198,133	5,994	10,815	35,739	-
Notes and accounts payable	356,868	356,868	356,868	-	-	-	-
Dividends Payable	119,471	119,471	119,471	-	-	-	-
Other payables	569,953	569,953	569,953	-	-	-	-
Lease liabilities	317,699	347,055	118,477	95,406	64,627	53,246	15,299
Deposits received	1,014	1,014	1,014	-	-	-	-
Derivative financial liabilities							
Other forward contracts:							
Outflow	7,985	7,985	7,985	-	-	-	-
	$ 1,763,460	1,806,852	1,420,088	102,870	83,031	140,034	60,830
June 30, 2025							
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	-	-	-	-
	$ 1,764,578	1,806,307	1,485,201	98,446	84,962	121,147	16,551

(Continued)

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:

	Foreign currency	Exchange rate	NTD
June 30, 2026			
Financial assets:			
Monetary items:			
USD	$ 21,743	31.8370	692,244
JPY	265,969	0.1962	52,183
GBP	1,111	42.1267	46,799
EUR	7,470	36.2751	270,974
CNY	25,401	4.6889	119,104
AUD	525	21.8975	11,494
Financial liabilities:			
Monetary items:			
USD	$ 9,173	31.8370	292,042
CNY	23,274	4.6889	109,129
THB	26,020	0.9589	24,951
EUR	690	36.2751	25,038
December 31, 2025			
Financial assets:			
Monetary items:			
USD	$ 20,843	31.4380	655,264
JPY	282,135	0.2008	56,653
GBP	853	42.3187	36,100
EUR	5,626	36.9051	207,644
CNY	24,729	4.4978	111,225
Financial liabilities:			
Monetary items:			
USD	$ 8,139	31.4380	255,882
CNY	25,155	4.4978	113,143
THB	27,703	0.9973	27,628
EUR	787	36.9051	29,058

(Continued)

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

		Foreign currency	Exchange rate	NTD
June 30, 2025				
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

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, GBP, EUR, CNY, THB and AUD as of June 30, 2026 and 2025 would have increased or decreased the net profit by $7,416 thousand and $7,185 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 losses (gains) on monetary items is disclosed based on the total amount. For the three months and six months ended June 30, 2026 and 2025, foreign exchange losses (including realized and unrealized portion) amounted to $9,320 thousand, $53,385 thousand, $10,161 thousand and $24,956 thousand, respectively.

2) Interest rate risk

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

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

With all other variable factors remain constant. If the interest rate increases or decreases by 1%, the effect on the Group’s income before tax is not material for the six months ended June 30, 2026 and 2025.

(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 valuated 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.

	June 30, 2026				
	Carrying amount	Fair value Level 1	Fair value Level 2	Fair value Level 3	Fair value Total
Financial assets at fair value through profit or loss					
Derivative financial assets	$ 2,537	-	2,537	-	2,537
Non derivative financial assets mandatorily measured at fair value through profit or loss	494,576	494,576	-	-	494,576
Total	$ 497,113	494,576	2,537	-	497,113
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	$ (1,925)	-	(1,925)	-	(1,925)

	December 31, 2025				
	Carrying amount	Fair value Level 1	Fair value Level 2	Fair value Level 3	Fair value Total
Financial assets at fair value through profit or loss					
Derivative financial assets	$ 124	-	124	-	124
Non derivative financial assets mandatorily measured at fair value through profit or loss	241,460	241,460	-	-	241,460
Total	$ 241,584	241,460	124	-	241,584
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	$ (7,985)	-	(7,985)	-	(7,985)

(Continued)

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

	June 30, 2025				
	Carrying	Fair value			
	amount	Level 1	Level 2	Level 3	Total
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
Total	$ 302,305	297,259	5,046	-	302,305
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	$ (3,592)	-	(3,592)	-	(3,592)

2) Valuation techniques in financial instruments measured at fair value

a) Non－derivative financial instruments

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

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

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

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

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

(Continued)

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 Group 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 Group reclassified the financial instruments from one level to another as of the reporting date.

4) Transfers between level 1 and level 2

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

5) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
	Unquoted equity instruments
Balance at January 1, 2025	$ 12,080
Recognized in other comprehensive income	(2,976)
Refund due to capital reduction	(8,100)
Disposal	(1,004)
Balance at June 30, 2025	**$ -**

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

(Continued)

(u) Financial risk management

The objective and policies of the consolidated company are identical to those disclosed in note 6(u) of the consolidated financial statement for the year ended 2025.

(v) 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, 2025; 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, 2025. For related information, please refer to note 6(v) of the consolidated financial statements for the year ended December 31, 2025.

(w) 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, 2026 and 2025, were as follows:

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

Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes		
	January 1, 2026	Cash flows	Effect of change in exchange rates	Others	June 30, 2026
Short-term borrowings	$ 240,470	15,342	(758)	-	255,054
Long-term borrowings	150,000	50,000	-	-	200,000
Lease liabilities	317,699	(64,364)	2,472	28,342	284,149
Deposits received	1,014	-	-	-	1,014
Total liabilities from financing activities	**$ 709,183**	**978**	**1,714**	**28,342**	**740,217**

			Non-cash changes		
	January 1, 2025	Cash flows	Effect of change in exchange rates	Others	June 30, 2025
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	**$ 598,835**	**(59,763)**	**(16,264)**	**195,332**	**718,140**

(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	
	2026	**2025**	**2026**	**2025**
Short-term employee benefits	$ 25,921	20,408	51,265	41,720

For the six months ended June 30, 2026 and 2025, the Group provided three vehicles at a cost of $11,875 thousand and two vehicles at a cost of $10,120 thousand respectively for key management personnel.

(8) Pledged assets

The carrying values of pledged assets were as follows:

Pledged assets	Object	June 30, 2026	December 31, 2025	June 30, 2025
Cash and negotiable certificate of deposits (recorded under other financial assets－non current)	Guarantee for provisional attachment	$ 50,000	50,000	50,000
Time deposits (recorded under other financial assets－non current)	Guarantee for customs	4,361	4,312	4,290
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	13,323	11,668	10,765
Property, plant and equipment	Guarantee for short-term borrowings	48,670	52,315	53,600
Property, plant and equipment	Guarantee for car purchasing	4,862	5,332	5,803
Property, plant and equipment	Guarantee for long-term borrowings	275,431	275,431	-
		$ 426,647	429,058	154,458

(9) Commitments and contingencies

(a) As of June 30, 2026, December 31 and June 30, 2025, subsidiary ATEN COMPUTER has the unrecognized construction contract amounting to $4,302 thousand, $16,123 thousand and $16,166 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, 2026, December 31 and June 30, 2025 the amount invested is $312,159 thousand, $261,441 thousand and $132,045 thousand and recorded as construction in progress and testing equipment.

(c) As of June 30, 2026, December 31 and June 30, 2025, the outstanding bank drafts to secure credit facilities and financial instruments amounted to $4,021,725 thousand, $4,034,041 thousand and $3,215,018 thousand, respectively.

(d) YiFeng Technology Co., Ltd. filed a 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 and Commercial Court in June 2021 and August 2022, and YiFeng Technology Co., Ltd. filed an appeal in July 2021 and September 2022 respectively. In October 2024, the Supreme Court remanded the case for retrial. In April 2026, the Intellectual Property and Commercial Court rendered a judgment against the Company in the remanded trial. The Company has retained attorneys to file an appeal, which was 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	Three months ended June 30, 2026			Three months ended June 30, 2025		
By nature	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	98,402	381,136	479,538	83,629	343,755	427,384
Labor and health insurance	9,728	32,214	41,942	9,595	32,280	41,875
Pension	2,276	14,962	17,238	2,199	14,337	16,536
Remuneration of directors	-	3,843	3,843	-	2,152	2,152
Others	5,703	18,052	23,755	5,064	15,638	20,702
Depreciation	20,324	35,581	55,905	20,516	35,134	55,650
Amortization	-	-	-	-	99	99

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

By function / By nature	Six months ended June 30 2026			Six months ended June 30 2025		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	184,232	758,791	943,023	169,186	702,123	871,309
Labor and health insurance	19,323	67,652	86,975	19,805	66,997	86,802
Pension	4,379	31,452	35,831	4,262	29,583	33,845
Directors' remuneration	-	7,134	7,134	-	5,228	5,228
Others	10,949	31,297	42,246	10,623	27,955	38,578
Depreciation	39,954	71,756	111,710	38,581	70,670	109,251
Amortization	-	-	-	-	395	395

(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. In a civil action, the Taiwan Taipei District Court rendered a first-instance judgment in favor of the Company in June 2024. The defendants filed appeals. Upon the Company's application for compulsory enforcement with the Taiwan Taipei District Court, the Company collected enforcement proceeds amounting to $1,194 thousand in January 2026 and obtained a certificate of claim for the portion not fully satisfied. With respect to the first item of the operative provisions of the first-instance judgment, the Taiwan High Court rendered a judgment in October 2025, ordering the defendants to jointly and severally pay principal and interest amounting to $15,646 thousand. The defendants' appeals were dismissed by the Taiwan High Court due to failure to pay the required court fees, and the judgment became final and binding in January 2026.

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, 2026:

(i) Loans to other parties: None.

(ii) Guarantees and endorsements for other parties: None.

(iii) Material securities held as of June 30, 2026 (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	Fubon Money Market Fund	-	Financial assets at fair value through profit or loss－current	14,275	225,946	-	225,946	
The Company	SinoPac Money Market Fund	-	Financial assets at fair value through profit or loss－current	3,422	50,767	-	50,767	
The Company	Union Money Market Fund	-	Financial assets at fair value through profit or loss－current	6,090	85,721	-	85,721	
The Company	First Bank Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss－current	8,092	132,142	-	132,142	
	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	-	81,035	

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	308,000	47	30 days	No significant differences	Note 1	(79,456)	(24)	Note 2
EXPAND ELECTRONIC CO., LTD.	The Company	Subsidiary	(Sales)	(308,000)	(100)	30 days	No significant differences	Note 1	79,456	100	Note 2
The Company	ATEN INFOTECH N.V.	Subsidiary	(Sales)	(225,934)	(12)	90 days	No significant differences	No significant differences	143,703	19	Note 2
ATEN INFOTECH N.V.	The Company	Subsidiary	Purchase	225,934	100	90 days	No significant differences	No significant differences	(143,703)	(100)	Note 2
The Company	ATECH PERIPHERALS.	Subsidiary	(Sales)	(160,324)	(9)	30 days	No significant differences	No significant differences	56,105	7	Note 2
ATECH PERIPHERALS.	The Company	Subsidiary	Purchase	160,324	61	30 days	No significant differences	No significant differences	(56,105)	(48)	Note 2
The Company	ATEN KOREA CO., LTD.	Invested by sub subsidiary	(Sales)	(189,080)	(10)	60 days	No significant differences	No significant differences	62,315	8	Note 2
ATEN KOREA CO., LTD.	The Company	Invested by sub subsidiary	Purchase	189,080	100	60 days	No significant differences	No significant differences	(62,315)	(100)	Note 2
The Company	ATEN CHINA CO., LTD.	Invested by sub-subsidiary	(Sales)	(140,359)	(8)	75 days	No significant differences	No significant differences	87,380	12	Note 2
ATEN CHINA CO., LTD.	The Company	Invested by sub-subsidiary	Purchase	140,359	100	75 days	No significant differences	No significant differences	(87,380)	(98)	Note 2
The Company	ATEN TECHNOLOGY INC.	Subsidiary	(Sales)	(172,970)	(9)	155 days	No significant differences	No significant differences	145,638	19	Note 2

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	172,970	79	155 days	No significant differences	No significant differences	(145,638)	(90)	Note 2
The Company	ATEN JAPAN CO., LTD.	Subsidiary	(Sales)	(157,746)	(9)	45 days	No significant differences	No significant differences	48,028	6	Note 2
ATEN JAPAN CO., LTD.	The Company	Subsidiary	Purchase	157,746	100	45 days	No significant differences	No significant differences	(48,028)	(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	143,703	3.53	-		29,269 (As of August 6, 2026)	-
The Company	ATEN TECHNOLOGY INC.	Subsidiary	145,638	2.34	-		35,228 (As of August 6, 2026)	-
EXPAND INTERNATIONAL CO., LTD.	The Company	The ultimate parent company	191,911	-	-	Depend on capital budgeting	- (As of August 6, 2026)	-

(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	172,970	No significant differences	7 %
0	The Company	ATEN INFOTECH N.V.	1	Sales revenue	225,934	No significant differences	9 %
0	The Company	ATEN CHINA CO., LTD.	1	Sales revenue	140,359	No significant differences	5 %
0	The Company	ATEN JAPAN CO., LTD.	1	Sales revenue	157,746	No significant differences	6 %
0	The Company	ATEN KOREA CO., LTD.	1	Sales revenue	189,080	No significant differences	7 %
0	The Company	ATEN UK LTD.	1	Sales revenue	46,201	No significant differences	2 %
0	The Company	ATECH PERIPHERALS.	1	Sales revenue	160,324	No significant differences	6 %
0	The Company	ATEN POLAND SP. Z O. O.	1	Sales revenue	49,367	No significant differences	2 %
0	The Company	ATEN ADVANCE PRIVATE LIMITED	1	Sales revenue	60,281	No significant differences	2 %
0	The Company	ATEN TECHNOLOGY INC.	1	Accounts receivable	145,638	155 days	2 %
0	The Company	ATEN INFOTECH N.V.	1	Accounts receivable	143,703	90 days	2 %
0	The Company	ATEN CHINA CO., LTD.	1	Accounts receivable	87,380	75 days	1 %

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
1	EXPAND INTERNATIONAL CO., LTD.	The Company	2	Accounts receivable	191,911	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	57,104	Payments are netted with the accounts receivable resulting from the Company purchasing on behalf of related parties.	2 %
2	ATEN FOREMOST INTERNATIONAL CO., LTD.	ATEN COMPUTER PRODUCTS CO., LTD.	3	Sales revenue	39,437	No significant differences	1 %
3	EXPAND ELECTORNIC CO., LTD.	The Company	2	Sales revenue	308,000	The Company is its only customer	12 %
3	EXPAND ELECTORNIC CO., LTD.	The Company	2	Accounts receivable	79,456	Payments are netted with the accounts receivable resulting from the Company purchasing on behalf of related parties.	1 %
4	ATEN CANADA TECHNOLOGIES INC.	The Company	2	Sales revenue	57,688	The Company is its only customer	2 %
5	ATEN COMPUTER PRODUCTS CO., LTD.	The Company	2	Sales revenue	93,864	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.

(Continued)

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

(b) Information on investees:

The following is the information on investees for the six month ended June 30, 2026 (excluding information on investees in Mainland China):

Unit: thousand dollars

Name of investor	Name of investee	Location	Scope of business	Original cost		Ending balance			Net income (loss) of investee	Investment income (losses)	Remarks
				June 30, 2026	December 31, 2025	Shares	Ratio of shares	Book value			
The Company	TOPMOST INTERNATIONAL CO., LTD.	Cayman	Investing	22,183	22,183	700,000	100 %	594,177	21,440	21,440	note 1
The Company	ATEN JAPAN CO., LTD.	Japan	Trading of computer peripheral equipment	25,105	25,105	1,600	100 %	143,907	30,162	30,162	note 1
The Company	ATEN US HOLDINGS INC.	USA	Investing	564,150	564,150	4,849,914	100 %	7,499	(31,775)	(31,775)	note 1
The Company	FOREMOST INTERNATIONAL CO., LTD.	Mauritius	Investing	69,730	69,730	2,180,628	100 %	21,891	6,883	6,883	note 1
The Company	ATECH PERIPHERALS.	Taiwan	Manufacturing and trading of computer peripheral equipment	90,479	90,479	10,000,000	100 %	160,329	37,340	37,344	note 1
The Company	ATEN INFOTECH N.V.	Belgium	Trading of computer peripheral equipment	54,197	54,197	58,343	100 %	11,037	(1,077)	(1,077)	note 1
The Company	ATEN COMPUTER PRODUCTS CO., LTD.	Thailand	Manufacturing of computer peripheral equipment	452,304	452,304	4,799,998	100 %	343,729	5,897	5,897	note 1
The Company	VISIONTOP CO., LTD.	Taiwan	Specialized printing	81,345	81,345	5,958,228	60 %	66,809	4,054	2,412	note 1
The Company	HONG JHENG TECHNOLOGY CO., LTD.	Taiwan	Investing	16,778	16,778	100,000	100 %	4,174	63	63	note 1
The Company	HONG YUAN CO., LTD.	Taiwan	Investing	16,778	16,778	100,000	100 %	4,258	63	63	note 1
The Company	ATEN ANZ PTY LTD.	Australia	Trading of computer peripheral equipment	77,350	77,350	3,500,000	100 %	13,489	(29)	(29)	note 1
The Company	RCM FULLY AUTOMATION CO., LTD.	Taiwan	Trading of computer peripheral equipment	7,800	7,800	780,000	26 %	4,840	(2,694)	(457)	note 1
The Company	ATEN INFO COMMUNICATION LIMITED LIABILITY COMPANY	Turkey	Trading of computer peripheral equipment	23,714	23,714	7,000	100 %	3,911	460	460	note 1
The Company	ATEN POLAND SP. Z O. O.	Poland	Trading of computer peripheral equipment	8,295	8,295	20,000	100 %	8,954	1,781	1,781	note 1
The Company	ATEN ROMANIA S.R.L	Romania	Trading of computer peripheral equipment	5,839	5,839	80,000	100 %	12,345	324	324	note 1
The Company	ATEN SOUTH AFRICA	South Africa	Trading of computer peripheral equipment	7,572	7,572	4,300	100 %	3,274	169	169	note 1
The Company and HONGYUAN CO., LTD.	ATEN ADVANCE PRIVATE LIMITED	India	Trading of computer peripheral equipment	9,030	9,030	2,200,000	100 %	45,651	10,010	10,010	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 %	8,119	520	520	note 1
The Company and HONGYUAN CO., LTD.	PT ATEN TECHNOLOGY INDONESIA	Indonesia	Trading of computer peripheral equipment	5,099	5,099	2,500	100 %	4,034	311	311	note 1
TOPMOST INTERNATIONAL CO., LTD.	ATEN EUROPE LTD.	UK	Investing	67,279	67,279	1,069,000	100 %	307,363	30,519	30,519	note 1
TOPMOST INTERNATIONAL CO., LTD.	I/O MASTER INC.	Samoa	Investing	9,782	9,782	700,000	100 %	40,412	(3,453)	(3,453)	note 1
ATEN US HOLDING INC.	ATEN NEW JERSEY INC.	USA	Trading of computer peripheral equipment	17,592	17,592	20	20 %	308	465	93	note 1
ATEN US HOLDING INC.	ATEN TECHNOLOGY INC.	USA	Trading of computer peripheral equipment	544,271	544,271	17,672,084	100 %	60,370	(32,135)	(32,099)	note 1
ATEN TECHNOLOGY INC.	ATEN NEW JERSEY INC.	USA	Trading of computer peripheral equipment	-	-	80	80 %	1,234	465	372	note 1
ATEN EUROPE LTD.	ATEN UK LTD.	UK	Trading of computer peripheral equipment	52,610	46,298	1,000,000	100 %	8,879	4,352	4,352	notes 1 and 2
ATEN EUROPE LTD.	ATEN KOREA CO., LTD.	Korea	Trading of computer peripheral equipment	34,811	34,811	102,000	85 %	118,340	27,966	23,771	note 1
I/O MASTER INC.	ATEN CANADA TECHNOLOGIES INC.	Canada	Research and development	3	3	300	100 %	48,959	(3,453)	(3,453)	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 %	17,145	(2,694)	(1,994)	note 1

Note 1: Eliminated in the consolidated financial statements.

Note 2: ATEN UK LTD. executed the capital increase with the amount of $6,312 thousand (GBP150 thousand) in June 2026.

(Continued)

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

(c) Information on investment in mainland China:

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

Unit: thousand dollars

Name of investee in Mainland China	Scope of business	Issued capital	Method of investment (Note 1)	Cumulative investment (amount) from Taiwan as of January 1, 2026	Investment flow during current period		Cumulative investment (amount) from Taiwan as of June 30, 2026	Net income (loss) on investee	Direct / indirect investment holding percentage	Investment income (loss) (Note 4)	Book value	Accumulated remittance of earnings in current period
					Remittance amount	Repatriation amount						
EXPAND INTERNATIONAL CO., LTD. (Note 2)	Investing	21,383	(3)	21,383	-	-	21,383	(3,246)	100 %	(3,246) (1)	323,426	69,337
ATEN CHINA CO., LTD.	Trading of computer peripheral equipment	81,965 (Note 6)	(3)	51,394	-	-	51,394	(854)	100 %	(854) (2)	26,571	86,093
ATEN FOREMOST INTERNATIONAL CO., LTD.	Research and trading of computer peripheral equipment	29,315	(3)	29,315	-	-	29,315	6,768	100 %	6,768 (2)	40,434	-
EXPAND ELECTRONIC CO., LTD.	Manufacturing of computer peripheral products	67,184	(3)	34,706	-	-	34,706	(3,457)	100 %	(3,457) (1)	122,666	-

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 NTD31.837.

Note 6: ATEN CHINA CO., Ltd executed the capital increase with the amount of $11,331 thousand in January 2026.

(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	175,104	- (Note 1)

Note 1: The Company was certified as an operations center by the Industrial Development Bureau, Ministry of Economic Affairs, in approval letter No.11551020050, and the certification is valid from May 22,2026 to May 21, 2029. The Company has no limitation on investment in Mainland China during the abovementioned period.

Note 2: The exchange rate is USD1 to NTD31.837.

(iii) Significant transactions:

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

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

(14) Segment information:

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

	Computer peripheral equipment	Others	Adjustments or elimination	Total
Three months ended June 30, 2026				
Revenue:				
Revenue from external customers	$ 1,311,033	31,103	-	1,342,136
Inter-segment revenues	1,066,084	-	(1,066,084)	-
Total revenue	**$ 2,377,117**	**31,103**	**(1,066,084)**	**1,342,136**
Reportable segment profit or loss	**$ 271,333**	**1,591**	**(52,467)**	**220,457**
Three months ended June 30, 2025				
Revenue:				
Revenue from external customers	$ 1,096,301	35,382	-	1,131,683
Inter-segment revenues	669,282	-	(669,282)	-
Total revenue	**$ 1,765,583**	**35,382**	**(669,282)**	**1,131,683**
Reportable segment profit or loss	**$ 75,071**	**3,338**	**(12,294)**	**66,115**
Six months ended June 30, 2026				
Revenue:				
Revenue from external customers	$ 2,569,817	65,500	-	2,635,317
Inter-segment revenues	1,844,124	-	(1,844,124)	-
Total revenue	**$ 4,413,941**	**65,500**	**(1,844,124)**	**2,635,317**
Reportable segment profit or loss	**$ 476,518**	**5,067**	**(77,269)**	**404,316**
Six months ended June 30, 2025				
Revenue:				
Revenue from external customers	$ 2,267,445	68,939	-	2,336,384
Inter-segment revenues	1,342,069	-	(1,342,069)	-
Total revenue	**$ 3,609,514**	**68,939**	**(1,342,069)**	**2,336,384**
Reportable segment profit or loss	**$ 228,287**	**8,242**	**(16,740)**	**219,789**