



**ATEN International Co., LTD. (“The Company”)
Minutes of 2024 Annual General Shareholders’ Meeting
(Translation)**

I. Time: May 30, 2024 (Thursday) at 9 a.m.

II. Place: ATEN Headquarter Museum (4F., No.125, Sec. 2, Datong Rd. Sijhih District., New Taipei City, Taiwan)

III. Attendance: 68,007,114 shares were represented by the shareholders and proxies present, which amounted to 56.92% of the Company’s 119,471,166 issued and outstanding shares.

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

IV. Chairman: Sun-Chung Chen, Chairman of the Board of Directors

Recorder: Wayne Tyan

Board Members Present: Sun-Chung Chen, Shang-Jen Chen, Chung-Jen Chen, Wei-Jen Chu, Yung-Da Lin, Chen-Lin Kuo, Shiu-Ta Liao, Se-Se Chen, Ching-Jen Chang

V. Chairman Remarks (Omitted)

VI. Report Items

1. 2023 Business Report (Please refer to the Attachment 1)
2. Audit Committee’s Review Report on the 2023 Financial Statements (Please refer to the Attachment 2)
 - (1). The Company’s Financial Statements have been audited and certified by CPA and reviewed by Audit Committee. An audit report and Audit Committee’s review report relating to the Financial Statements has been issued, respectively.

(2). About Audit Committee’s review report and audit report, please refer to the Attachment 2 and Attachment 3.

3. 2023 Employees’ Compensation and Directors’ Remuneration Report

(1). According to Article 24 of the Article of Incorporation, the Company's net income before tax before deducting remuneration to employees and directors and after making up for aggregated losses should be applied to pay remuneration to employees for an amount of 10-16% of the balance, and to directors for an amount not more than 2% of the balance.

(2). BOD resolved to approve 2023 employees’ compensation totaling NT\$ 123,865,585 and directors’ remuneration totaling NT\$ 9,909,247. The amount is both distributed in cash.

4. Distribution of Cash Dividends from Profits in 2023

According to Article 23 of the Article of Incorporation, the Board of Directors is authorized to approve quarterly cash dividends after the close of each quarter. The amounts and payment dates of 2023 quarterly cash dividends approved by the Board of Directors are demonstrated in the table below:

2022	Approval Date (month/date/year)	Payment Date (month/date/year)	Cash Dividends Per Share(NT\$)	Total Amount (NT\$)
First Quarter	05/05/2023		0.0	0
Second Quarter	08/08/2023	01/05/2024	2.1	250,889,449
Third Quarter	11/07/2023		0.0	0
Fourth Quarter	02/29/2024		2.2	262,836,565
Total			4.3	513,726,014

5. Related Party Transactions in 2023

In accordance with the “Procedures for Affiliated Company and Related Party Transactions” of the Company, material related party transactions should be reported to the shareholders at the most recent shareholders’ meeting. The following is a summary of the Company’s related party transactions in 2023:

Transaction Matter	Transaction Price	Terms Payment
The disposal of the right-of-use assets to the subsidiary RCM FULLY AUTOMATION CO.,	Total monthly rent (including tax):NT\$18,909 Total transaction price	Monthly payment; Payment period: 2023/08/01~2033/07/31

Transaction Matter	Transaction Price	Terms Payment
LTD.	(including tax):NT\$2,269,080	
The acquisition of the right-of-use assets from the subsidiary VISIONTOP CO., LTD.	Total monthly rent (including tax):NT\$42,000 Total transaction price (including tax):NT\$1,512,000	Monthly payment; Payment period: 2024/01/01~2026/12/31

VII. Adoption Matters

1.

Proposed by the Board

Proposal:

Adoption of the Fiscal 2023 Business Report and Financial Statements

Explanation:

- (1). The Company's Financial Statements, including the balance sheet, statement of comprehensive income, statement of changes in equity, and statement of cash flows, were audited by independent auditors, Po-Shu Huang and Chung-Shun Wu of KPMG Firm. Also Business Report and Financial Statements have been approved by the Board on February 29, 2024.
- (2). The Fiscal 2023 Business Report and the Financial Statements are attached hereto as Attachments 1 and Attachment 3, respectively. Please acknowledge.

Resolution: The number of voting rights for approval is 62,530,453, the number of voting rights for rejection is 20,858, the number of voting rights for invalidity is 0, the number of voting rights for abstention is 4,980,347, and 92.59% of the total voting rights voted for approval when votes were cast. The above proposal was submitted as proposed.

2.

Proposed by the Board

Proposal:

Adoption of the Proposal for Distribution of 2023 Profits

Explanation:

- (1). The Board has adopted a Proposal for Distribution of 2023 Profits in accordance with the Articles of Incorporation. Beginning retained earnings is NT\$ 1,352,222,255. After adding net profit after tax of NT\$ 565,541,408, subtracting the legal reserve of NT\$ 56,554,141 and the special reserve of NT\$ 8,041,809, and adding other adjustment items of NT\$ 2,826,938, the retained earnings available for distribution is NT\$ 1,855,994,651 and the

proposed cash dividend to shareholders is NT\$ 513,726,014.

- (2). The 2023 Profit Allocation Proposal is attached hereto as Attachment 4. Please acknowledge.

Resolution: The number of voting rights for approval is 62,589,676, the number of voting rights for rejection is 21,858, the number of voting rights for invalidity is 0, the number of voting rights for abstention is 4,920,124 and 92.68% of the total voting rights voted for approval when votes were cast. The above proposal was submitted as proposed.

VIII. Questions and Motions:

Summary of Shareholders' Statements:

Question from Shareholder Account Number: 47183. :

Greetings, Management Team! First of all, congratulations on your company's good report card despite the volatile external environment. Your ESG performance has been noted by all as well. Your company set the SBT target last year. When will you submit your carbon reduction pathway? Regarding the classification standards for sustainable economic activities, has your company inventoried and disclosed the proportion of revenue that conforms to the standards? And as a proportion of capital expenditure?

Response from Chairman:

On the challenges of global climate change, the Company took a proactive approach on social responsibility. To provide regular updates on our carbon reduction progress and improve the transparency of carbon reduction information, ATEN began preparing to join the Science Based Targets initiative (SBTi) and set our own carbon reduction pathway in 2023. The short-term goal is to reduce Scope 1 and Scope 2 carbon emissions from our manufacturing base in Taiwan by 50% in 2030 (with 2021 as the base year). The long-term goal is to reach net-zero carbon emissions by 2050. In 2023, we reduced our GHG emissions by nearly 20%. Our better than expected performance showed how ATEN is taking concrete action to demonstrate our strong support for environmental protection and sustainable development. We hope that ATEN's voice and support will encourage more companies to join us in the promotion of sustainable development. The SBTi carbon reduction pathway will be submitted in the future at an appropriate time depending on the actual progress.

At the same time, we also hope that increasing the transparency of carbon disclosure will persuade more companies and people to learn about and join the ranks of sustainable development. ATEN is continuing to monitor the classification standards for sustainable economic activities released at home and abroad. Even though ATEN is currently not in an industry covered by the sustainable economic activities reference guide issued by the competent authority in Taiwan, we still strive to reduce

the GHG emissions from our operations to make a substantive contribution to "climate change mitigation." At the same time, ISO14001 and ISO 45001 are also being introduced to prevent serious impacts on the environment and society. We will continue to pay attention to the laws and regulations in each region as well as the needs of stakeholders. Sustainability-related information will be disclosed when appropriate. The Chief Financial Officer will explain the situation on capital expenditure.

Response from Chief Financial Officer: We will continue to study the classification standards and include major capital expenditures in the future. The proportion is currently not available as an inventory will take the Company time to conduct.

IX. Adjournment

Please note that the above is an English translation version. If there is any discrepancy between the original Chinese version and this English translation, the Chinese version shall prevail.

ATEN International Co., LTD.

2023 Business Report

In 2023, due to the impact of inflation, interest rate hike and other cyclical factors on the global economy which limited demand in terminal markets, the rate of inventory destocking was not as expected. ATEN's consolidated net sales revenue in FY2023 amounted to NT\$5,156 million, down 5% from the same period in the previous year. Meanwhile, the consolidated gross profit margin amounted to 59.9%. The net operating profit for the year amounted to NT\$788 million; the net profit after tax amounted to NT\$572 million; and the earnings per share amount to NT\$4.73. Looking forward, in 2024, despite uncertainties, domestic consumption is expected to return to normal level. Benefiting from a recovering global economy and increased trade, investment, capital expenditure, and export are expected to improve. As such, the promotion of production capacity optimization, diverse channels and sales marketing strategy of product diversity are expected to boost revenue and profitability performance, re-creating corporate value.

For products and research and development, the Company continues to promote key development directions including digital, information security, intelligence and sound processing. Of which, artificial intelligence (AI) is taking the whole world by storm. Nowadays, AI models can conduct unprecedented in-depth analysis on large amounts of data. ATEN's solutions are gradually becoming smarter. Whether in smart manufacturing, control rooms, meeting rooms or speech synthesis solutions, in addition to emphasizing automation, they will continue to gravitate towards becoming smart solutions. For digital, ATEN's Remote Control & Monitoring (RCM) solutions can perfectly cater to the spatial translation of high-tech production lines. Our solution supports AI and machine learning technology, and can automatically adjust and optimize the production process. Regardless of real-time production monitoring or handling of anomalies, ATEN's solutions can easily undertake the tasks in hand remotely, greatly reducing the need of personnel to be present at the production line or clean room. This will help customers reduce costs and improve production efficiency. The all-channel-IP KVM managers launched by ATEN in 2023 are a major cornerstone for digital transformation, supporting facilities such as server rooms and data centers. Through a single secure entrance, multiple people can be remotely monitored at the same time, providing centralized management and real-time remote access to the server. Regardless of the type of data signal connected to the KVM digital computer module, all transmissions are digitized and protected, which will ensure fast and clear image monitoring with excellent visual accuracy. For information security, ATEN develops a range of secure KVM switches. Catering in particular, to the government, national defense departments, healthcare organizations and financial institutions, that is organizations that have strict information security requirements, ATEN specifically designs switches for multiple computers which conform to the Protection Profile for Peripheral Sharing Device (PPSD) Version 4.0, the latest international standard for KVM devices. The primary mechanisms include data isolation and one-way data transmission, filtering and restriction of peripheral equipment that is authorized to be connected, data protection performed by users, adjustable filtering mechanism for peripheral equipment, strict audio filter design, and uninterrupted anti-tampering design. The above mechanisms will ensure the security of confidential data in a multi-computer environment, providing strict security protection and humanistic designs, thus quickly meeting the goal of establishing a pro-cyber security environment. For intelligence, ATEN provides comprehensive meeting room solutions. Via intelligence and customization functions, the coordination process is significantly simplified, thus enhancing meeting experience and productivity. ATEN smart meeting

space solutions are able to integrate the environmental control system and booking system, facilitating central management and easy monitoring of meeting room equipment and working space. As for sound processing, ATEN rolls out “AI Voice,” integrating AI deep learning and acoustic technologies to provide customized speech service. It can contribute to corporates in establishing exclusive speech service that meets brand recognition requirements, as well as providing brand-new applications for news for the hearing impaired and audiobooks. As part of the global industrial supply chain, ATEN is committed to sustainable development and has launched a three-phase green energy power source distributor with a people-centered and eco-friendly design to achieve sustainable optimization of data centers through high-efficiency and energy-saving features.

2023 is a fruitful year for ATEN in terms of product research and development. It successively won three major international awards - the iF Design Award and the Red Dot Design Award of Germany, and the Good Design Award of Japan. ATEN also won the recognition of the Taiwan Excellence Award. The unremitting effort in product development reflects ATEN's foresight in innovative technology and our highly-recognized R&D capabilities. In terms of ESG sustainable development, in the face of climate change challenges, ATEN actively takes on corporate social responsibilities, and fully invests in carbon reduction actions. We undertake to hit the net-zero carbon emission target in 2050. Currently, we have built a system capacity of 334.8 kWp in our Thailand factory. The photovoltaic power generation system is gradually gravitating towards the commitment of net-zero carbon emissions in 2050, demonstrating our firm commitment to sustainability and environmental responsibility. In addition, ATEN has completed the greenhouse gas inventory for all the group's subsidiaries and formulated specific action plans to reduce carbon emissions of the Taiwan headquarters office and Xizhi factory by 50% by 2030. For the governance aspect, ATEN continues to strengthen implementation, and has won the excellent results by emerging as one of the top 5% of all listed companies in the small and medium-sized market capitalization group of the ninth Corporate Governance Evaluation. Whereas, for the society aspect, through the ATEN Volunteer Club, we continue to exert our corporate strength in supporting the elderly and the disadvantaged, and maintaining the community environment. In 2023, ATEN won the recognition of the "HR Asia Best Companies to Work for in Asia" for the fourth time, as well as winning the "Most Caring Company Awards 2023." The success in awards demonstrates ATEN's unremitting efforts to create a happy and friendly workplace. It further reflects how ATEN internalizes its core corporate values, that is “Integrity, Caring, Ambition, and Novelty (ICAN)” and upholds them in the working environment for the benefit of the employees. This will strengthen employees’ sense of belonging. In the future, we will continue to uphold our corporate sustainability vision and continue to implement the core values of ATEN, with the goal of giving back to the environment and society and moving toward a better life.

ATEN International Co., LTD.

Chairman : Sun-Chung Chen

President : Sun-Chung Chen

Chief Accountant : Wayne Tyan

Attachment 2

ATEN International Co., LTD.

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements, and Earnings Distribution Proposal. ATEN International Financial Statements have been audited and certified by Po-Shu Huang, CPA, and Chung-Shun Wu, CPA, of KPMG and an audit report relating to the Financial Statements has been issued. The Business Report, Financial Statements and Earnings Distribution Proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of ATEN International. According to Article 14-4 of Securities and Exchange Act and Article 219 of the Company act, we hereby submit this report.

The 2024 General Shareholders Meeting of ATEN International Co., LTD.

ATEN International Co., LTD.

Chairman of the Audit Committee : Wei-Jen Chu

February 29, 2024

Independent Auditors' Report

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

Opinion

We have audited the parent company only financial statements financial statements of ATEN INTERNATIONAL CO., LTD. (“the Company”), which comprise the balance sheet as of December 31, 2023 and 2022, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

Please refer to notes 4(m) and 6(q) for disclosure related to revenue recognition.

Description of key audit matter:

Revenue is the key indicator used by investors and management while evaluating the Company's financial or operating performance. The accuracy of the timing and amount of revenue recognized has significant impact on the financial statements, for which assumptions and judgment of revenue recognition relying on subjective judgment of management. Hence, we consider it as a key audit matter.

How the matter was addressed in our audit:

The key audit procedures performed included testing the effectiveness of the design and implementing the internal control (both manual and system control) of sales and collecting cycle; reviewing significant sales contracts to determine whether the key judgments and assumptions of revenue recognition are reasonable; analyzing the changes in top 10 customers from the most recent period and last year, and the changes in the price and quantity of each category of product line to determine whether if there are any significant misstatements; selecting sales transactions from a period of time before and after the balance sheet date, and verifying them with the vouchers to determine the accuracy of the timing and amounts of revenue recognized; understanding whether if there is a significant subsequent sales return or discount; and reviewing whether the disclosure of revenue made by the management is appropriate.

2. Inventory measurement

Please refer to notes 4(g), 5, and 6(f) for disclosure related to inventory measurement.

Description of key audit matter:

The inventory is measured at the lower of cost and net realizable value. Due to the update of technology, the inventory might be out of date or no longer meets the requirement of the market, which may result in a decline on the price of the product resulting in the cost of the inventory to be higher than the net realizable value. The measurement of inventory depends on the evaluation of the management based on several evidences. Therefore, we consider it as a key audit matter.

How the matter was addressed in our audit:

The key audit procedures performed is to understand the management's accounting policy of inventory measurement and determine whether it is reasonable and is being implement. The procedures include inspecting the method of inventory valuation assumption is consistently and evaluating whether the assumption is needed to be adjusted due to the operating and economic condition change. Obtaining the inventory valuation table, understanding the net realizable values by management and the variation of the prices, in the period after the reporting date, to ensure the appropriateness of the valuation price. Reviewing the reason and verifying the accuracy on past three years and current year's allowance of inventory. Assessing whether the disclosure of provision for inventory valuation is appropriate.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Huang, Po-Shu and Wu, Chung-Shun.

KPMG

Taipei, Taiwan (Republic of China)

February 29, 2024

Notes to Readers

The accompanying parent company only financial statements are intended only to present the 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 audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying parent company only 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 parent company only financial statements, the Chinese version shall prevail.

Independent Auditors' Report

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

Opinion

We have audited the consolidated financial statements of ATEN INTERNATIONAL CO., LTD. and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2023 and 2022, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of ATEN INTERNATIONAL CO., LTD. and its subsidiaries as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretation developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year end December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

Please refer to notes 4(n) and 6(r) for disclosure related to revenue recognition.

Description of key audit matter:

Revenue is the key indicator used by investors and management while evaluating ATEN INTERNATIONAL CO., LTD. and its subsidiaries' financial or operating performance. The accuracy of the timing and amount of revenue recognized have significant impact on the financial statements, for which the assumptions and judgments of revenue recognition rely on subjective judgment of the management. Hence, we consider it as the key audit matter.

How the matter was addressed in our audit:

The key audit procedures performed included testing the effectiveness of the design and implementing the internal control (both manual and system control) of sales and collecting cycle; reviewing significant sales contract to determine whether the key judgments and assumptions of revenue recognition are reasonable; analyzing the changes in top 10 customers from the most recent period and last year, and the changes in the price and quantity of each category of product line to determine whether if there are any significant misstatements; selecting sales transactions from a period of time before and after the balance sheet date, and verifying them with the vouchers to determine the accuracy of the timing and amounts of revenue recognized; understanding whether if there is a significant subsequent sales return or discount; and reviewing whether the disclosure of revenue made by the management is appropriate.

2. Inventory measurement

Please refer to notes 4(h), 5, and 6(g) for disclosure related to inventory measurement.

Description of key audit matter:

The inventory is measured at the lower of cost and net realizable value. Due to the update of technology, the inventory might be out of date or no longer meets the requirement of the market, which may result in a decline on the price of the product resulting in the cost of the inventory to be higher than the net realizable value. The measurement of inventory depends on the evaluation of the management based on several evidences. Therefore, we consider it as a key audit matter.

How the matter was addressed in our audit:

The key audit procedures performed is to understand the management's accounting policy of inventory measurement and determine whether it is reasonable and is being implement. The procedures include inspecting the method of inventory valuation assumption is consistently and evaluating whether the assumption is needed to be adjusted due to the operating and economic condition change. Obtaining the inventory valuation table, understanding the net realizable values by management and the variation of the prices, in the period after the reporting date, to ensure the appropriateness of the valuation price. Reviewing the reason and verifying the accuracy on past three years and current year's allowance of inventory. Assessing whether the disclosure of provision for inventory valuation is appropriate.

Other Matter

ATEN INTERNATIONAL CO., LTD. has prepared its parent company only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing ATEN INTERNATIONAL CO., LTD. and its subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ATEN INTERNATIONAL CO., LTD. and its subsidiaries' internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on ATEN INTERNATIONAL CO., LTD. and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause ATEN INTERNATIONAL CO., LTD. and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Huang, Po-Shu and Wu, Chung-Shun.

KPMG

Taipei, Taiwan (Republic of China)

February 29, 2024

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 audit 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 Parent Company Only Financial Statements and Report Originally Issued in Chinese)

ATEN INTERNATIONAL CO., LTD.
Balance Sheets
December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Assets	December 31, 2023		December 31, 2022		Liabilities and Equity	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%		Amount	%	Amount	%
11xx Current assets:					21xx Current liabilities:				
1100 Cash and cash equivalents (note 6(a))	\$ 521,506	9	501,881	8	2100 Short-term borrowings (note 6(j))	\$ 45,481	1	65,808	1
1136 Current financial assets at amortised cost, net (note 6(b))	14,246	-	14,246	-	2120 Financial liabilities at fair value through profit or loss – current (note 6(c))	950	-	9,197	-
1110 Financial assets at fair value through profit or loss – current (note 6(c))	314,608	5	608,690	10	2150 Notes payable	51	-	92	-
1120 Financial assets at fair value through other comprehensive income – current (note 6(d))	-	-	6,371	-	2170 Accounts payable	151,550	2	278,468	5
1170 Accounts receivable, net (note 6(e))	146,435	2	96,162	1	2180 Accounts payable – related parties (note 7)	104,617	2	75,879	1
1180 Accounts receivable – related parties, net (notes 6(e) and 7)	491,216	8	677,924	11	2216 Dividends Payable (note 6(o))	250,889	4	-	-
130x Inventories (note 6(f))	715,901	12	743,178	12	2200 Other payables (notes 6(h), (m), (r) and 8)	385,680	6	382,691	6
1410 Prepayments	11,423	-	12,050	-	2220 Other payables – related parties (note 7)	195,665	3	195,691	3
1470 Other current assets	13,545	-	24,259	-	2230 Current tax liabilities	39,814	2	148,211	3
Total current assets	2,228,880	36	2,684,761	42	2250 Provisions – current (note 6(k))	22,810	-	27,052	-
15xx Non-current assets:					2280 Current lease liabilities (note 6(l))	1,566	-	2,481	-
1517 Financial assets at fair value through other comprehensive income – non-current (note 6(d))	27,246	-	27,617	-	2399 Other current liabilities	15,093	-	18,359	-
1550 Investments accounted for under equity method (note 6(g))	1,591,236	26	1,381,633	22	Total current liabilities	1,214,166	20	1,203,929	19
1600 Property, plant and equipment (notes 6(h), 7 and 8)	2,108,301	34	1,970,294	31	25xx Non-Current liabilities:				
1755 Right-of-use assets (note 6(i))	2,521	-	4,873	-	2560 Non-current tax liabilities	-	-	26,580	-
1840 Deferred income tax assets (note 6(n))	105,746	2	143,732	3	2570 Deferred income tax liabilities (note 6(n))	128,692	2	127,302	2
1920 Refundable deposits	568	-	934	-	2580 Non-current lease liabilities (note 6(l))	1,116	-	2,228	-
1980 Other financial assets – non-current (notes 8 and 9)	105,607	2	105,587	2	2640 Net defined benefit liabilities – non-current (note 6(m))	69,165	1	78,092	2
Total non-current assets	3,941,225	64	3,634,670	58	2645 Deposits received	764	-	905	-
					2650 Credit in investments accounted for under equity method (note 6(g))	-	-	42,078	1
					2670 Other non-current liabilities	16,191	-	13,489	-
					Total non-current liabilities	215,928	3	290,674	5
					Total liabilities	1,430,094	23	1,494,603	24
					2xxx Equity (notes 6(d) and (o)):				
					3110 Common stock	1,194,711	20	1,194,711	19
					3200 Capital surplus:				
					3210 Additional paid-in capital	316,913	5	316,913	5
					3250 Donated assets received	50	-	50	-
						316,963	5	316,963	5
					3300 Retained earnings:				
					3310 Legal reserve	1,566,677	25	1,493,727	24
					3320 Special reserve	203,711	3	228,910	3
					3350 Unappropriated retained earnings	1,655,497	27	1,780,024	28
						3,425,885	55	3,502,661	55
					3400 Other equity interest:				
					3410 Financial statements translation differences for foreign operations	(175,518)	(3)	(171,173)	(3)
					3420 Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(22,030)	-	(18,334)	-
						(197,548)	(3)	(189,507)	(3)
					3xxx Total equity	4,740,011	77	4,824,828	76
Total assets	\$ 6,170,105	100	6,319,431	100	2-3xxx Total liabilities and equity	\$ 6,170,105	100	6,319,431	100

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

ATEN INTERNATIONAL CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

	2023		2022	
	Amount	%	Amount	%
4000 Operating revenue (notes 6(q) and 7)	\$ 3,362,745	100	3,764,197	100
5000 Operating costs (notes 6(f), (h), (i), (k), (l), (m), (r) and 7)	1,564,223	47	1,764,703	47
5900 Gross profit from operations	1,798,522	53	1,999,494	53
5920 Add: Changes in unrealized profit	114,086	3	(100,897)	(3)
5900 Gross profit	1,912,608	56	1,898,597	50
6000 Operating expenses (notes 6(h), (i), (l), (m), (r) and 7):				
6100 Selling expenses	417,087	12	397,914	10
6200 Administrative expenses	310,316	9	315,303	8
6300 Research and development expenses	533,569	16	517,614	14
Total operating expenses	1,260,972	37	1,230,831	32
6900 Operating profit	651,636	19	667,766	18
7000 Non-operating income and expenses (notes (l), (s) and 7):				
7100 Interest income	3,484	-	4,548	-
7010 Other income	49,884	1	57,025	2
7020 Other gains and losses	(31,405)	(1)	17,591	-
7050 Finance costs	(1,385)	-	(1,370)	-
7375 Share of profit of subsidiaries and associates accounted for under equity method	19,781	1	90,916	2
Total non-operating income and expenses	40,359	1	168,710	4
7900 Profit from continuing operations before tax	691,995	20	836,476	22
7950 Less: Income tax expenses (note 6(n))	126,454	3	106,976	3
Net income	565,541	17	729,500	19
8300 Other comprehensive income (notes 6(n) and (o)):				
8310 Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311 Gains (losses) on remeasurements of defined benefit plans	3,125	-	8,191	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(70)	-	(570)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	3,346	-	1,704	-
Components of other comprehensive income that will not be reclassified to profit or loss	(291)	-	5,917	-
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	(4,345)	-	39,973	1
8380 Share of other comprehensive income of subsidiaries and associates accounted for using equity method	57	-	365	-
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	(4,288)	-	40,338	1
8300 Other comprehensive income	(4,579)	-	46,255	1
8500 Total comprehensive income	\$ 560,962	17	775,755	20
9750 Basic earnings per share (in New Taiwan dollars) (note 6(p))	\$ 4.73		6.11	
9850 Diluted earnings per share (in New Taiwan dollars) (note 6(p))	\$ 4.66		5.99	

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

ATEN INTERNATIONAL CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Share capital		Retained earnings				Total other equity interest		Total	Total equity	
	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			
Balance at January 1, 2022	A1 \$	1,194,711	316,963	1,493,727	189,465	1,716,314	3,399,506	(211,146)	(17,764)	(228,910)	4,682,270
Appropriation and distribution of retained earnings:											
Special reserve appropriated	B3	-	-	-	39,445	(39,445)	-	-	-	-	-
Cash dividends of ordinary share	B5	-	-	-	-	(633,197)	(633,197)	-	-	-	(633,197)
Net income	D1	-	-	-	-	729,500	729,500	-	-	-	729,500
Other comprehensive income	D3	-	-	-	-	6,852	6,852	39,973	(570)	39,403	46,255
Total comprehensive income	D5	-	-	-	-	736,352	736,352	39,973	(570)	39,403	775,755
Balance at December 31, 2022	Z1	1,194,711	316,963	1,493,727	228,910	1,780,024	3,502,661	(171,173)	(18,334)	(189,507)	4,824,828
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	B1	-	-	72,950	-	(72,950)	-	-	-	-	-
Special reserve reversed	B3	-	-	-	(25,199)	25,199	-	-	-	-	-
Cash dividends of ordinary share	B5	-	-	-	-	(645,144)	(645,144)	-	-	-	(645,144)
Net income	D1	-	-	-	-	565,541	565,541	-	-	-	565,541
Other comprehensive income	D3	-	-	-	-	2,464	2,464	(4,345)	(2,698)	(7,043)	(4,579)
Total comprehensive income	D5	-	-	-	-	568,005	568,005	(4,345)	(2,698)	(7,043)	560,962
Difference between consideration and carrying amount of subsidiaries acquired	M5	-	-	-	-	(635)	(635)	-	-	-	(635)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	Q1	-	-	-	-	998	998	-	(998)	(998)	-
Balance at December 31, 2023	Z1 \$	1,194,711	316,963	1,566,677	203,711	1,655,497	3,425,885	(175,518)	(22,030)	(197,548)	4,740,011

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

ATEN INTERNATIONAL CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
AAAA Cash flows from operating activities:		
A10000 Net income before tax	\$ 691,995	836,476
A20000 Adjustments:		
A20010 Adjustments to reconcile profit and loss		
A20100 Depreciation expense	58,325	57,993
A20900 Interest expense	1,385	1,370
A21200 Interest income	(3,484)	(4,548)
A21300 Dividend income	(375)	(592)
A22400 Share of profit of associates accounted for under equity method	(19,781)	(90,916)
A22500 Gains on disposal of property, plant and equipment	(331)	(118)
A22600 Property, plant and equipment transferred to expenses	100	69
A23900 Unrealized gains (losses) from sales	(114,086)	100,897
A2990-1 Gains on lease modification	-	(49)
A2990-2 Others	(207)	(210)
A20010 Total adjustments to reconcile profit and loss	(78,454)	63,896
A30000 Changes in assets / liabilities relating to operating activities:		
A31000 Net changes in operating assets:		
A31115 Financial assets at fair value through profit or loss	294,082	(124,827)
A31150 Accounts receivable	(50,273)	79,828
A31160 Accounts receivable—related parties	186,708	(174,322)
A31200 Inventories	26,802	(242,638)
A31230 Prepayments	627	10,254
A31240 Other current assets	10,719	(3,024)
A31000 Total changes in operating assets, net	468,665	(454,729)
A32000 Net changes in operating liabilities:		
A32110 Financial liabilities held for trading	(8,247)	8,799
A32130 Notes payable	(41)	25
A32150 Accounts payable	(126,918)	80,920
A32160 Accounts payable—related parties	28,738	(53,896)
A32180 Other payable	2,989	9,764
A32190 Other payable—related parties	(26)	(2,525)
A32200 Provisions	(4,242)	1,372
A32230 Other current liabilities	(3,268)	6,734
A32240 Net defined benefit liabilities	(5,802)	(1,635)
A32990 Other non-current liabilities	2,702	2,477
A32000 Total changes in operating liabilities, net	(114,115)	52,035
A30000 Total changes in operating assets / liabilities, net	354,550	(402,694)
A20000 Total adjustments	276,096	(338,798)
A33000 Cash provided by operating activities	968,091	497,678
A33200 Dividends received	59,937	70,683
A33500 Payment of income tax	(225,401)	(277,441)
AAAA Net cash provided by operating activities	802,627	290,920
BBBB Cash flows from investing activities:		
B00010 Acquisition of financial assets at fair value through other comprehensive income	-	(6,000)
B00020 Proceeds from disposal of financial assets at fair value through other comprehensive income	6,672	-
B01800 Acquisition of investments accounted for using equity method	(182,097)	(14,026)
B02700 Acquisition of property, plant and equipment	(193,966)	(33,584)
B02800 Proceeds from disposal of property, plant and equipment	692	611
B03700 Decrease (increase) in refundable deposits	366	(17)
B06500 Increase in other financial assets—non-current	(20)	(41)
B07500 Interest received	3,484	4,548
BBBB Net cash used in investing activities	(364,869)	(48,509)
CCCC Cash flows from financing activities:		
C00100 Decrease in short-term borrowings	(19,022)	(26,570)
C03000 Increase (decrease) in deposits received	(141)	175
C04020 Payment of lease liabilities	(2,025)	(2,812)
C04500 Cash dividends paid	(394,255)	(633,197)
C05600 Interest paid	(1,385)	(1,370)
CCCC Net cash used in financing activities	(416,828)	(663,774)
DDDD Effect of exchange rate changes on cash and cash equivalents	(1,305)	835
EEEE Net increase (decrease) in cash and cash equivalents	19,625	(420,528)
E00100 Cash and cash equivalents at beginning of period	501,881	922,409
E00200 Cash and cash equivalents at end of period	\$ 521,506	501,881

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

ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	<u>December 31, 2023</u>		<u>December 31, 2022</u>			<u>December 31, 2023</u>		<u>December 31, 2022</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Assets					Liabilities and Equity				
11xx Current assets:					21xx Current liabilities:				
1100 Cash and cash equivalents (note 6(a))	\$ 1,193,987	17	1,122,298	15	2100 Short-term borrowings (notes 6(k) and 8)	\$ 404,297	6	622,189	9
1136 Current financial assets at amortised cost, net (note 6(b))	90,449	1	103,361	2	2322 Current portion of long-term borrowings (notes 6(k) and 8)	-	-	5,236	-
1110 Financial assets at fair value through profit or loss – current (note 6(c))	397,240	6	700,969	10	2120 Financial liabilities at fair value through profit or loss – current (note 6(c))	1,258	-	10,869	-
1120 Financial assets at fair value through other comprehensive income – current (note 6(d))	-	-	6,371	-	2150 Notes payable	1,681	-	1,366	-
1140 Contract assets – current (note 6(r))	7,884	-	5,990	-	2170 Accounts payable	287,156	4	466,549	6
1150 Notes receivable, net (notes 6(e) and (q))	6,722	-	7,136	-	2216 Dividends Payable (note 6(p))	250,889	4	-	-
1170 Accounts receivable, net (notes 6(e) and (q))	714,916	10	733,627	10	2219 Other payable (notes 6(h), (n), (s) and 8)	550,638	8	586,893	8
1200 Other receivables (note 6(f))	14,354	-	20,842	-	2230 Current tax liabilities	84,696	1	189,492	3
130x Inventories (note 6(g))	1,266,264	18	1,497,000	21	2250 Provisions – current (note 6(l))	22,810	-	27,052	-
1410 Prepayments	61,102	1	86,797	1	2280 Current lease liabilities (note 6(m))	101,486	1	65,809	1
1470 Other current assets	10,254	-	14,112	-	2399 Other current liabilities	74,582	1	101,687	1
Total current assets	3,763,172	53	4,298,503	59	Total current liabilities	1,779,493	25	2,077,142	28
15xx Non-current assets:					25xx Non-Current liabilities:				
1517 Financial assets at fair value through other comprehensive income – non-current (note 6(d))	27,246	-	27,617	-	2560 Non-current tax liabilities	-	-	26,580	-
1600 Property, plant and equipment (notes 6(h), 7, 8 and 9)	2,703,716	38	2,583,668	35	2570 Deferred income tax liabilities (note 6(o))	181,700	2	179,995	3
1755 Right-of-use assets (note 6(i))	289,963	4	109,301	1	2580 Non-current lease liabilities (note 6(m))	194,750	3	47,483	1
1780 Intangible assets (note 6(j))	4,336	-	6,949	-	2640 Net defined benefit liabilities – non-current (note 6(n))	70,857	1	79,880	1
1840 Deferred income tax assets (note 6(o))	143,557	2	179,858	3	2645 Deposits received	764	-	905	-
1915 Prepayments for equipment	5,266	-	5,805	-	2670 Other non-current liabilities	57,648	1	53,287	1
1920 Refundable deposits	35,049	1	31,005	-	Total non-current liabilities	505,719	7	388,130	6
1980 Other financial assets – non-current (notes 8 and 9)	116,133	2	105,587	2	Total liabilities	2,285,212	32	2,465,272	34
1990 Other non-current assets	1,535	-	2,161	-	Equity attributable to shareholders of the company (notes 6(d) and (p)):				
Total non-current assets	3,326,801	47	3,051,951	41	3110 Common stock	1,194,711	17	1,194,711	16
					3200 Capital surplus:				
					3210 Additional paid-in capital	316,913	4	316,913	4
					3250 Donated assets received	50	-	50	-
						316,963	4	316,963	4
					3300 Retained earnings:				
					3310 Legal reserve	1,566,677	22	1,493,727	20
					3320 Special reserve	203,711	3	228,910	3
					3350 Unappropriated retained earnings	1,655,497	23	1,780,024	24
						3,425,885	48	3,502,661	47
					3400 Other equity interest:				
					3410 Financial statements translation differences for foreign operations	(175,518)	(2)	(171,173)	(2)
					3420 Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(22,030)	-	(18,334)	-
						(197,548)	(2)	(189,507)	(2)
					Total equity attributable to shareholders of the company	4,740,011	67	4,824,828	65
					36xx Non-controlling interests	64,750	1	60,354	1
					3xxx Total equity	4,804,761	68	4,885,182	66
1xxx Total assets	\$ 7,089,973	100	7,350,454	100	2-3xxx Total liabilities and equity	\$ 7,089,973	100	7,350,454	100

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

ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (note 6(r))	\$ 5,156,242	100	5,403,167	100
5000	Operating costs (notes 6(g), (h), (i), (l), (m), (n) and (s))	2,065,366	40	2,239,803	41
5900	Gross profit	3,090,876	60	3,163,364	59
6000	Operating expenses (notes 6(e), (h), (i), (j), (m), (n), (s) and 7):				
6100	Selling expenses	1,263,680	25	1,273,916	24
6200	Administrative expenses	511,930	10	527,265	10
6300	Research and development expenses	527,431	10	512,511	9
6450	Reversal of impairment loss determined in accordance with IFRS 9	(185)	-	(1,030)	-
	Total operating expenses	2,302,856	45	2,312,662	43
6900	Operating profit	788,020	15	850,702	16
7000	Non-operating income and expenses (notes 6(m) and (t)):				
7100	Interest income	10,975	-	6,077	-
7010	Other income	26,848	1	30,781	1
7020	Other gains and losses	(31,437)	-	25,219	-
7050	Finance costs	(41,287)	(1)	(21,532)	-
	Total non-operating income and expenses	(34,901)	-	40,545	1
7900	Profit from continuing operations before tax	753,119	15	891,247	17
7950	Less: Income tax expenses (note 6(o))	180,698	4	158,356	3
	Net income	572,421	11	732,891	14
8300	Other comprehensive income (notes 6(o) and (p)):				
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	3,221	-	8,804	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(70)	-	(570)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	3,346	-	1,704	-
	Components of other comprehensive income that will not be reclassified to profit or loss	(195)	-	6,530	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(4,791)	-	41,081	-
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	(4,791)	-	41,081	-
8300	Other comprehensive income	(4,986)	-	47,611	-
8500	Total comprehensive income	\$ 567,435	11	780,502	14
8600	Net income attributable to:				
8610	Shareholders of the parent	\$ 565,541	11	729,500	14
8620	Non-controlling interests	6,880	-	3,391	-
		\$ 572,421	11	732,891	14
8700	Total comprehensive income attributable to:				
8710	Shareholders of the parent	\$ 560,962	11	775,755	14
8720	Non-controlling interests	6,473	-	4,747	-
		\$ 567,435	11	780,502	14
	Basic earnings per share(in New Taiwan dollars) (note 6(q))				
9750	Basic earnings per share	\$ 4.73		6.11	
9850	Diluted earnings per share	\$ 4.66		5.99	

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

ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent													
	Share capital						Retained earnings			Total other equity interest		Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings		Financial statements translation differences for foreign operations	Unrealized gain (loss) on financial assets measured at fair value through other comprehensive income	Total					
					Total									
Total														
Balance at January 1, 2022	A1	\$	1,194,711	316,963	1,493,727	189,465	1,716,314	3,399,506	(211,146)	(17,764)	(228,910)	4,682,270	61,527	4,743,797
Appropriation and distribution of retained earnings:														
Special reserve appropriated	B3		-	-	-	39,445	(39,445)	-	-	-	-	-	-	-
Cash dividends of ordinary share	B5		-	-	-	-	(633,197)	(633,197)	-	-	-	(633,197)	(5,920)	(639,117)
Net income	D1		-	-	-	-	729,500	729,500	-	-	-	729,500	3,391	732,891
Other comprehensive income	D3		-	-	-	-	6,852	6,852	39,973	(570)	39,403	46,255	1,356	47,611
Total comprehensive income	D5		-	-	-	-	736,352	736,352	39,973	(570)	39,403	775,755	4,747	780,502
Balance at December 31, 2022	Z1		1,194,711	316,963	1,493,727	228,910	1,780,024	3,502,661	(171,173)	(18,334)	(189,507)	4,824,828	60,354	4,885,182
Appropriation and distribution of retained earnings:														
Legal reserve appropriated	B1		-	-	72,950	-	(72,950)	-	-	-	-	-	-	-
Special reserve reversed	B3		-	-	-	(25,199)	25,199	-	-	-	-	-	-	-
Cash dividends of ordinary share	B5		-	-	-	-	(645,144)	(645,144)	-	-	-	(645,144)	(2,712)	(647,856)
Net income	D1		-	-	-	-	565,541	565,541	-	-	-	565,541	6,880	572,421
Other comprehensive income	D3		-	-	-	-	2,464	2,464	(4,345)	(2,698)	(7,043)	(4,579)	(407)	(4,986)
Total comprehensive income	D5		-	-	-	-	568,005	568,005	(4,345)	(2,698)	(7,043)	560,962	6,473	567,435
Difference between consideration and carrying amount of subsidiaries acquired	M5		-	-	-	-	(635)	(635)	-	-	-	(635)	635	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	Q1		-	-	-	-	998	998	-	(998)	(998)	-	-	-
Balance at December 31, 2023	Z1	\$	1,194,711	316,963	1,566,677	203,711	1,655,497	3,425,885	(175,518)	(22,030)	(197,548)	4,740,011	64,750	4,804,761

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

ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
AAAA Cash flows from operating activities:		
A10000 Net income before tax	\$ 753,119	891,247
A20000 Adjustments:		
A20010 Adjustments to reconcile profit and loss		
A20100 Depreciation expense	225,663	214,544
A20200 Amortization expense	2,052	3,365
A20300 Reversal of impairment loss determined in accordance with IFRS9	(185)	(1,030)
A20900 Interest expense	41,287	21,532
A21200 Interest income	(10,975)	(6,077)
A21300 Dividend income	(375)	(592)
A22500 Net loss (gain) on disposal of property, plant and equipment	(1,112)	357
A22600 Property, plant and equipment transferred to expenses	511	69
A22800 Loss on disposal of intangible assets	561	-
A2990-2 Prepayments for equipment transferred to expenses	138	3,058
A2990-3 Losses on lease modification	(39)	(89)
A20010 Total adjustments to reconcile profit and loss	257,526	235,137
A30000 Changes in assets / liabilities relating to operating activities:		
A31000 Net changes in operating assets:		
A31115 Financial assets at fair value through profit or loss	303,729	(94,140)
A31125 Contract assets	(1,894)	2,688
A31130 Notes receivable	414	1,146
A31150 Accounts receivable	18,896	129,440
A31180 Other receivable	6,488	(3,692)
A31200 Inventories	230,083	(479,918)
A31230 Prepayments	25,695	5,923
A31240 Other current assets	3,850	658
A31000 Total changes in operating assets, net	587,261	(437,895)
A32000 Net changes in operating liabilities:		
A32110 Financial liabilities held for trading	(9,611)	10,173
A32130 Notes payable	315	(780)
A32150 Accounts payable	(179,393)	33,843
A32180 Other payable	(36,255)	15,154
A32200 Provisions	(4,242)	1,372
A32230 Other current liabilities	(27,105)	(10,712)
A32240 Net defined benefit liabilities	(5,802)	(1,634)
A32990 Other non-current liabilities	4,361	4,529
A32000 Total changes in operating liabilities, net	(257,732)	51,945
A30000 Total changes in operating assets / liabilities, net	329,529	(385,950)
A20000 Total adjustments	587,055	(150,813)
A33000 Cash provided by operating activities	1,340,174	740,434
A33200 Dividends received	375	592
A33500 Payment of income tax	(277,491)	(316,169)
AAAA Net cash provided by operating activities	1,063,058	424,857
BBBB Cash flows from investing activities:		
B00010 Acquisition of financial assets at fair value through other comprehensive income	-	(6,000)
B00020 Proceeds from disposal of financial assets at fair value through other comprehensive income	6,672	-
B00040 Acquisition of financial assets at amortised cost	12,912	-
B02700 Acquisition of property, plant and equipment	(224,653)	(83,299)
B02800 Proceeds from disposal of property, plant and equipment	1,951	1,162
B03700 Increase in refundable deposits	(4,044)	(4,189)
B06500 Increase in other financial assets — non-current	(10,546)	(41)
B06700 Decrease in other non-current assets	626	110
B07100 Increase in prepayments for equipment	(6,107)	(7,289)
B07500 Interest received	10,975	6,077
BBBB Net cash used in investing activities	(212,214)	(93,469)
CCCC Cash flows from financing activities:		
C00100 Increase (decrease) in short-term borrowings	(216,587)	79,623
C01700 Repayment of long-term borrowings	(5,397)	(5,016)
C03000 Increase (decrease) in deposits received	(141)	175
C04020 Payment of lease liabilities	(115,072)	(109,282)
C04500 Cash dividends paid	(396,967)	(639,117)
C05600 Interest paid	(41,287)	(21,532)
CCCC Net cash used in financing activities	(775,451)	(695,149)
DDDD Effect of exchange rate changes on cash and cash equivalents	(3,704)	23,681
EEEE Net increase (decrease) in cash and cash equivalents for the period	71,689	(340,080)
E00100 Cash and cash equivalents at beginning of period	1,122,298	1,462,378
E00200 Cash and cash equivalents at end of period	\$ 1,193,987	1,122,298

ATEN International Co., LTD.
PROFIT DISTRIBUTION TABLE
Year 2023

(Unit: NTD \$)

Items	Amount
Beginning retained earnings	1,352,222,255
Add : 2023 net profit after tax	565,541,408
Less : 10% legal reserve	56,554,141
Less : Special earnings reserves on reductions to shareholders' equity (Note1)	8,041,809
Add : Current change in remeasurements of defined benefit liability	2,407,581
Add : Disposal of Equity instruments measured at fair value through other comprehensive income	998,045
Add : Share of other equity interest accounted for under equity method	56,711
Less : Difference between consideration and carrying amount of subsidiaries acquired	635,399
Distributable net profit	1,855,994,651
Distributable items :	
Resolved distribution of interim earnings in 2023 (Note1) -Distributable earnings in 2022: 203,586,976; Distributable earnings in 2023: 47,302,473	250,889,449
Cash Dividend (NT 2.2 per share) -Distributable earnings in 2023	262,836,565
Unappropriated retained earnings	1,342,268,637

Note1 : In the second quarter of 2023, due to the interim earnings distribution : the special reserve totaling NT 14,204,613 and the resolved cash dividend totaling NT 250,889,449 (NT 2.1 per share).