Stock Code: 2417

AVerMedia Technologies Inc. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2025 and 2024 and Independent Auditors' Report

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REPRESENTATION LETTER

In 2025 (from January 1 to December 31, 2025), the companies included in the consolidated financial statements of affiliated enterprises in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises.” are the same as the companies included in the consolidated financial statements of the parent company and its subsidiaries in accordance with IFRS 10. Furthermore, the relevant information that is required to be disclosed in the consolidated financial statements of affiliated entities has been disclosed in the aforementioned parent and subsidiary consolidated financial statements. Consequently, AVerMedia Technologies, Inc. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

AVerMedia Technologies Inc.

By

Kuo, Chung Sung

Chairman

March12,2026

Independent Auditor's Report

To AVerMedia TechnologiesInc.:

Audit opinion

We have audited the accompanying consolidated balance sheets of AVerMedia Technologies, Inc. and its subsidiaries (collectively, the "Company") as of December 31, 2025 and 2024, the related consolidated statements of comprehensive income, changes in equity and cash flows for the the years then ended, and the related notes to the consolidated financial statements including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2025 and 2024, and its consolidated financial performance and consolidated cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission.

Basis for Opinion

We conducted the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants. 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 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 for 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 ended December 31, 2025. 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.

Key audit matters of AVerMedia Group's consolidated financial statements for the year ended December 31, 2025 are stated as follows:

<u>Assessment of the sales rebate</u>

The AVerMedia Group's main customers are the distributors in the Americas. In order to stimulate sales and promote the market, the AVerMedia Group has signed several sales discounts and feedback contracts with its main distributors. Since the rebate and reward projects may involve different calculations based on different products and whether or not the sales amount reaches the threshold, and the calculation basis involves the risks of estimation of sales amount and estimation uncertainty, we categorize the sales allowance and reward as key audit matters.

We acknowledge the estimated sales rebate and reward method of the Group, inquire about the estimation basis of the estimated sales amount from the management, and obtain the documentation to assess the reasonableness. In addition, we audit the sales rebate and reward contracts signed with dealers, whether or not the sales rebate and rewards are implemented in accordance with the existing policy, and randomly inspect the payment vouchers from dealers for actual allowance and rewards and the achievement of sales forecast after the review period to assess whether or not the sales allowance and rewards are reasonable.

Other matters

AVerMedia Technologies, Inc. has prepared the parent company only financial statements for the years 2025 and 2024, for which we have issued an unqualified 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 the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and 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 the Group'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 Group's financial reporting process.

Auditor's 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 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on the consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercised professional judgment and maintained professional skepticism throughout the audit. We also performed the following tasks:

1. Identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained 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. Obtained 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 Group's internal control.
3. Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Concluded 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

required to draw attention in our auditor’s 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 auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the 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 Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicated 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 identified during our audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicated 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 determined the key audit matters for the audit of the consolidated financial statements for the year ended December 31, 2025. We describe these matters in our auditor’s 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 Chen Pei-Te and Liu Yi-Ching.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 12, 2026

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with 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 applied in the Republic of China. For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

AVerMedia Technologies Inc. and subsidiaries

Consolidated Balance Sheets

December 31, 2025 and December 31, 2024

Unit: In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current Assets				
1100	Cash and Cash Equivalents (Note 6)	$ 1,953,512	34	$ 2,379,750	41
1110	Financial Assets at Fair Value through Profit or Loss (Note 7)	191,227	3	40,283	1
1136	Financial assets at amortized cost (Notes 9 and 29)	37,716	1	78,094	1
1150	Notes Receivable	12	-	1,373	-
1170	Accounts Receivable (Note 10)	466,624	8	363,886	6
1200	Other Receivables	15,414	-	13,230	-
1220	Current Tax Assets (Note 23)	37,004	1	33,248	-
130X	Inventories (Note 11)	569,605	10	561,706	10
1470	Other Current Assets	86,648	2	97,329	2
11XX	Total Current Assets	3,357,762	59	3,568,899	61
	Non-current Assets				
1517	Financial Assets at Fair Value through Other Comprehensive Income (Note 8)	60,000	1	60,000	1
1600	Property, Plant and Equipment (Note 13)	1,389,561	24	1,444,564	25
1755	Right-of-use assets (Note 14)	69,368	1	81,608	1
1760	Investment property (Notes 15 and 29)	606,493	11	395,780	7
1780	Intangible assets	8,484	-	17,427	-
1840	Deferred income tax assets (Note 23)	202,656	4	203,603	4
1900	Other Non-current Assets (Note 29)	18,808	-	51,874	1
15XX	Total Non-current assets	2,355,370	41	2,254,856	39
1XXX	Total Assets	$ 5,713,132	100	$ 5,823,755	100
Code	**Liabilities and Equity**				
	Current liabilities				
2100	Short-term loans (Notes 16 and 29)	$ 580,000	10	$ 580,000	10
2170	Accounts payables	274,984	5	195,819	3
2200	Other payables (Notes 17)	493,029	9	502,831	9
2230	Income tax payable (Notes 23)	9,438	-	57,735	1
2250	Provision for liabilities (Note 18)	11,819	-	9,703	-
2280	Lease liabilities (Note 14)	25,694	1	22,997	1
2320	Long-term liabilities-current portion (Note 16 and 29)	10,009	-	2,948	-
2365	Refund liabilities (Notes 21)	78,260	1	71,651	1
2399	Other Current Liabilities	11,483	-	8,699	-
21XX	Total current liabilities	1,494,716	26	1,452,383	25
	Non-current Liabilities				
2540	Long-term loans (Notes 16 and 29)	186,544	3	60,052	1
2550	Provision for liabilities (Note 18)	49,835	1	44,824	1
2570	Deferred income tax liabilities (Notes 23)	23,620	1	30,285	1
2580	Lease liabilities (Note 14)	52,572	1	65,017	1
2600	Other non-current liabilities	10,554	-	16,434	-
25XX	Total non-current liabilities	323,125	6	216,612	4
2XXX	Total liabilities	1,817,841	32	1,668,995	29
	Equity attributable to owners of the Company (Notes 20 and 25)				
3110	Common Share Capital	1,572,939	27	1,576,189	27
3200	Capital Surplus	741,182	13	763,802	13
	Retained Earnings				
3310	Appropriated as Legal Capital Reserve	491,192	8	491,192	9
3320	Special Capital Reserves	-	-	141,695	2
3350	Unappropriated Earnings	606,575	11	520,360	9
3300	Total Retained Earnings	1,097,767	19	1,153,247	20
3400	Other Equity Interests	(7,003)	-	(28,991)	-
3500	Treasury Stock	(639,104)	(11)	(554,649)	(10)
31XX	Equity attributable to shareholders of the parent	2,765,781	48	2,909,598	50
36XX	Non-controlling equity	1,129,510	20	1,245,162	21
3XXX	Total equity	3,895,291	68	4,154,760	71
	Total Liabilities and Equity	$ 5,713,132	100	$ 5,823,755	100

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

AVerMedia Technologies Inc. and subsidiaries

Consolidated Statements of Comprehensive Income

January 1 to December 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars, and NTD for earnings (loss) per share

		2025		2024	
Code		Amount	%	Amount	%
4000	Net Revenue (Note 21)	$ 3,359,746	100	$ 3,271,854	100
5000	Cost of Revenue (Note 11 and 22)	1,489,727	44	1,406,356	43
5900	Gross Profit	1,870,019	56	1,865,498	57
	Operating expenses (Notes 10 and 22)				
6100	Marketing	1,059,614	32	1,100,327	34
6200	General and administrative expenses	172,734	5	192,861	6
6300	Research and development expenses	622,642	18	661,249	20
6450	Expected Credit Loss Recognized	263	-	828	-
6000	Total Operating Expenses	1,855,253	55	1,955,265	60
6900	Net Operating Profit (Loss)	14,766	1	(89,767)	(3)
	Non-operating income and expenses (Note 22)				
7100	Interest Income	37,701	1	55,119	2
7190	Other Income	42,649	1	48,241	2
7020	Other Gains and Losses	(26,864)	(1)	94,275	3
7050	Finance costs	(19,730)	-	(18,302)	(1)
7000	Total Non-operating Income and Expenses	33,756	1	179,333	6
7900	Income Before Income Tax	48,522	2	89,566	3
7950	Income tax expense (Note 23)	19,776	1	45,999	2
8200	Net Income	28,746	1	43,567	1
	Other Comprehensive Income				
8360	Items That May be Reclassified Subsequently to Profit or Loss:				
8361	Exchange differences arising on translation of foreign operations	(7,315)	-	22,228	1
8500	Total Comprehensive Income	$ 21,431	1	$ 65,795	2

(Continued)

(Brought forward)

Code		2025 Amount	2025 %	2024 Amount	2024 %
	Net profit (loss) attributable to				
8610	Shareholders of the parent	($ 23,956)	(1)	($ 51,331)	(2)
8620	Non-controlling interests	52,702	2	94,898	3
8600		$ 28,746	1	$ 43,567	1
	Total comprehensive income attributable to				
8710	Shareholders of the parent	($ 26,735)	(1)	($ 41,011)	(1)
8720	Non-controlling interests	48,166	2	106,806	3
8700		$ 21,431	1	$ 65,795	2
	Loss per share (Note 24)				
9710	Basic Earnings Per Share	($ 0.19)		($ 0.39)	
9810	Diluted Earnings Per Share	($ 0.19)		($ 0.39)	

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

AVerMedia Technologies Inc. and subsidiaries

Consolidated Statement of Changes in Equity

January 1 to December 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars, Unless Specified Otherwise

		Equity attributable to the owners of the Company													
		Common Share Capital			Retained Earnings				Other Equity Interests						
Code		Shares (In Thousands)	Amount	Capital Surplus	Appropriated as Legal Capital Reserve	Special Capital Reserves	Unappropriated Earnings	Total	Conversion of financial statements of foreign operations	Unearned Share-based Employee Compensation	Total	Treasury Stock	Total	Non-controlling equity	Equity Total
A1	Balance as of January 1, 2024	158,069	$ 1,580,689	$ 756,160	$ 491,015	$ 285,082	$ 452,191	$ 1,228,288	$ 1,735	($ 67,461)	($ 65,726)	($ 517,183)	$ 2,982,228	$ 1,238,292	$ 4,220,520
	2023 Appropriations of Earnings														
B1	Appropriated as Legal Capital Reserve	-	-	-	177	-	(177)	-	-	-	-	-	-	-	-
B3	Special Capital Reserves	-	-	-	-	(143,387)	143,387	-	-	-	-	-	-	-	-
B5	Cash Dividends to shareholders	-	-	-	-	-	(23,710)	(23,710)	-	-	-	-	(23,710)	-	(23,710)
O1	Cash dividends to shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(62,352)	(62,352)
D1	~~2024~~ Net income (loss)	-	-	-	-	-	(51,331)	(51,331)	-	-	-	-	(51,331)	94,898	43,567
D3	Other comprehensive income after tax in 2024	-	-	-	-	-	-	-	10,320	-	10,320	-	10,320	11,908	22,228
D5	Total comprehensive income in 2024	-	-	-	-	-	(51,331)	(51,331)	10,320	-	10,320	-	(41,011)	106,806	65,795
T1	Cancellation of Restricted Stock Awards	(450)	(4,500)	4,500	-	-	-	-	-	-	-	-	-	-	-
N1	Share-Based Benefit Transactions — Restricted Stock Awards	-	-	-	-	-	-	-	-	26,415	26,415	-	26,415	-	26,415
L5	Shares of Parent Company Purchased by a Subsidiary are Considered Treasury Stock	-	-	-	-	-	-	-	-	-	-	(37,466)	(37,466)	(37,584)	(75,050)
M1	Changes in capital surplus from dividends distributed to subsidiaries	-	-	3,142	-	-	-	-	-	-	-	-	3,142	-	3,142
Z1	Balance as of December 31, 2024	157,619	1,576,189	763,802	491,192	141,695	520,360	1,153,247	12,055	(41,046)	(28,991)	(554,649)	2,909,598	1,245,162	4,154,760
	Appropriation and distribution of 2024 earnings														
B3	Special Capital Reserves	-	-	-	-	(141,695)	141,695	-	-	-	-	-	-	-	-
B5	Cash Dividends to shareholders	-	-	-	-	-	(31,524)	(31,524)	-	-	-	-	(31,524)	-	(31,524)
O1	Cash dividends to shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(79,104)	(79,104)
D1	Net (loss) profit ~~for 2025~~	-	-	-	-	-	(23,956)	(23,956)	-	-	-	-	(23,956)	52,702	28,746
D3	Other comprehensive income after tax in 2025	-	-	-	-	-	-	-	(2,779)	-	(2,779)	-	(2,779)	(4,536)	(7,315)
D5	Total comprehensive income in 2025	-	-	-	-	-	(23,956)	(23,956)	(2,779)	-	(2,779)	-	(26,735)	48,166	21,431
T1	Cancellation of Restricted Stock Awards	(325)	(3,250)	3,250	-	-	-	-	-	-	-	-	-	-	-
N1	Share-Based Benefit Transactions — Restricted Stock Awards	-	-	(31,003)	-	-	-	-	-	24,767	24,767	-	(6,236)	-	(6,236)
L5	Shares of Parent Company Purchased by a Subsidiary are Considered Treasury Stock	-	-	-	-	-	-	-	-	-	-	(84,455)	(84,455)	(84,714)	(169,169)
M1	Changes in capital surplus from dividends distributed to subsidiaries	-	-	5,133	-	-	-	-	-	-	-	-	5,133	-	5,133
Z1	Balance as of December 31, 2025	157,294	$ 1,572,939	$ 741,182	$ 491,192	$ -	$ 606,575	$ 1,097,767	$ 9,276	($ 16,279)	($ 7,003)	($ 639,104)	$ 2,765,781	$ 1,129,510	$ 3,895,291

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

AVerMedia Technologies Inc. and subsidiaries

Consolidated Statements of Cash Flows

January 1 to December 31, 2025 and 2024

Unit: NTD thousand

Code		2025	2024
	Cash Flows from Operating Activities		
A10000	Income Profit Before Income Tax	$ 48,522	$ 89,566
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation Expense	139,473	160,477
A20200	Amortization Expense	10,389	17,769
A20300	Expected Credit Loss Recognized	263	828
A20400	Net gain on financial instruments measured at fair value through profit or loss	(6,113)	(3,969)
A20900	Financial Costs	19,730	18,302
A21200	Interest Income	(37,701)	(55,119)
A21900	Remuneration costs of employee share options	(6,236)	26,415
A22500	Loss on disposal of property, plant and equipment	1,028	662
A23700	Loss on inventory write-down, obsolescence, and scrapping	16,306	31,470
A24100	Net loss (gain) on foreign currency exchange	23,557	(53,335)
A29900	Recognition of Provisions for liabilities	24,802	8,624
A30000	Changes in Operating Assets and Liabilities		
A31115	Financial instruments at fair value through profit or loss	(143,149)	84,361
A31130	Notes Receivables	1,361	605
A31150	Accounts Receivables	(99,136)	15,008
A31180	Other Receivables	(3,120)	(2,950)
A31200	Inventories	(25,846)	30,710
A31240	Other Current Assets	10,661	(21,920)
A32110	~~Forced~~ Financial liabilities measured at fair value through profit or loss	(1,682)	-
A32150	Accounts payables	79,681	43,719
A32180	Other Payables	(10,294)	28,959
A32200	Provisions for liabilities	(17,675)	(12,774)
A32230	Other Current Liabilities	2,527	(893)
A32990	Refund Liabilities	9,146	6,894
A32990	Other non-current liabilities	(6,913)	(4,389)
A33000	Cash inflow (outflow) from operations	29,581	409,020
A33300	Interest Paid	(19,468)	(18,771)
A33500	Income Tax Refunded (Paid)	(80,187)	16,736
AAAA	Net cash inflow (outflow) from operating activities	(70,074)	406,985

(Continued)

(Brought forward)

Code		2025	2024
	Cash Flows from Investing Activities		
B00010	Acquisition Financial Assets at Fair Value through Profit or Other Comprehensive Loss	$ -	($ 60,000)
B00040	Acquisition of Financial Assets at Amortized Cost	(35,190)	(142,911)
B00050	Proceeds from disposal of Financial Assets at Amortized Cost	77,395	361,510
B02700	Acquisition of Property, Plant and Equipment	(49,187)	(66,759)
B02800	Proceeds from Disposal of Property, Plant and Equipment	-	2,203
B03700	Increase in Refundable Deposits	(3,140)	(2,816)
B03800	Decrease in Refundable Deposits	2,961	5,866
B04500	Acquisition of Intangible Assets	(2,226)	(11,674)
B05400	Acquisition of Investment Properties	(182,560)	-
B07100	Increase in prepayments for equipment	(694)	(32,248)
B07500	Interests Received	38,676	54,898
BBBB	Net cash inflow (outflow) from investing activities	(153,965)	108,069
	Cash Flows from Financing Activities		
C00200	Decrease in short-term loans	-	(200,000)
C01600	Proceeds from long-term loans	140,000	-
C01700	Repayment of Long-term debt payable	(6,447)	(2,903)
C03000	Net increase in guarantee deposits received	1,066	64
C04020	Repayments of the principal portion of lease liabilities	(28,445)	(27,234)
C04500	Cash dividends	(26,391)	(20,568)
C04900	Purchase of shares of the parent company by subsidiaries	(169,169)	(75,050)
C05800	Cash dividend paid to Non-controlling interest	(79,104)	(62,352)
CCCC	Net Cash Outflows from Financing Activities	(168,490)	(388,043)
DDDD	Effect of Exchange Rate Changes on Cash and Cash Equivalents	(33,709)	34,156
EEEE	Net increase (decrease) in cash and cash equivalents	(426,238)	161,167
E00100	Cash and Cash Equivalents, Beginning of Year	2,379,750	2,218,583
E00200	Cash and Cash Equivalents, End of Year	$ 1,953,512	$ 2,379,750

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

AVerMedia Technologies Inc. and subsidiaries

Notes to Consolidated Financial Statements

January 1 to December 31, 2025 and 2024

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

I. General

AVerMedia Technologies Inc. (the Company) was founded in January 1990. The main businesses are the sales and research and development of computer system facilities and multimedia products. The Company’s shares was listed on the Taipei Exchange in May 1997 and the Taiwan Stock Exchange in September 2000.

The consolidated financial statements are expressed in NT$, which is the Company's functional currency.

II. The Authorization of Financial Statements

The consolidated financial statements were approved and authorized for issuance by the Board of Directors on March 12, 2026.

III. Application of New and Revised International Financial Reporting Standards

(I) Initial application of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (hereinafter referred to as “FSC”) endorsed and issued into effect by the Financial Supervisory Commission (“FSC”). “IFRS Accounting Standards”)

The Group has assessed that the application of the amendments to the IFRS Accounting Standards endorsed and issued into effect by the FSC will not have a material impact on the Group’s accounting policies.

(II) The IFRS endorsed by the FSC with effective date starting 2026

New, revised or amended standards and interpretations	Effective Date Issued by IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
“Annual Improvements to IFRS Standards – Cycle 11”	January 1, 2026
IFRS 17 “Insurance contracts” (including amendments in 2020 and 2021)	January 1, 2023

As of the date these consolidated financial statements were approved for issuance, the Group has assessed that the amendments to the aforementioned standards will not have a material impact on its financial position or financial performance.

(III) IFRS Accounting Standards issued by the IASB but not yet endorsed and issued into effect by the FSC

New, revised or amended standards and interpretations	Effective Date Issued by IASB (Note)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associates or Joint Ventures"	To be determined by IASB
IFRS 18 "Presentation and Disclosure of Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

Note 1: Unless otherwise specified, the above new, amended and revised standards and interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that enterprises in Taiwan shall apply IFRS 18 starting from January 1, 2028, and may also elect early adoption after IFRS 18 is endorsed by the FSC.

IFRS 18 "Presentation and Disclosure in Financial Statements" and related amendments

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements" and the main changes include:

- The Group shall assess whether it has specific main business activities of investing in certain types of assets and providing financing to customers, and based on such assessment, classify income and expense items in the statement of profit or loss into operating, investing, financing, income tax, and discontinued operations categories.
- The income statement should present operating profit or loss, profit or loss before financing and tax, as well as subtotal and total profit and loss.
- Guidelines are provided to strengthen aggregation and segmentation requirements: the Group must identify the assets, liabilities, equity, gains, expenses and cash

flows generated from individual transactions or other matters and conduct classification and aggregation based on the common characteristics, so that each item on a single line in the primary financial statement has at least one similar characteristic. Items with experiences in similar should body be broken down in the main financial statements and notes. The Group shall use the label “other” only when no more informative description is available.

- Additional disclosure of management-defined performance measures: When the Group communicates publicly about matters other than the financial statements, and when it communicates to users of the financial statements regarding management’s views on a particular aspect of the Group’s overall financial performance, the consolidated company should disclose information on the performance measures defined by management in a single note to the financial statements. This disclosure should include a description of the measure, how it is calculated, its reconciliation with the subtotals or totals specified in IFRS accounting standards, and the impact of relevant reconciling items on income taxes and non-controlling interests.

In addition, the following consequential amendments were made to IAS 7 “Statement of Cash Flows”:

- When the Group prepares cash flows from operating activities using the indirect method, operating profit or loss shall be used as the starting point for reconciliation.
- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. If, after assessment, the Group is determined to have specific main business activities, it shall consider the categories of dividend income, interest income, and interest expense presented in the statement of profit or loss in order to determine the classification of dividends received, interest received, and interest paid in the statement of cash flows. However, each of the above cash flows may only be classified in a single category in the statement of cash flows.

In addition to the above impacts, as of the date of these consolidated financial statements, the Group continues to assess the effects of amendments to various standards and interpretations on its financial position and performance. The related impacts will be disclosed once the assessment is complete.

IV. Summary of the Significant Accounting Policies

(I) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS accounting standard endorsed and issued into effect by the FSC.

(II) Basis of preparation

Apart from the financial instruments measured at fair value, the consolidated financial statements have been prepared on a historical cost basis.

Based on the observability and importance of the related input value, the fair value measurement will be divided from Level 1 to Level 3:

1. Level 1 input value: It refers to the quotation of the same asset or liability that can be acquired on the measurement date in the active market (unadjusted).
2. Level 2 input value: It refers to the direct (which is the price) or indirect (which is derived from the price) observable input value, apart from the Level 1 quotation, of the asset or liability.
3. Level 3 input value: It refers to the unobservable input value of the asset or liability.

(III) Standards for the classification of current and non-current assets and liabilities

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets expected to be realized within 12 months after the reporting period; and
3. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities due within 12 months after the balance sheet date (also classified as current liabilities even if long-term refinancing or rearrangement of payment terms has been completed after the balance sheet date and before the financial statements are released), and
3. Liabilities for which the entity does not have a substantive right, as of the balance sheet date, to defer settlement for at least 12 months after the balance sheet date.

Assets and liabilities that are not classified as current are classified as non-current.

(IV) Basis of consolidation

The consolidated financial statements consist of the financial statement of the Company and the financial statements of the entities (subsidiaries) controlled by the Company. The financial statements of subsidiaries have been adjusted so that the accounting policies are consistent with the Group. When preparing the consolidated financial statements, the transactions, account balances, profit and loss among all entities have been written off. The comprehensive income of subsidiaries belongs to the company's owners and non-controlling interest despite the non-controlling interest becoming the loss balance.

When the changes in the ownership equity of subsidiaries by the Group do not result in the loss of control over subsidiaries, such changes are considered equity transactions. The carrying amount of the Group and the non-controlling interest has been adjusted to reflect the changes in the relative equity of subsidiaries. The difference between the adjustment amount of non-controlling interest and the fair value of the consideration paid or received is directly recognized as equity and belongs to the owners of the Company.

Please refer to Note 12 and Tables 5 and 6 for details of subsidiaries, shareholding ratio and main business.

(V) Foreign currency

In preparing the consolidated financial statements of each entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

The items of foreign currency are exchanged based on the closing exchange rate of every reporting period. The exchange differences derived from settlement monetary items or exchange monetary items are recognized in the profit or loss of the current period.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslated of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items measured at a historical cost that are denominated in a foreign currency are not retranslated.

In preparing the consolidated financial statements, the assets and liabilities of overseas operating institutions (including the subsidiaries located in a different country or the currency is different from the one used by the Company) are translated into NT$ (presentation currency) by the exchange rate of every balance sheet date. The adjustments to reconcile profit (loss) are exchanged by the average exchange rate of the reporting period, and the exchange differences that occurred are recognized in other comprehensive income and belong to the owners of the Company and non-controlling interest.

If the Group disposes of its entire interest in a foreign operation, or disposes of part of its interest in a subsidiary that is a foreign operation and thereby loses control, all accumulated exchange differences relating to that foreign operation and attributable to the owners of the Company shall be reclassified to profit or loss.

(VI) Inventories

Inventories include raw materials, work in process, and finished goods. Inventories are measured at the lower of cost and net realizable value. Apart from the inventories of the same category, the individual items are the basis when comparing the cost and the net realizable value. Net realizable value is the estimated selling price in the common course of business, less the estimated costs of completion and selling expenses. The costs of inventories are determined using the weighted-average method.

(VII) Property, Plant and Equipment

The costs of property, plant and equipment are recognized, and they are measured by the amount of costs less the accumulated depreciation and accumulated impairment loss.

Property, plant and equipment under construction are recognized at cost less the accumulated impairment losses. Costs include professional services fees and borrowing costs eligible for capitalization. Before such assets are ready for their intended use, they are measured at the lower of cost and net realizable value, and the related sales proceeds and costs are recognized in profit or loss. When these assets are completed and ready for intended use, they are assigned to the appropriate property, plant, and equipment categories, and the depreciation process begins.

Apart from freehold land not being depreciated, each significant part of property, plant and equipment is depreciated separately using the straight-line method within the useful lives. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period. The impact of any changes in accounting estimates is accounted for on a prospective basis.

When derecognizing property, plant and equipment, the difference between the net disposal amount and the carrying amount of such asset is recognized in profit or loss.

(VIII) Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment property also includes land held for which future use has not yet been determined.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

The depreciation of investment properties is recognized using the straight-line method.

Property, plant, and equipment, as well as right-of-use assets, are reclassified as investment property at their carrying amount when they cease to be used for operational purposes.

When derecognizing investment properties, the difference between the net disposal amount and the carrying amount of such asset is recognized in profit or loss.

(IX) Intangible Assets

These represent computer software costs, initially measured at acquisition cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis over their estimated useful lives. The Group reviews the estimated useful lives, residual values, and amortization methods at least at the end of each reporting period and applies the effects of changes in accounting estimates prospectively.

When intangible assets are derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(X) Impairment of property, plant, equipment right-of-use asset, investment properties, and intangible assets

At the end of each reporting period, the Group reviews whether or not there is any sign that the property, plant, equipment, right-of-use asset, investment properties, and intangible assets are impaired. Where the sign of impairment exists, the Company estimates the recoverable amount of the assets. Where the recoverable amount of an individual asset cannot be estimated, the Group estimates the recoverable amount of the cash generating unit of such asset. Corporate assets are allocated to the minimum cash-generating unit on a reasonable and consistent basis.

The recoverable amount is the higher of the fair value less costs of sales and the use value. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. The impairment loss is recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash generating unit in prior years (deduction of amortization or depreciation). A reversal of an impairment loss is recognized in profit or loss.

(XI) Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issuance of financial assets and liabilities are added to or deducted from the fair value of the financial assets or liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities are recognized immediately in profit or loss.

1. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

(1) Measurement categories

The financial assets held by the Group are classified as financial assets measured at fair value through profit or loss, financial assets measured at amortized cost, and equity instrument investments measured at fair value through other comprehensive income.

A. Financial assets at fair value through profit or loss

Financial assets at FVTPL are measured at fair value enforced through profit or loss. The financial assets measured at fair value through profit or loss are mandatorily classified as at fair value, including investments in equity instruments which are not designated as at fair value through other comprehensive income and investments in liability instruments which are not classified as at amortized costs or through other comprehensive income.

The financial assets measured at fair value through profit or loss are measured at fair value, and dividends and interests derived from them are recognized separately in other income and interest income. The gain or loss that occurred after remeasurement is recognized in other gains and losses. For the determination of fair value, please refer to Note 27.

B. Financial assets measured at amortized cost

If investment assets of the Group meet the following two conditions, the investment assets are categorized as financial assets at amortized cost:

a. The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b. The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets (including cash and cash equivalents, notes and accounts receivable at amortized cost, and other receivables at amortized cost) are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

C. Investments in Equity Instruments Measured at Fair Value through Other Comprehensive Income

At the time of initial recognition, the Group may make an irrevocable election to designate investments in equity instruments that are not held for trading and do not represent contingent consideration recognized in a business combination acquisition, to be measured at fair value through other comprehensive income.

Equity instrument investments measured at Fair Value through Other Comprehensive Income are assessed at fair value, with subsequent changes in fair value reported in other comprehensive income and accumulated under other equity. Upon disposal of the investment, the cumulative gains or losses are transferred directly to retained earnings and are not reclassified to profit or loss.

Dividends from investments in equity instruments measured at Fair Value through Other Comprehensive Income are recognized in profit or loss when the Group's right to receive payment is established, unless the dividends clearly represent a partial recovery of the investment cost.

(2) Impairment of financial assets

The Group recognizes an impairment loss for expected credit losses on financial assets at amortized cost (including accounts receivable) at the end of each reporting period.

A loss allowance for accounts receivable is recognized at an amount equal to lifetime expected credit losses. For other financial assets, the Group assesses whether credit risk has increased significantly since initial recognition. If credit risk has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to 12-month expected credit losses; if credit risk has increased significantly since initial recognition, the loss allowance is measured at an amount equal to lifetime expected credit losses.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Twelve-month expected credit losses represent the portion of lifetime expected credit losses expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. Lifetime expected credit losses represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

For internal credit risk management, purposes, the Group considers a financial asset to be in default when internal or external information indicates that the debtor is unlikely to repay the debt, without taking collateral into consideration.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

(3) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss on the derecognition of an entire financial asset at amortized cost. Upon the derecognition of an equity instrument investment measured at fair value through other comprehensive income, the cumulative gains or losses are transferred directly to retained earnings and are not reclassified to profit or loss.

2. Equity instruments

Equity instruments issued by the Group are classified as equity in accordance with the substance of the contractual arrangements and the definition of equity instruments.

Equity instruments issued by the company are classified as equity in accordance with the amount of acquisition less the costs of direct issuance.

The repurchase of the Company's own equity instruments is recognized and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3. Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

(2) Derecognition of financial liabilities

When derecognizing a financial liability, the difference between the carrying amount of a financial liability derecognized and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

4. Derivatives instruments

The derivatives instruments signed by the Group are forward exchange contracts, which are used to manage the exchange risks of the Group.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

(XII) Provisions for liabilities

The amount recognized as a provision for liabilities is based on the consideration of the risks and uncertainties associated with the obligation and represents the best estimate of the expenditure required to settle the liability on the balance sheet date. The provision is measured at the present value of the estimated cash flows required to settle the obligation.

<u>Warranty</u>

The warranty obligations for products guaranteed to conform to agreed specifications are recognized as an expense at the time revenue is recognized for the related goods. This recognition is based on management's best estimate of the expenditure required to settle the Group's obligations.

(XIII) Revenue recognition

Upon identifying the performance obligations in the contract with the customer, the Group allocates the transaction price to the performance obligations in the contract and recognizes revenue when the Group satisfies a performance obligation.

1. Revenue from the sale of goods

The revenue from sales of goods comes from computer related equipment, multimedia equipment, computer system equipment, and sales of presentation, and video conference system products. When the goods are delivered to the customer's specific location because it is the time when the customer has full discretion over the price to sell the goods, right-of-use, and has the primary responsibility for sales to future customers and bears the risks of obsolescence. The Group recognizes the income and trade receivables concurrently.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

2. Revenue from the rendering of services

Service revenue derived from maintenance services is recognized when the services are provided.

(XIV) Lease

At the inception of a contract, the Group assesses whether the contract is (or contains) a lease.

1. The Group as lessor

When the leasing clauses transfer almost transfer all risks and rewards of the ownership of the asset to the lessee, such leasing is classified as financing leasing. All other leasing is classified as operating leasing.

Under operating leasing, the received leasing payment after deducting the leasing incentives is recognized as income during the related leasing period on a straight-line basis.

2. The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of the lease liability; any lease payments made at or before the commencement date, less any lease incentives received; any initial direct costs incurred; and an estimate of costs to dismantle and remove the underlying asset or to restore the site or asset. The right-of-use assets are presented separately on the Consolidated Asset Balance Sheet.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease term.

Lease liabilities are initially measured at the present value of the lease payments, which include fixed payments and variable lease payments that depend on an index or rate. If the interest rate implicit in a lease can be readily determined, the lease payments are discounted using such interest rate. If the interest rate implicit in a lease can not be readily determined, the Company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

(XV) Borrowing Costs

All borrowing costs are recognized as gains and losses in the year they are incurred.

(XVI) Government Grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the subsidies will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or to give immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

(XVII) Employee benefits

1. Short-term employee benefits

   Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2. Retirement benefits

   Payments to the defined contribution retirement benefit plan are recognized as expenses when employees have rendered services entitling them to the contributions.

(XVIII) Share-based payment agreement

<u>Restricted Stock Granted to Employees</u>

Restricted employee stock options are measured at fair value on the grant date, taking into account the fair value of the equity instruments granted and the best estimate of the expected quantity. The expense is recognized on a straight-line basis over the vesting period, with a corresponding adjustment to other equity accounts (unearned employee compensation). If the options are immediately vested upon grant, the full expense is recognized on the grant date.

When the Group issues restricted employee stocks, it shall recognize other rights and interests (employees' remuneration not yet earned) on the grant date and adjust the capital reserve for restricted employee stocks simultaneously. If an employee leaves the company within the vesting period and is not required to return the received dividend, the expense is recognized when the dividends are declared, and both retained earnings and the capital surplus account (restricted employee stock options) are adjusted accordingly.

At the end of each reporting period, the Group revises its estimate of the number of restricted shares for employees that are expected to vest. The impact from such revision is recognized in profit or loss so that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - restricted shares for employees.

(XIX) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax

1. Current income tax

   Current income tax is determined in accordance with the tax laws and regulations of the jurisdictions in which the Group operates, based on taxable income (loss), and is recognized as income tax payable (recoverable).

   The income tax is collected on the Unappropriated earnings calculated in accordance with the Income Tax Act of the Republic of China, and the income tax is recognized in the year of the resolution of the Shareholders' Meeting.

   Adjustments of prior years' tax liabilities are added to or deducted from the current period's tax provision.

2. Deferred income tax

   Deferred income tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements of each entity and their respective tax bases used in the computation of taxable income.

   Deferred income tax liabilities are generally recognized for all taxable temporary differences. Deferred income tax assets are recognized for deductible temporary differences, tax loss carryforwards, and income tax credits (including those arising from expenditures on machinery and equipment and research and development) to the extent that it is probable that future taxable income will be available against which they can be utilized.

   Deferred income tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary differences and it is probable that such temporary differences will not reverse in the foreseeable future. Deferred income tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profit against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

   The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred income tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. Current and deferred income tax

The current and deferred income tax are recognized in profit or loss.

V. Critical Accounting Judgments and Key Sources of Estimation and Uncertainty

When adopting the accounting policies, the Group's management must make judgments, estimations and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

In developing significant accounting estimates, the Group considers the potential impacts on key assumptions, including estimates of cash flows, growth rates, discount rates, and profitability. Management will continue to review these estimates and the underlying assumptions.

Key sources of estimation uncertainty

Assessment of the sales rebate

The main customers of the Group are the dealers in America. To stimulate sales and promote marketing, the Group signed multiple sales allowance and reward contracts with major dealers. The calculation of these discounts (allowances) and feedback programs varies depending on the product or whether the sales amount reaches certain targets. The calculation basis for these programs involves estimating the expected sales figures or assumptions, which introduces uncertainties and risks associated with the estimation process.

VI. Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand and petty cash	$ 1,625	$ 1,526
Checking and demand deposits	1,316,877	1,753,729
Cash equivalents		
Time deposits with original maturities of less than three months	635,010	624,495
	$ 1,953,512	$ 2,379,750

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

	December 31, 2025	December 31, 2024
Bank balance	0.00%～3.65%	0.00%～4.25%
Time deposits	1.29%～4.00%	1.29%～4.80%

VII. Financial Instruments Measured at Fair Value through Profit or Loss

	December 31, 2025	December 31, 2024
Financial assets – current		
Mandatorily measured at FVTPL		
Derivatives (not designated for hedging)		
- Forward foreign exchange contracts	$ 96	$ -
Non-derivative financial assets		
- Fund beneficiary certificates	191,131	40,283
	$ 191,227	$ 40,283

VIII. Financial Assets at Fair Value through Other Comprehensive Income

	December 31, 2025	December 31, 2024
Equity Instrument Investments－Non-Current		
Unlisted Domestic Stocks		
Taiwan Bio-Manufacturing Corporation	$ 60,000	$ 60,000

The Group invests in common shares of Taiwan Bio-Manufacturing Corporation for mid- to long-term strategic purposes and expects to generate profits through long-term investment. The management of the Group believes that including short-term fair value fluctuations of such investments in profit or loss would be inconsistent with the aforementioned long-term investment plan. Therefore, it has elected to designate these investments as measured at fair value through other comprehensive income.

IX. Financial Assets at Amortized Costs

	December 31, 2025	December 31, 2024
Current portion		
Time deposits with exceed maturities of less than three months	$ -	$ 28,916
Restricted demand deposits	37,716	-
Restricted time deposits	-	49,178
	$ 37,716	$ 78,094

Please refer to Note 29 for iinformation on financial assets measured at amortized cost that have been pledged as collateral.

X. Accounts Receivables

	December 31, 2025	December 31, 2024
Measured at amortized costs		
Gross carrying amount	$ 472,836	$ 369,858
Less: Allowance for impairment loss	(6,212)	(5,972)
	$ 466,624	$ 363,886

The average credit period for product sales of the Group is 30 to 120 days. No interests are calculated for the accounts receivables. To reduce the credit risk, the management of the Group assigns a task force, which is responsible for the determination of the line of credit, credit approval, and other monitoring procedures to ensure proper actions are taken for the recovery of Past due receivables. In addition, the Group reviews the recoverable amount of receivables individually at the end of the reporting period to ensure the receivables that cannot be recovered are properly recognized in impairment loss. Therefore, the management of the Group believes the credit risks of the Group have been reduced significantly.

The Group allows for expected credit losses that permit the use of lifetime expected loss allowance for all trade receivables. The expected credit losses are estimated using a provision matrix by reference to the customer's past default experience and the current financial position and general economic conditions of the industry. The Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, so the loss allowance based on the past due status is not further distinguished according to the different segments of the Group's customer base.

The Group has insured the accounts receivables for some of the main customers. The coverage ratio is 80% to 90% of the approved insurance amount. When determining the estimated credit loss rate based on the day of past due accounts receivables, the recoverable amount from the insurance has been taken into consideration.

The Group writes off accounts receivable when information indicates that the debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Company continues to engage in enforcement activity to recover past-due receivables. Where recoveries are made, these are recognized in profit or loss.

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

December 31, 2025

	Not past due	Past due 1 to 30 days	Past due 31 to 90 days	Past due 91 to 180 days	Past due Over 181 days	Total
Gross carrying amount	$ 418,189	$ 34,471	$ 16,471	$ 844	$ 2,861	$ 472,836
Loss allowance (lifetime expected credit loss)	(1,218)	(1,085)	(1,002)	(46)	(2,861)	(6,212)
Amortized cost	$ 416,971	$ 33,386	$ 15,469	$ 798	$ -	$ 466,624

December 31, 2024

	Not past due	Past due 1 to 30 days	Past due 31 to 90 days	Past due 91 to 180 days	Past due Over 181 days	Total
Gross carrying amount	$ 288,468	$ 69,917	$ 8,612	$ -	$ 2,861	$ 369,858
Loss allowance (lifetime expected credit loss)	(397)	(781)	(1,933)	-	(2,861)	(5,972)
Amortized cost	$ 288,071	$ 69,136	$ 6,679	$ -	$ -	$ 363,886

The movements of the loss allowance of accounts receivables are as follows:

	Years Ended December 31, 2025	Years Ended December 31, 2024
Balance at January 1	$ 5,972	$ 5,143
Add: Impairment loss recognized in the current year	263	828
Less: Amounts written off	(22)	-
Effect of exchange rate changes	(1)	1
Balance at December 31	$ 6,212	$ 5,972

XI. Inventories

	December 31, 2025	December 31, 2024
Finished goods	$ 219,654	$ 274,984
Work in processing	73,712	39,341
Raw materials	276,239	247,381
	$ 569,605	$ 561,706

The nature of Cost of revenue is as follows:

	Years Ended December 31, 2025	Years Ended December 31, 2024
Costs of sold inventories	$ 1,473,421	$ 1,374,886
Loss on inventory write-down, obsolescence, and scrapping	16,306	31,470
	$ 1,489,727	$ 1,406,356

XII. Subsidiaries

(I) Subsidiaries included in the consolidated financial statements

The Company and its subsidiaries are included in the consolidated financial report, and the entities in the consolidated financial statements are as follows:

Investor company	Name of subsidiary	Main Businesses and Products	Percentage of Ownership December 31, 2025	Percentage of Ownership December 31, 2024	Explanation
AVerMedia Technologies Inc.	AVer Information Inc. (AVer Information)	Sales, manufacturing and research and development of computer system equipment, presentation and video conference system products	49.92%	49.92%	1
	AVerMedia Technologies (Shanghai), Inc. (AVerMedia Shanghai)	Sales of video and audio capture and internet video streaming products	100.00%	100.00%	-
	AVERMEDIA TECHNOLOGIES, INC. (AVerMedia USA)	Sales of video and audio capture and internet video streaming products	100.00%	100.00%	-
	AVERMEDIA TECHNOLOGIES, INC. (AVerMedia Japan)	Sales of video and audio capture and internet video streaming products	100.00%	100.00%	-
	AVT Solutions GmbH. (AVerMedia Germany)	Sales of video and audio capture and internet video streaming products	100.00%	100.00%	-
	AVERMEDIA Information（SPAIN）S.L. (AVerMedia Spain)	Sales of video and audio capture and internet video streaming products	100.00%	100.00%	2
	AVerMedia Korea Inc. (AVerMedia Korea)	Sales of video and audio capture and internet video streaming products	100.00%	100.00%	3
AVer Information	AVer Information Inc. (USA)	Sales of computer system equipment, presentation and video conference system products	100.00%	100.00%	-
	AVer Information Europe B.V.	Sales of computer system equipment, presentation and video conference system products	100.00%	100.00%	-
	AVer Information Inc. (Japan)	Sales of computer system equipment, presentation and video conference system products	100.00%	100.00%	-
	AVer Information (Vietnam) Co., Ltd.	Sales of computer system equipment, presentation and video conference system products	100.00%	100.00%	-

Yuan Chen Investment Inc.	General Investment	100.00%	100.00%	4

1. The Company holds 49.92% of AVer Information Inc.'s shares. Since AVer is a listed company, the remaining 50.08% of the shares are held by thousands of shareholders, and these shareholders are not related to the Company. AVer is listed as a subsidiary company because the Company determined that it has the substantive ability to lead AVer's relevant activities based on the absolute number, relative scale and distribution of voting rights held by other shareholders.
2. Due to the adjustment of the business strategy in the European market, in order to simplify the group organization and cost control, the Company’s Board of Directors resolved on March 13, 2024 to organize the dissolution and liquidation of AVERMEDIA Information (SPAIN) SL. Liquidation proceedings are in progress.
3. As approved by the Board of Directors on January 25, 2024, in response to the business marketing needs of developing the Korean market, the Company established the Korean subsidiary, AVerMedia Korea Inc., to support long term operations in the Korean market. The establishment was completed on April 3, 2024.
4. To integrate Group resources, AVerMedia Inc. resolved at the Board of Directors meeting on November 7, 2025 to dissolve and liquidate Yuan Chen Investment Co., Ltd. The liquidation process is currently in progress.

(II) Subsidiary with significant non-controlling interest

	Number of shares held of non-controlling interest and the voting right ratio	
Name of subsidiary	December 31, 2025	December 31, 2024
AVer Information	50.08%	50.08%

Please refer to Tables 5 for the country of the main business location and corporate registration.

	Profit or loss distributed to non-controlling interest		Non-controlling equity	
	Years Ended December 31, 2025	Years Ended December 31, 2024	December 31, 2025	December 31, 2024
AVer Information	$ 52,702	$ 94,898	$ 1,129,510	$ 1,245,162

The consolidated financial information of the following subsidiaries is prepared based on the amount before the elimination of inter-company transactions:

AVer Information and its subsidiaries

	December 31, 2025	December 31, 2024
Current Assets	$ 2,147,056	$ 2,274,076
Non-current Assets	2,345,055	2,485,722
Current liabilities	(1,056,900)	(994,902)
Non-current Liabilities	(123,194)	(146,276)
Equity	$ 3,312,017	$ 3,618,620
Equity attributed to:		
Shareholders of the parent	$ 1,653,461	$ 1,806,527
Non-controlling interest of AVer Information	1,658,556	1,812,093
	$ 3,312,017	$ 3,618,620

	Years Ended December 31, 2025	Years Ended December 31, 2024
Net Revenue	$ 2,530,372	$ 2,610,003
Net Income	$ 105,241	$ 189,503
Other Comprehensive Income	(253,880)	328,718
Total comprehensive income	($ 148,639)	$ 518,221
Net profit attributed to:		
Shareholders of the parent	$ 52,540	$ 94,605
Non-controlling interest of AVer Information	52,701	94,898
	$ 105,241	$ 189,503
Total comprehensive income attributed to:		
Shareholders of the parent	($ 74,205)	$ 258,712
Non-controlling interest of AVer Information	(74,434)	259,509
	($ 148,639)	$ 518,221
Cash flow		
Operating activities	$ 135,100	$ 391,984
Investment activities	(156,765)	(3,213)
Financing activities	(179,386)	(263,909)
Effects of exchange rate changes	(19,289)	10,956
Net cash inflow (outflow)	($ 220,340)	$ 135,818
Dividends paid to		
Non-controlling interest		
AVer Information	$ 79,104	$ 62,352

XIII. Property, plant and equipment

	Land	Buildings	Machinery and Equipment	Computers and Office Equipment	Transportation Equipment	Leasehold improvements	Other Equipment	Unfinished construction and equipment to be inspected	Total
Costs									
Balance at January 1, 2024	$ 633,463	$ 1,119,947	$ 222,795	$ 96,132	$ 17,399	$ 19,088	$ 107,529	$ 20,748	$ 2,237,101
Additions	-	3,527	3,526	7,071	4,510	-	13,083	33,873	65,590
Disposition	-	-	(5,890)	(10,399)	(2,583)	-	(7,019)	-	(25,891)
Transfer internally	(93,880)	310	-	-	-	-	58	1,065	(92,447)
Net exchange difference	-	-	179	2,669	113	913	5	-	3,879
Balance at December 31, 2024	$ 539,583	$ 1,123,784	$ 220,610	$ 95,473	$ 19,439	$ 20,001	$ 113,656	$ 55,686	$ 2,188,232
Accumulated depreciation									
Balance at January 1, 2024	$ -	($ 357,674)	($ 123,041)	($ 71,740)	($ 9,707)	($ 16,474)	($ 58,612)	$ -	($ 637,248)
Depreciation Expense	-	(32,633)	(41,227)	(12,895)	(2,017)	(718)	(36,654)	-	(126,144)
Disposition	-	-	5,886	9,561	560	-	7,019	-	23,026
Net exchange difference	-	-	(142)	(2,191)	(18)	(951)	-	-	(3,302)
Balance at December 31, 2024	$ -	($ 390,307)	($ 158,524)	($ 77,265)	($ 11,182)	($ 18,143)	($ 88,247)	$ -	($ 743,668)
Balance at December 31, 2024	$ 539,583	$ 733,477	$ 62,086	$ 18,208	$ 8,257	$ 1,858	$ 25,409	$ 55,686	$ 1,444,564
Costs									
Balance on January 1, 2025	$ 539,583	$ 1,123,784	$ 220,610	$ 95,473	$ 19,439	$ 20,001	$ 113,656	$ 55,686	$ 2,188,232
Additions	-	16,254	5,186	13,915	1,620	1,125	5,715	6,776	50,591
Disposition	-	-	(372)	(3,542)	(1,124)	(1,587)	(335)	-	(6,960)
Transfer internally	-	-	2,286	351	-	-	3,286	(5,617)	306
Net exchange difference	-	-	(169)	(1,595)	-	(562)	-	-	(2,326)
Balance on December 31, 2025	$ 539,583	$ 1,140,038	$ 227,541	$ 104,602	$ 19,935	$ 18,977	$ 122,322	$ 56,845	$ 2,229,843
Accumulated depreciation									
Balance on January 1, 2025	$ -	($ 390,307)	($ 158,524)	($ 77,265)	($ 11,182)	($ 18,143)	($ 88,247)	$ -	($ 743,668)
Depreciation Expense	-	(32,101)	(35,384)	(10,945)	(2,287)	(749)	(23,012)	-	(104,478)
Disposition	-	-	372	3,337	1,124	764	335	-	5,932
Net exchange difference	-	-	91	1,301	-	540	-	-	1,932
Balance on December 31, 2025	$ -	($ 422,408)	($ 193,445)	($ 83,572)	($ 12,345)	($ 17,588)	($ 110,924)	$ -	($ 840,282)
Net amount as of December 31, 2025	$ 539,583	$ 717,630	$ 34,096	$ 21,030	$ 7,590	$ 1,389	$ 11,398	$ 56,845	$ 1,389,561

The Group's property, plant and equipment had no indication of impairment in 2025 and 2024, and therefore no impairment testing was conducted.

The depreciation expenses are recognized on a straight-line basis over the estimated useful life of the asset:

Buildings	
Main Buildings	50 to 51 years
Accessory equipment of houses	5 to 10 years
Machinery and Equipment	3 to 10 years
Computers and Office Equipment	3 to 10 years
Transportation Equipment	5 to 6 years
Leasehold improvements	3 to 15 years
Other Equipment	2 to 3 years

XIV. Lease agreement

(I) Right-of-use assets

	December 31, 2025	December 31, 2024
Carrying amount of right-of-use assets		
Buildings	$ 69,368	$ 81,608

	Years Ended December 31, 2025	Years Ended December 31, 2024
Additions to right-of-use assets	$ 22,021	$ 83,306
Depreciation of right-of-use assets		
Buildings	$ 31,062	$ 31,279

Except for the new lease contracts and recognition of depreciation expenses, there were no material subleases or impairments of the Group’s right-of-use assets in 2025 and 2024.

(II) Lease liabilities

	December 31, 2025	December 31, 2024
Carrying amounts of lease liabilities		
Current portion	$ 25,694	$ 22,997
Noncurrent portion	$ 52,572	$ 65,017

Range of discount rate for lease liabilities:

	December 31, 2025	December 31, 2024
Buildings	0.0625%～7.80%	0.001%～7.80%

(III) Material leasing activities and terms

The Group leased several buildings as offices, plants, and dorms. The lease period is between 1 to 5 years. The lease agreements for buildings in France and the Netherlands are adjusted annually based on the local consumer price index. By the end of the leasing period, the Group does not enjoy the preference purchasing right on the investment properties.

(IV) Other lease information

	Years Ended December 31, 2025	Years Ended December 31, 2024
Total leasing cashing outflow	($ 34,163)	($ 27,636)

XV. Investment property

	Years Ended December 31, 2025	Years Ended December 31, 2024
Cost		
Balance, beginning of period	$ 459,787	$ 365,907
Addition	182,560	-
Transfer internally	32,086	93,880
Balance, end of period	$ 674,433	$ 459,787
Accumulated depreciation		
Balance, beginning of period	($ 64,007)	($ 60,953)
Depreciation Expense	(3,933)	(3,054)
Balance, end of period	($ 67,940)	($ 64,007)
Net amount, end of period	$ 606,493	$ 395,780

The useful lives of investment properties are depreciated on a 25-to-51-year straight-line basis.

The fair values of investment properties of the Group as of December 31 of 2025 and 2024 were NT$1,362,058 thousand and NT$1,141,862 thousand. The fair values were estimated by the management of the Group using the transaction prices of similar properties in nearby areas.

The leasing period for investment properties is 1 to 3 years. The lessee agrees to adjust the rent according to the market rent when exercising the right to renew the lease. By the end of the leasing period, the lessees do not enjoy the preference purchasing right on the investment properties.

Please refer to Note 29 for the carrying amount of investment property pledged as collateral for borrowings.

The total amount of lease payments expected to be received in the future for the lease of investment properties under operating leases is as follows:

	December 31, 2025	December 31, 2024
1 year	$ 28,347	$ 21,803
1 to 5 years	5,658	24,719
	$ 34,005	$ 46,522

XVI. Loans

(I) Short-term loans

	December 31, 2025	December 31, 2024
Unsecured loans	$ 550,000	$ 550,000
Annual rate of interest (%)	1.88%~1.91%	1.85%～1.92%
Last maturity date	2026/2/13	2025/1/20
Secured loans	$ 30,000	$ 30,000
Annual rate of interest (%)	1.82%	1.78%
Last maturity date	2026/1/5	2025/1/17

(II) Long-term loans

	December 31, 2025	December 31, 2024
Secured loans	$ 187,553	$ 63,000
Unsecured loans	9,000	-
	196,553	63,000
Less: Loans classified as the current position	10,009	2,948
Long-term loans	$ 186,544	$ 60,052
Annual rate of interest (%)	2.02%~2.05%	2.02%
Last maturity date	134/6/5	131/11/1

XVII. Other payables

	December 31, 2025	December 31, 2024
Payroll and bonus payables	$ 226,765	$ 223,814
Royalty payable	69,951	76,341
Leave payables	62,808	61,460
Remuneration of employees and directors' payables	17,388	34,402
Others	116,117	106,814
	$ 493,029	$ 502,831

XVIII. Provision for liabilities

	December 31, 2025	December 31, 2024
Warranty – current	$ 11,819	$ 9,703
Warranty – non-current	49,835	44,824
	$ 61,654	$ 54,527

The warranty provisions for liabilities are the present value of the best estimation by the management of the Group on the future economic efficiency outflow resulting from warranty obligations on the contractual agreement for the sales of products. The estimation uses the historical warranty experience as the basis

XIX. Retirement Benefit Plans

The pension system under the Labor Pension Act applicable to the Company and AVer Information is a government-managed defined contribution pension plan. The pension is allocated at 6% of employees' monthly salaries to the Bureau of Labor Insurance in individual accounts.

The subsidiaries of the Group recognize the pension expenses in accordance with local laws and regulations.

XX. Equity

(I) Capital-common stock

	December 31, 2025	December 31, 2024
Number of shares authorized (in thousands of shares)	320,000	320,000
Amount of shares authorized	$ 3,200,000	$ 3,200,000
Number of shares issued and fully paid (in thousands of shares)	157,294	157,619
Amount of shares issued	$ 1,572,939	$ 1,576,189

The face value of each share issued is NT$ 10, and each share enjoys one voting right and the right to collect dividends. 20,000 thousand of the aforementioned amount of shares authorized were retained for the issuance of employee stock option certificates.

Due to the resignation of employees who were allocated restricted shares in 2025 and 2024, the Company withdrew 325 thousand and 450 thousand restricted employee shares, respectively, and completed the cancellation registration.

On June 20, 2024, the shareholders' meeting of the Company resolved to issue new shares for a cash capital increase through private placement, within a limit of no more than 40,000 thousand common shares. On March 11, 2025, the Board of Directors further resolved that no further private placement would be carried out during the remaining period. On the same date, the Board of Directors also proposed to issue new shares through private placement for a cash capital increase, within a limit of no more than 40,000 thousand common shares, with a par value of NT$10 per share, to be completed in one or more tranches within one year from the date of the shareholders' meeting resolution.

(II) Capital surplus

	December 31, 2025	December 31, 2024
May be used to offset losses, distribute cash or capitalize on share capital (1)		
Additional paid-in capital in excess of par	$ 431,007	$ 431,007
Treasury stock transaction	58,331	53,198
The difference in the sale price of shares and the book value of the equity of actually acquired or disposed subsidiaries	140,257	140,257
Donated assets	40	40
Expired employee share options	6,129	6,129
Executed employee share options	39,264	39,264
Can only be used for offsetting deficits		
Recognize the changes in the ownership equity of subsidiaries (2)	14,556	14,556
Not for any purpose		
Employee restricted shares	51,598	79,351
	$ 741,182	$ 763,802

1. This type of capital surplus will be used for offsetting deficits. Where the Company has no deficit, such capital surplus will be distributed in cash or set aside as capital. When setting aside as capital, it is limited to a certain percentage of the Company's paid-in capital on a yearly basis.
2. This type of capital surplus is the equity transaction effects recognized due to the changes in the equity of subsidiaries when the Company does not practically acquire or dispose of the equity of subsidiaries.

(III) Retained earnings and dividend policy

Under the dividend policy set forth in the Articles of Incorporation of the Company, where there is a profit in a fiscal year, the profit shall be first utilized for tax payments, offsetting losses of previous years, and setting aside 10% of the remaining balance as legal reserve. When the legal reserve reaches the paid-in capital, the profit will be exempted from setting aside as the legal reserve. After setting asides or revering a special reserve in accordance with laws and regulations, the remaining profit together with any undistributed retained earnings of the past year shall be used by the Company's Board of Directors for the distribution of dividends and bonuses for shareholders. Please refer to Note 22(V) Employees' and Directors' Remuneration for the policy on the distribution of employees' and Directors' remuneration in accordance with the Company's Articles of Incorporation.

Besides this, in accordance with the Articles of Incorporation of the Company, the distributed cash dividends each year shall not be less than 10% of the amount for the distribution of dividends and bonuses to shareholders in order to meet the long-term financial planning of the Company and the cash inflow demand of shareholders.

Legal capital reserve shall be appropriated until its balance equals the Company's total paid-in capital. Legal capital reserve may be used to offset deficits. When the Company has no deficit, the portion of legal capital reserve in excess of 25% of the total paid-in capital may be capitalized or distributed in cash.

The appropriations of earnings for 2024 and 2023 were approved in the general shareholders' meetings held on June 18, 2025 and June 20, 2024, respectively. The appropriations are as follows:

	Years Ended December 31, 2024	Years Ended December 31, 2023
Appropriated as Legal Capital Reserve	$ -	$ 177
Special Capital Reserves	($ 141,695)	($ 143,387)
Cash Dividends to shareholders	$ 31,524	$ 23,710
Cash Dividends per Share (NT$)	$ 0.20	$ 0.15

The Company's 2025 earnings distribution proposed by the Board of Directors on March 12, 2026 is as follows:

	Years Ended December 31, 2025
Special Capital Reserves	$ 111,682
Cash Dividends to shareholders	$ 39,323
Cash Dividends per Share (NT$)	$ 0.25

The 2025 earnings distribution proposal is pending a resolution at the shareholders' meeting to be held on June 11, 2026.

(IV) Special Reserves

When distributing profits, the company is required to allocate a special retained earnings account in accordance with the laws and regulations for any net reduction in other equity items (such as foreign currency translation differences in financial statements of overseas operating entities) as of the end of the reporting period. Subsequently, when there is a reversal of the net reduction in other equity items, the company may allocate the reversed portion to the special retained earnings account for profit distribution.

Additionally, when a subsidiary holds the company's shares at a market price lower than their carrying amount, the company is required to make additional provisions to the special retained earnings account based on the difference between the market price and the carrying amount, proportionate to the subsidiary's ownership percentage. Subsequently, if the market price recovers, the company may reverse a portion of the provision in the special retained earnings account.

(V) Treasury stock

Unit: thousand shares

Reason of repurchase	Number of shares at January 1	Increase in the current year	Decrease in the current year	Number of shares at December 31
Years Ended December 31, 2025				
Shares of parent company held by subsidiaries	22,711	4,483	-	27,194
Years Ended December 31, 2024				
Shares of parent company held by subsidiaries	20,893	1,818	-	22,711

To stabilize the long-term operating direction and cultivate the strategic cooperation of both parties to improve the overall operating performance, the subsidiaries held shares of the Company at the end of the reporting period. The information is as follows:

December 31, 2025

Name of subsidiary	Number of shares held (thousand shares)	Acquisition costs	Market price
AVer Information	27,194	$ 1,280,178	$ 1,056,471

December 31, 2024

Name of subsidiary	Number of shares held (thousand shares)	Acquisition costs	Market price
AVer Information	22,711	$ 1,111,010	$ 1,132,123

The treasury stock held by the Company shall not be pledged and shall not enjoy the right of dividend distribution and voting rights in accordance with the provisions of the Securities and Exchange Act. The shares of the Company held by subsidiaries are considered treasury stock. The Group recognizes NT$639,104 thousand of treasury stock based on the shareholding ratio and NT$641,074 thousand of non-controlling interest as of December 31, 2025. Except that such shares are not entitled to participate in the Company's cash capital increases, all other rights are the same as those of other common shareholders.

XXI. Revenue

	Years Ended December 31, 2025	Years Ended December 31, 2024
Customer contract revenue		
Product sales revenue	$ 3,311,395	$ 3,190,168
Labor and other	48,351	81,686
	$ 3,359,746	$ 3,271,854

The consolidated income and details please refer to Note XXXIV.

Description of contracts with customers

After taking past experiences, the Group uses the most possible amount to estimate the sales discount and return rate to recognize the refund liabilities and related discount amount.

XXII. Net income for the year

(I) Other income

	Years Ended December 31, 2025	Years Ended December 31, 2024
Rental income	$ 31,275	$ 27,935
Others	11,374	20,306
	$ 42,649	$ 48,241

(II) Other gains and losses

	Years Ended December 31, 2025	Years Ended December 31, 2024
Net foreign exchange loss (gain)	($ 27,949)	$ 98,894
Net gain on financial instruments measured at fair value through profit or los	6,113	3,969
Loss on disposal of property, plant and equipment	(1,028)	(662)
Others	(4,000)	(7,926)
	($ 26,864)	$ 94,275

(III) Depreciation and amortization

	Years Ended December 31, 2025	Years Ended December 31, 2024
Property, plant and equipment	$ 104,478	$ 126,144
Right-of-use assets	31,062	31,279
Investment properties	3,933	3,054
Intangible assets	10,389	17,769
	$ 149,862	$ 178,246
Summary of depreciation by function		
Cost of Revenue	$ 51,259	$ 69,954
Operating Expenses	84,281	87,469
Non-operating expenses	3,933	3,054
	$ 139,473	$ 160,477
Summary of amortization by function		
Cost of Revenue	$ 143	$ 3,538
Marketing	1,084	684
General and administrative expenses	3,643	9,656
Research and development expenses	5,519	3,891
	$ 10,389	$ 17,769

(IV) Employee benefits expenses

	Years Ended December 31, 2025	Years Ended December 31, 2024
Short-term employee benefits	$ 1,370,996	$ 1,389,536
Post-employment benefits		
Defined contribution plans	43,313	42,954
Stock-based compensation		
Equity settlement	(6,236)	26,415
Total employee benefits expenses	$ 1,408,073	$ 1,458,905
Summary by function		
Cost of Revenue	$ 144,548	$ 141,913
Operating Expenses	1,263,525	1,316,992
	$ 1,408,073	$ 1,458,905

(V) Remuneration of employees and directors

According to the Articles of Incorporation, the Company shall allocate no less than 5% and no more than 20% for employee remuneration and no more than 2% for director remuneration according to the current year's pre-tax benefits before deducting the employee and director remuneration distribution. Following the amendments to the Securities and Exchange Act in August 2024, the Company amended its Articles of Incorporation as approved by the shareholders' meeting in 2025. The amended Articles stipulate that employee remuneration shall be appropriated at no less than 5% and no more than 20% of the profit before tax for the year, before deduction of employee and directors' remuneration, of which at least 1% shall be allocated to non-managerial employees.

As the Company incurred pre-tax net losses for 2025 and 2024, no employee remuneration or directors' remuneration was accrued.

If there is a change in the proposed amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate in the next fiscal year.

Information on the remuneration of employees and directors resolved by the Company's Board of Directors is available at the "Market Observation Post System" website of the Taiwan Stock Exchange.

XXIII. Income Tax

(I) Main components of income tax recognized in profit or loss:

	Years Ended December 31, 2025	Years Ended December 31, 2024
Current income tax expense		
Current year	$ 15,611	$ 45,420
Tax collection on Unappropriated Earnings	13,935	18,064
Income tax adjustments on prior years	(2,477)	(1,138)
	27,069	62,346
Deferred income tax		
Current year	(7,293)	(16,347)
Income tax expense recognized in profit or loss	$ 19,776	$ 45,999

The reconciliation of accounting profit and income tax expense was as follows:

	Years Ended December 31, 2025	Years Ended December 31, 2024
Income Before Tax	$ 48,522	$ 89,566
Income tax expense calculated at the statutory tax rate of 20% on profit before tax	$ 9,704	$ 17,913
Non-deductible expenses for tax purposes	171	1,329
Domestic investment income and other	(10,689)	(18,820)
Tax collection on Unappropriated Earnings	13,935	18,064
Unrecognized loss carryforwards and temporary differences	907	31,695
Investment tax credit utilized for the year	(4,066)	(23,901)
Income tax adjustments on prior years	15	(1,138)
Effect number from the application of different tax rate of entities in the consolidated financial statement	9,799	20,857
Income tax expense recognized in profit or loss	$ 19,776	$ 45,999

(II) Current income tax assets and liabilities

	December 31, 2025	December 31, 2024
Current tax assets		
Tax refund receivables	$ 37,004	$ 33,248
Current tax liabilities		
Tax payables	$ 9,438	$ 57,735

(III) Deferred income tax assets and liabilities

The changes in the deferred income tax assets and liabilities are as follows:

Years Ended December 31, 2025

	Balance at January 1	Recognized in profit or loss	Exchange difference	Balance at December 31
Deferred income tax assets				
Investment loss using equity method	$ 20,936	($ 2,944)	$ -	$ 17,992
Deferred income	2,425	(1,256)	(68)	1,101
Refund Liabilities	18,116	3,445	(720)	20,841
Unrealized gross margin with affiliated companies	10,698	(1,384)	-	9,314
Allowance for impairment loss of inventories	31,092	2,185	(198)	33,079
Provisions for liabilities	10,855	1,435	(1)	12,289
Lease liabilities	$ 21,287	($ 3,959)	($ 843)	$ 16,485
Others	17,628	(574)	(443)	16,611
	133,037	(3,052)	(2,273)	127,712
Loss carryforwards	70,566	4,726	(348)	74,944
	$ 203,603	$ 1,674	($ 2,621)	$ 202,656
Deferred income tax liabilities				
Deferred state taxes	$ 4,800	($ 589)	($ 203)	$ 4,008
Right-of-use assets	21,287	(3,959)	(843)	16,485
Others	4,198	(1,071)	-	3,127
	$ 30,285	($ 5,619)	($ 1,046)	$ 23,620

Years Ended December 31, 2024

	Balance at January 1	Recognized in profit or loss	Exchange difference	Balance at December 31
Deferred income tax assets				
Investment loss using equity method	$ 15,228	$ 5,708	$ -	$ 20,936
Deferred income	2,521	(213)	117	2,425
Refund Liabilities	14,343	2,745	1,028	18,116
Unrealized gross margin with affiliated companies	10,856	(158)	-	10,698
Allowance for impairment loss of inventories	25,336	5,617	139	31,092
Provisions for liabilities	11,675	(820)	-	10,855
Lease liabilities	4,748	16,095	444	21,287
Others	24,350	(7,376)	654	17,628
	109,057	21,598	2,382	133,037
Loss carryforwards	57,821	12,934	(189)	70,566
	$ 166,878	$ 34,532	$ 2,193	$ 203,603
Deferred income tax liabilities				
Deferred state taxes	$ 4,087	$ 428	$ 285	$ 4,800
Right-of-use assets	4,748	16,094	445	21,287
Others	2,535	1,663	-	4,198
	$ 11,370	$ 18,185	$ 730	$ 30,285

(IV) Income tax examination

The years in which the profit-seeking enterprise income tax returns of the Company and its subsidiaries have been approved by the tax collection authority are listed as follows:

Name	Year of approval
AVerMedia Technologies Inc.	Years Ended December 31, 2023
AVer Information	Years Ended December 31, 2023

XXIV. Loss per share

The net loss and weighted average number of common shares used in the calculation of loss per share are as follows:

Net Income

	Years Ended December 31, 2025	Years Ended December 31, 2024
Net loss used in the calculation of basic and diluted loss per share	($ 23,956)	($ 51,331)

Number of shares | Unit: thousand shares

	Years Ended December 31, 2025	Years Ended December 31, 2024
Weighted average number of common shares used in the calculation of basic loss per share	129,133	132,922

If the Group offered to settle compensation or bonuses paid to employees in cash or shares, the Group assumed the entire amount of the compensation or bonuses would be settled in shares. If the effect is dilutive, the resulting potential shares were included in the weighted average number of outstanding shares used in the computation of diluted earnings per share. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the next fiscal year.

The Group posted a loss for both 2025 and 2024. If the effect of including it in the calculation of employee remuneration is considered, it would result in a dilution effect. Therefore, it is not included in the computation of diluted earnings per share.

XXV. Share-based payment arrangement

Employee Restricted Stock Awards

On November 19, 2020, the company held a special shareholders' meeting and resolved to issue 5,000 thousand shares of restricted stock. On March 24, 2022, the board of directors further resolved to issue 4,115 thousand shares of restricted stock through a non-cash issuance. The record date for the capital increase was set as April 20, 2022. The restricted shares granted to employees will vest at 15%, 30%, and 55% upon completing 3, 4, and 5 years of service, respectively, provided they meet the company's operational goals and individual performance targets.

On August 8, 2024, the Board of Directors resolved to amend the regulations for issuing new shares with restricted employee rights. Employees allocated such shares will vest 45% of the allocated shares upon completing 4 years of service from the grant date, and 55% upon completing 5 years of service, provided they meet the company’s operational goals and individual performance indicators.

Until the vesting conditions are met, the allocated shares to employees remain restricted as follows:

(I) During the vesting period, employees shall not pledge, transfer, give, create, or otherwise dispose of such RSAs to others.

(II) Apart from the aforementioned restrictions, before the vesting conditions are satisfied, all other rights attached to the restricted shares granted to employees under these Regulations, including but not limited to rights to dividends, bonuses, distributions of capital surplus, and subscriptions to new shares in cash capital increases, shall be the same as those attached to the Company's issued common shares.

(III) Upon issuance of the employee restricted stock awards, they should be immediately delivered to a trustee, and employees are not allowed to request the return of the restricted employee stock units from the trustee before meeting the vesting conditions.

(IV) In the event of a non-statutory reduction of capital, such as cash reduction, during the vesting period, the employee restricted stock awards should be canceled proportionally to the reduction. If it is a cash reduction, the refunded cash should be held by the trustee and delivered to employees only after meeting the vesting conditions However, if the vesting conditions are not met, the company will reclaim the refunded cash.

If an employee violates the employment contract or work rules after receiving the restricted stock options, the company has the right to retrieve and cancel the shares that have been granted but have not yet met the vested conditions without compensation.

If the employee fails to meet the vested conditions, the Company shall recover the restricted employee stocks issued according to law and cancel them without compensation.

The relevant information regarding the issuance of employee restricted stock awards is as follows:

	Years Ended December 31, 2025	Years Ended December 31, 2024
	Shares (In Thousands)	Shares (In Thousands)
Balance at January 1	3,305	3,755
Shares Forfeited in the Current Year	(325)	(450)
Balance at December 31	2,980	3,305

The compensation costs recognized by the Company in relation to Employee Restricted shares for the years 2025 and 2024 were NT$(6,236) thousand and NT$26,415 thousand, respectively. As of December 31, 2025 and 2024, the balance of unearned employee compensation amounted to NT$16,279 thousand and NT$41,046 thousand, respectively, and was presented as a deduction from other equity.

XXVI. Capital Risk Management

The Group adopts the business model of in-house R&D and production, and has no major capital expenditure plan currently and in the future. The capital management of the Group is conducted in accordance with the scale of the operation and the future growth and development of the industry to meet the demands of operating funds, expenses for research and development, and dividend expenditures. The Group reviews the capital risk management policy on a regular basis, and the principle is stable and conservative.

The Group's capital structure consists of net debt (i.e. borrowings minus cash and cash equivalents) and equity (i.e. capital stock, capital reserves, retained earnings, and other equity items).

The Group is exempted from other external capital regulations.

XXVII. Financial Instruments

(I) Fair Value – Financial Instruments Not Measured at Fair Value

The management of the Group believes that the carrying amount of the financial assets and liabilities not measured at fair value is approximate to their fair value.

(II) Fair value – financial instruments measured at fair value on a recurring basis

1. Levels of fair value

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Forward foreign exchange contracts	$ -	$ 96	$ -	$ 96
Beneficiary Certificates of Funds	191,131	-	-	191,131
	$ 191,131	$ 96	$ -	$ 191,227
Financial Assets at Fair Value through Other Comprehensive Income				
Equity Instrument Investments				
Unlisted Domestic Stocks	$ -	$ -	$ 60,000	$ 60,000

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Beneficiary Certificates of Funds	$ 40,283	$ -	$ -	$ 40,283
Financial Assets at Fair Value through Other Comprehensive Income				
Equity Instrument Investments				
Unlisted Domestic Stocks	$ -	$ -	$ 60,000	$ 60,000

There were no transfers between Level 1 and Level 2 fair values during fiscal years 2025 and 2024.

2. Assessment method and input of Level 2 financial instruments at fair value

Financial instrument categories	Valuation techniques and inputs
Derivatives – forward foreign exchange contracts	Discounted cash flow method: measured using forward exchange rates quoted at the end of the reporting period and yield curves derived from quoted interest rates corresponding to the maturities of the contracts.

3. Assessment method and input of Level 3 financial instruments at fair value

The fair value of the Group’s investments in unlisted domestic equity instruments is determined with reference to the most recent cash capital increase price of the investee company.

(III) Categories of financial instruments

	December 31, 2025	December 31, 2024
Financial assets		
Classified as at fair value through profit or loss		
Mandatorily measured at FVTPL	$ 191,227	$ 40,283
Measured at amortized costs (Note 1)	2,490,858	2,854,844
Investments in Equity Instruments Measured at Fair Value through Other Comprehensive Income	60,000	60,000
Financial liabilities		
Measured at amortized costs (Note 2)	1,243,494	1,026,794

Note 1: The balance includes financial assets measured at amortized cost, comprising cash and cash equivalents, notes receivable, accounts receivable, other receivables, and refundable deposits (presented under other non-current assets).

Note 2: The balance includes financial liabilities measured at amortized cost, comprising short-term borrowings, accounts payable, other payables, long-term borrowings (including the current portion), and guarantee deposits received (presented under other non-current liabilities).

(IV) The objectives and policies of financial risk management

The objectives of the financial risk management of the Group are to manage the market risks (including exchange rate risks and interest risks), credit risks, and liquidity risks related to operating activities. To lower the related financial risks, the Group strives to identify, assess and avoid market uncertainty to minimize the potential negative effect of market changes on the financial performance of the Company.

The significant financial activities of the Group were reviewed by the Board of Directors and the Audit Committee in accordance with the related regulations and internal control mechanisms.

1. Market risks

The Group is exposed to foreign exchange rate risk and interest rate srisk as a result of its operating activities.

The Group does not change the risk exposure of market risks of the financial instruments and the management and measurement method on such risk exposure.

(1) Exchange rate risks

The Group engages in sales and purchase transactions priced in foreign currency, exposing the Group to exchange rate variation risk. To prevent the loss from exchange rate variation, the Group pays close attention to the exchange rate variation and determines the foreign currency position based on the actual fund demands and the level of the exchange rate to lower the operating risks.

Please refer to Note 32 for the carrying amount of monetary assets and liabilities of the Group priced in non-functional currency at the end of the reporting period.

Sensitivity analysis

The Group is mainly under the influence of variations in the exchange rates of USD, EURO, JPY and RMB.

The table below demonstrates the sensitivity analysis of the Group when the exchange rate of NT$ (functional currency) to all related foreign currencies increases and decreases by 5%. The positive number in the table below indicates the increased amount of net income before tax when the NT$ depreciates by 5% compared to all related foreign currencies; the effect on the net income before tax will be the same number but in negative value when NT$ appreciates by 5%.

	Profit or loss	
	Years Ended December 31, 2025	Years Ended December 31, 2024
USD	$ 37,080	$ 55,364
EURO	12,974	17,766
JPY	9,473	7,112
RMB	3,473	3,148

(2) Interest rate risks

The carrying amount of financial assets and liabilities of the Group exposed in the interest rate risk at the end of the reporting period is as follows:

	December 31, 2025	December 31, 2024
Fair value interest rate risks		
- Financial assets	$ 572,150	$ 703,613
- Financial liabilities	528,266	118,014
Cash flow interest rate risks		
- Financial assets	1,261,896	1,635,954
- Financial liabilities	326,553	613,000

The Group holds time deposits and bank loans with fixed interest rates and is, thus, exposed to fair value interest rate risks. In addition, the consolidated company holds deposits and bank loans with floating interest rates and is, thus, exposed to cash flow interest rate risks.

Sensitivity analysis

The following sensitivity analysis is based on the equity price risks as of the balance sheet date. If the interest rate increases/decreases by 1%, and all other variables remain unchanged, the Group's net income before tax for 2025 and 2024 will increase/decrease by NT$9,353 thousand and NT$10,230 thousand, respectively.

(3) Other pricing risk

The Group is exposed to price risk arising from its investments in fund beneficiary certificates and equity securities.

Price sensitivity analysis

The following sensitivity analysis is based on the equity price risks as of the balance sheet date. If prices increase/decrease by 0.5%, pre-tax profit for the years 2025 and 2024 would increase/decrease by NT$956 thousand and NT$201 thousand, respectively, due to changes in the fair value of financial assets measured at fair value through profit or loss. For the years 2025 and 2024, other comprehensive income before tax would increase/decrease by NT$300 thousand due to changes in the fair value of financial assets measured at fair value through other comprehensive income.

2. Credit Risks

Credit risks refer to the risks that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As of the balance sheet date, the Consolidated Company's maximum credit risk exposure, which may cause a financial loss due to a counterparty's failure to perform its obligations, is mainly derived from the carrying amount of the financial assets recognized in the consolidated balance sheet.

The Group adopts the policy that it only engages in transactions with counterparties with excellent credits, and its financial department reviews and approves and line of credits of the transaction counterparties on a regular basis to control the credit risk exposure.

To reduce the credit risks, the management of the Group is responsible for determining the line of credits, credit approval, and other monitoring procedures to ensure proper actions are taken to recover overdue receivables. The target of accounts receivables involves numerous customers. The Group continues to assess the financial situation of customers with accounts receivables and insures the accounts receivables for some of the main customers. The coverage ratio is 80% to 90% of the approved insurance amount.The In addition, the Group reviews the recoverable amount of receivables individually at the end of the reporting period to ensure the receivables that cannot be recovered are properly recognized in impairment loss. Therefore, the management of the Group believes the credit risks of the Group have been reduced significantly.

Besides this, the main transaction counterparties of liquidity are financial institutions with excellent credit, so the credit risk is limited.

3. Liquidity risk

The Group manages and maintains a sufficient position of the cash and cash equivalents to support the operation of the Group and reduce the effect of cash flow volatility. The operating funds of the Group are sufficient, so there is no concern about fund shortage. Even if there is any fund demand, it belongs to short-term demand, which can be resolved by comprehensive bank loan commitments. As a result, the liquidity risk is not serious.

Please refer to (2) Loan commitments below for the undrawn loan commitments.

(1) Liquidity and interest risk rate table for non-derivative financial liabilities

The following table shows the remaining contractual maturity analysis of the Group's non-derivative financial liabilities with agreed-upon repayment periods, which were based on the date the Group will be required to pay the first repayment and financial liabilities is evaluated based on undiscounted cash flows, including cash flows of interest and principal.

	December 31, 2025			
	Instant maturity or less than 1 year	1 to 5 years	Over 6 years	Total
Non-interest-bearing liabilities	$ 461,052	$ 5,889	$ -	$ 466,941
Floating interest rate instruments	144,121	54,276	166,658	365,055
Fixed interest rate instruments	450,139	-	-	450,139
Lease liabilities	30,057	57,267	-	87,324
	$ 1,085,369	$ 117,432	$ 166,658	$ 1,369,459

	December 31, 2024			
	Instant maturity or less than 1 year	1 to 5 years	Over 6 years	Total
Non-interest-bearing liabilities	$ 380,484	$ 9,188	$ 6,526	$ 396,198
Floating interest rate instruments	552,948	12,407	47,645	613,000
Fixed interest rate instruments	30,000	-	-	30,000
Lease liabilities	28,966	74,182	-	103,148
	$ 992,398	$ 95,777	$ 54,171	$ 1,142,346

(2) Loan commitments

	December 31, 2025	December 31, 2024
Unsecured bank loan commitments		
- Drawn amount	$ 563,000	$ 550,500
- Undrawn amount	1,092,930	950,678
	$ 1,655,930	$ 1,501,178
Secured bank loan commitments		
- Drawn amount	$ 226,500	$ 99,000
- Undrawn amount	320,000	550,000
	$ 546,500	$ 649,000

XXVIII. Related Party Transactions

The transactions, account balance, income, and expenses between the Company and subsidiaries (the related parties of the Company) have been written off in the consolidation, so they were not disclosed in the Note. Apart from the information disclosed in other notes, the major transactions between the Group and other related parties are as follows:

Compensation of key management personnel

	Years Ended December 31, 2025	Years Ended December 31, 2024
Short-term employee benefits	$ 72,142	$ 75,427
Post-employment benefits	1,242	1,205
Stock-based compensation	(1,528)	5,834
	$ 71,856	$ 82,466

The remuneration of directors and other major management personnel is determined by the Remuneration Committee based on personal performance and market trends.

XXIX. Pledged Assets

The following assets of the Group have been pledged as the collateral for the bank loans and as the security of standby letter of credit for technology licensing:

	December 31, 2025	December 31, 2024
Investment properties	$ 327,102	$ 113,749
Pledge certificate of deposit (recognized refundable deposits and financial assets at amortized costs)	37,716	50,202
	$ 364,818	$ 163,951

XXX. Significant Contingent Liabilities and Unrecognized Contractual Commitments

As of December 31, 2025, due to the credit financing between banks and other banks, the promissory note to be issued according to the general banking practice was NT$819,500 thousand.

XXXI. Significant Subsequent Events

On June 18, 2025, the company's shareholders' meeting approved a cash capital increase through a private placement of new shares, with a maximum issuance of 40,000 thousand common shares. However, this has not yet been executed, and the issuance period is approaching expiration. On March 12, 2026, the Company's Board of Directors resolved not to proceed with the private placement during the remaining period. On the same date, the Board of Directors also proposed to issue new shares through private placement for a cash capital increase, within a limit of no more than 40,000 thousand common shares, with a par value of NT$10 per share, to be completed in one or more tranches within one year from the date of the shareholders' meeting resolution.

XXXII. Significant Financial Assets and Liabilities Denominated in Foreign Currencies

The following information is summarized based on foreign currencies other than the functional currencies of each entity within the consolidated company. The disclosed exchange rates represent the rates used to convert these foreign currencies into their respective functional currencies. The significant assets and liabilities denominated in foreign currencies are as follows:

December 31, 2025

Assets denominated in foreign currencies	Foreign currencies	Exchange rate	Carrying value
Monetary items			
USD	$ 30,492	31.43 (USD : NTD)	$ 958,364
EURO	7,178	36.90 (EUR : NTD)	264,868
JPY	943,486	0.20 (JPY : NTD)	189,452
RMB	16,598	4.49 (RMB : NTD)	74,625
Foreign currency liabilities			
Monetary items			
USD	6,897	31.43 (USD : NTD)	216,773
EURO	146	36.90 (EUR : NTD)	5,387
RMB	1,149	4.49 (RMB : NTD)	5,166

December 31, 2024

Assets denominated in foreign currencies	Foreign currencies	Exchange rate	Carrying value
Monetary items			
USD	$ 39,361	32.79 (USD : NTD)	$ 1,290,450
EURO	10,565	34.14 (EUR : NTD)	360,689
JPY	677,645	0.21 (JPY : NTD)	142,238
RMB	14,442	4.48 (RMB : NTD)	64,671
Foreign currency liabilities			
Monetary items			
USD	5,587	32.79 (USD : NTD)	183,170
EURO	157	34.14 (EUR : NTD)	5,360
RMB	381	4.48 (RMB : NTD)	1,706

The Group recognized net foreign exchange losses of NT$27,949 thousand and net foreign exchange gains of NT$98,894 thousand for the years 2025 and 2024, respectively. Due to the wide variety of foreign currency transactions, it is not practicable to disclose foreign exchange gains or losses by individual significant currency.

XXXIII. Additional Disclosures

(I) Significant transactions:

1. Financing provided to others: None.
2. Endorsement or guarantee for others: None.
3. Marketable securities held (excluding investments in subsidiaries and associates, and joint ventures): Table 1.
4. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 2.
5. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 3.
6. Others: The business relationship between the parent and the subsidiaries and significant transactions between them: Table 4.

(II) Information on investees: Table 5.

(III) IInformation on investment in mainland China:

1. Name of invested company in China, main business items, paid-in capital, investment method, situation of funds inflow and outflow, percentage of shareholding, year-end investment book value, profit or loss on repatriated investment, and investment quota in China: Table 6.
2. Significant transactions directly or indirectly through a third place with the investee companies in China and the price, payment terms, and unrealized profit or loss: Table 7
   (1) Amount and percentage of purchase and the balance at the end of the reporting period and the percentage of related payables.
   (2) Amount and percentage of sales and the balance at the end of the reporting period and the percentage of related receivables.
   (3) Asset transaction amount and the amount of profit or loss derived.
   (4) The balance at the end of the reporting period and objectives of endorsements/guarantee or collateral provided.
   (5) The maximum balance, balance at the end of the reporting period, interest interval, and the total interests of the current year of bank accommodation.
   (6) Other transactions that have a significant impact on the current profit or loss or financial situation, such as the offering and receipt of labor service.

XXXIV. Operating Segments Information

The information provided to the major operating decision makers for resources allocation and departmental performance assessment tends to be the type of product or labor delivered or provided. Departments of the Group that shall be reported:

Department of computer related equipment and multimedia

Department of education and video conference

(I) Operating segment revenue and operating results

The analysis of the revenue of continuing operating unit of the Group and the operating performance based on the departments is as follows:

	Department of computer related equipment and multimedia	Department of education and video conference	Internal write-off	Total
Years Ended December 31,2025				
Income from external customers	$ 856,024	$ 2,503,722	$ -	$ 3,359,746
Income between departments	422,841	26,650	(449,491)	-
Department income	$ 1,278,865	$ 2,530,372	($ 449,491)	3,359,746
Consolidated income				$ 3,359,746
Department profit or loss	($ 22,015)	$ 209,515	$ -	$ 187,500
Costs of general management department and remuneration to directors				(172,734)
Interest Income				37,701
Other Income				42,649
Other Gains and Losses				(26,864)
Financial Costs				(19,730)
Income Before Tax				$ 48,522
Years Ended December 31,2024				
Income from external customers	$ 688,842	$ 2,583,012	$ -	$ 3,271,854
Income between departments	377,376	26,991	(404,367)	-
Department income	$ 1,066,218	$ 2,610,003	($ 404,367)	3,271,854
Consolidated income				$ 3,271,854
Department profit or loss	($ 160,135)	$ 263,229	$ -	$ 103,094
Costs of general management department and remuneration to directors				(192,861)
Interest Income				55,119
Other Income				48,241
Other Gains and Losses				94,275
Financial Costs				(18,302)
Income Before Tax				$ 89,566

The department profit or loss refers to the profits earned by each department, not including the costs of general management department and remuneration to directors, interest income, other income, other gains and loss, and finance costs. The measured amount is provided to the major operating decision makers for resource allocation and performance assessment.

(II) Total assets and liabilities of departments

The assets and liabilities Information on the Group is not provided to the operating decision makers, so the measured amount of assets and liabilities is not disclosed.

(III) Information by region

The regional Information on revenue from external customers of the Group based on operation locations and the Information on non-current assets based on locations:

	Income from external customers		Non-current Assets	
	Years Ended December 31,2025	Years Ended December 31,2024	December 31, 2025	December 31, 2024
America	$ 1,382,203	$ 1,344,233	$ 63,388	$ 82,839
Asia	1,152,107	1,080,521	2,009,923	1,885,629
Europe	688,497	706,173	1,823	4,273
Others	136,939	140,927	-	-
	$ 3,359,746	$ 3,271,854	$ 2,075,134	$ 1,972,741

Non-current assets do not include assets classified as financial instruments and deferred tax assets.

(IV) Major customers

There were no single customers whose operating revenue accounted for more than 10% of the Group’s total operating revenue in 2025 and 2024.

AVerMedia Technologies Inc. and subsidiaries

Marketable securities held

December 31, 2025

Table 1

Unit: In Thousands of New Taiwan Dollars, Unless Specified Otherwise

Held company name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31				Note
				Shares (In Thousands)	Carrying value	Ownership Percentage	Fair value	
The Company	Beneficiary Certificates							
	SinoPac TWD Money Market Fund	—	Financial assets at fair value through profit or loss – current	5,483	$ 80,744	-	$ 80,744	—
	Fubon Chi-Hsiang Money Market Fund	—	Financial assets at fair value through profit or loss – current	4,845	80,331	-	80,331	—
	Yuanta De-Li Money Market Fund	—	Financial assets at fair value through profit or loss – current	1,742	30,056	-	30,056	—
	Shares							
	Taiwan Bio-Manufacturing Corporation	—	Financial Assets at Fair Value through Other Comprehensive Income – Non-Current	2,000	40,000	-	40,000	—
AVer Information	Shares							
	AVerMedia Technologies Inc.	Parent company	Financial Assets at Fair Value through Other Comprehensive Income – Non-Current	27,194	1,056,471	17.29%	1,056,471	Note 1
	Taiwan Bio-Manufacturing Corporation	—	Financial Assets at Fair Value through Other Comprehensive Income – Non-Current	1,000	20,000	-	20,000	—

Note 1: Please refer to description on Note XX (5) Treasury stock.

Note 2: The material securities in this statement refer to those with a value of NT$10,000 thousand or more.

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AVerMedia Technologies Inc. and subsidiaries

Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital

January 1 to December 31, 2025

Table 2

Unit: In Thousands of New Taiwan Dollars

Purchase (Sale) Company	Related Party	Nature of Relationships	Transaction Details				Situation and reason for Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases (sales)	Amount	% to Total Purchase (Sales)	Payment terms	Unit price	Payment terms	Balance	% to Total Notes/Accounts Receivables (Payables)	
The Company	AVerMedia USA	Subsidiary	Sale	$ 194,535	(29)	After Shipping 90 days	$ -	—	$ 105,709	43	Note
	AVerMedia Shanghai	Subsidiary	Sale	129,084	(19)	After Shipping 90 days	-	—	39,715	16	Note
AVer Information	AVer Information Inc. (USA)	Subsidiary	Sale	527,281	(30)	After Shipping 90 days	-	—	18,774	5	Note
	AVer Information Europe B.V.	Subsidiary	Sale	334,802	(19)	After Shipping 90 days	-	—	73,400	21	Note

Note: It was written off while preparing the consolidated financial statements.

AVerMedia Technologies Inc. and subsidiaries

Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital

December 31, 2025

Table 3

Unit: In Thousands of New Taiwan Dollars

Company Name Recognized as Receivables	Related Party	Nature of Relationships	Ending Balance of Receivables from Related Party (Note 2)	Turnover rate (times/year)	Overdue receivables from related parties		Amounts Received in Subsequent Period (Note 1)	Allowance for Bad Debts
					Amount	Action Taken		
The Company	AVerMedia USA	Subsidiary	Accounts Receivables $ 105,709	1.64	$ 28,312	-	$ 20,884	$ -

Note 1: The amount recovered as of March 5, 2026.

Note 2: It was written off while preparing the consolidated financial statements.

AVerMedia Technologies Inc. and subsidiaries

Intercompany Relationships and Significant Intercompany Transactions

January 1 to December 31, 2025

Table 4

Unit: In Thousands of New Taiwan Dollars

No.	Company Name	Counterparty	Nature of Relationship (Note 1)	Intercompany Transactions			
				Account	Amount	Transaction terms	Percentage of Consolidated Net Revenue or Total Assets
0	The Company	AVerMedia USA	1	Sales income	$ 194,535	Note 2	6%
				Accounts Receivables	105,709	Note 3	2%
		AVerMedia Japan	1	Sales income	53,240	Note 2	2%
				Accounts Receivables	26,770	Note 3	-
		AVerMedia Germany	1	Sales income	17,496	Note 2	1%
				Accounts Receivables	36,194	Note 3	1%
		AVerMedia Shanghai	1	Sales income	129,084	Note 2	4%
				Accounts Receivables	39,715	Note 3	1%
		AVer Information	1	Processing fee	25,975	Note 2	1%
1	AVer Information	AVer Information Inc. (USA)	1	Sales income	527,281	Note 2	21%
				Accounts Receivables	18,774	Note 3	-
		AVer Information Europe B.V.	1	Sales income	334,802	Note 2	13%
				Accounts Receivables	73,400	Note 3	2%
		AVer Information Inc. (Japan)	1	Sales income	93,239	Note 2	4%
				Accounts Receivables	31,972	Note 3	1%
		AVer Information (Vietnam) Co., Ltd.	1	Sales income	31,534	Note 2	1%
				Accounts Receivables	13,014	Note 3	-

Note 1: The relationship with the trader is as follows:

1. Parent to subsidiaries
2. Subsidiaries to parent
3. Subsidiaries to subsidiaries

Note 2: It is stipulated based on the local market condition. The transaction terms are similar to common customers.

Note 3: General transaction terms and receivables are collected based on the capital conditions.

AVerMedia Technologies Inc. and subsidiaries

Names, Locations, And Related Information of Investees Over Which the Company Exercises Significant Influence

January 1 to December 31, 2025

Table 5

Unit: In Thousands of New Taiwan Dollars

Investor company	Investee company	Location	Main business and products	Original investment amount		Balance at the end of period			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2025	December 31, 2024	Shares (In Thousands)	Percentage of ownership %	Carrying value			
AVerMedia Technologies Inc.	AVer Information	Taiwan	Sales, manufacturing and research and development of computer system equipment, presentation and video conference system products	$ 706,623	$ 706,623	46,389	49.92	$ 1,126,037	$ 105,241	$ 47,407	
	AVerMedia USA	USA	Sales of video and audio capture and internet video streaming products	45,843	45,843	3,000	100.00	(50,939)	3,574	3,574	
	AVerMedia Japan	Japan	Sales of video and audio capture and internet video streaming products	3,579	3,579	0.2	100.00	2,388	1,084	1,084	
	AVerMedia Germany	Germany	Sales of video and audio capture and internet video streaming products	3,591	3,591	(Note 1)	100.00	(10,856)	(853)	(853)	
	AVerMedia Spain	Spain	Sales of video and audio capture and internet video streaming products	3,517	3,517	(Note 1)	100.00	1,974	-	-	Note 3
	AVerMedia Korea	South Korea	Sales of video and audio capture and internet video streaming products	6,031	6,031	51	100.00	4,777	(727)	(727)	
AVer Information	AVer Information Inc. (USA)	USA	Sales of computer system equipment, presentation and video conference system products	217,848	217,848	6,990	100.00	284,894	34,064	34,064	
	AVer Information Europe B.V.	Netherlands	Sales of computer system equipment, presentation and video conference system products	131,089	131,089	(Note 1)	100.00	38,134	9,454	9,454	
	AVer Information Inc. (Japan)	Japan	Sales of computer system equipment, presentation and video conference system products	24,828	24,828	1.4	100.00	166	5,340	5,340	
	AVer Information (Vietnam) Co. , Ltd.	Vietnam	Sales of computer system equipment, presentation and video conference system products	10,710	10,710	(Note 1)	100.00	17,636	(1,162)	(1,162)	
	Yuan Chen Investment Inc.	Taiwan	General Investment	500	500	50	100.00	441	3	3	Note 4

Note 1: The certificate of incorporation only states the investment amount without the record of the number of shares.
Note 2: Please refer to Table 6 for the investee company in China.
Note 3: On March 13, 2024, the board of directors of the company passed a resolution to proceed with the dissolution and liquidation of AVerMedia Spain.
Note 4: On November 7, 2025, the Board of Directors of AVer Information Inc. resolved to proceed with the dissolution and liquidation of Yuan Chen Investment Co., Ltd.

AVerMedia Technologies Inc. and subsidiaries

Information on Investment in Mainland China

January 1 to December 31, 2025

Table 6

Unit: In Thousands of New Taiwan Dollars and foreign currency thousands

Investee company	Main business and products	Total Amount of Paid-in Capital	Method of investment (Note 1)	Accumulated Outflow of investment from Taiwan as of January 1, 2025	Investment Flows		Accumulated Outflow of investment from Taiwan as of December 31, 2025	Net Income (Losses) of the Investee Company	Percentage of Ownership For Direct and Indirect Investments	Current Recognized Investments in Profit or Loss	Carrying Amount as of December 31, 2025	Accumulated Inward Remittance of Earnings as of December 31, 2025	Note
					Outflow	Inflow							
AVerMedia Shanghai	Sales of video and audio capture and internet video streaming products	$ 40,323 (USD 1,200)	1	$ 40,323 (USD 1,200)	$ -	$ -	$ 40,323 (USD 1,200)	$ 11,639	100%	$ 11,639	$ 24,739	$ -	

Accumulated Investment in Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Maximum amount of investment stipulated by Investment Commission, Ministry of Economic Affairs (Note 2)
$ 40,323 (USD1,200)	$ 40,323 (USD1,200)	$ 2,337,175

Note 1: The investment methods are classified into the following 3 types. Only the type is required to be labeled:

(1) Direct investment in China.

(2) Investment in a company in a third area and reinvestment from that company in China.

(3) Other methods.

Note 2: Calculated as 60% of the consolidated net value according to the “Principles for the Review of Investments or Technical Cooperation in Mainland China” stipulated by the Investment Commission.

Note 3: The paid-in capital of AVerMedia Shanghai is the accumulated outflow amount from Taiwan. The average exchange rate is US$1=NT$33.60.

Note 4: It was written off while preparing the consolidated financial statements.

AVerMedia Technologies Inc. and subsidiaries

Significant transactions directly or indirectly through a third place with the investee companies in China and the price, payment terms, unrealized profit or loss, and other related information

January 1 to December 31, 2025

Table 7

Unit: In Thousands of New Taiwan Dollars

Related Party	Nature of Relationships between the Company and Related Party	Type of transactions	Amount	Transaction terms			Notes/Accounts Payable or Receivable		Unrealized profit or loss
				Price	Payment terms	Comparison with general transactions	Balance	Percentage (%)	
AVerMedia Shanghai	Subsidiary	Sale	$ 129,084	Note 1	Note 1	Note 1	$ 39,715	1	$ 6,820

Note 1: The transactions between the Company and related parties are conducted in accordance with the agreed transaction price and payment terms.

Note 2: The material transactions in this statement refer to those with a value of NT$10,000 thousand or more.