Stock Code: 2417

AVerMedia Technologies Inc.

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

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Independent Auditor's Report

To AVerMedia Technologies Inc.:

Audit opinion

We have audited the accompanying parent company only financial statements of AVerMedia Technologies, Inc., which comprise the parent company only balance sheets as of December 31, 2025 and 2024, the parent company only statements of comprehensive income, changes in equity, and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of material accounting policy information.

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the parent company only financial position of AVerMedia Technologies Inc. as of December 31, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Additionally, the parent company only financial performance and parent company only cash flows for the years ended December 31, 2025 and 2024 are also presented fairly.

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 Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants 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 parent company only financial statements of the Company in 2025. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of AVerMedia Technologies, Inc's 2025 parent company only financial statements are as follows:

<u>The evaluation of sales allowances for the subsidiary company accounted for using the equity method of investment – AVer Information, Inc.</u>

AVerMedia Technologies Inc., through its equity method investment in subsidiary AVer Information, Inc., has major customers who are distributors in the Americas. In order to incentivize sales and promote the market, they have signed multiple sales discount and feedback contracts with their 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.

The auditor has obtained an understanding of the method used by AVerMedia Technologies Inc. for estimating sales allowances and feedback in its equity method investment in the subsidiary AVer Information, Inc. The auditor has also inquired about the estimation basis for expected sales volume from management and obtained documents to evaluate their reasonableness. In addition, the auditor has reviewed the sales allowances and feedback contracts with the distributors, verified whether sales allowances and feedback have been implemented according to the policy, and sampled actual distributor payment vouchers and examined the estimated sales volume after the period to evaluate the reasonableness of the estimation of sales allowances and feedback.

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

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

In addition to assessing the ability of the Company to continue operations, disclosure of pertinent matters, and application of the going concern basis in accounting, management is responsible for preparing the individual financial statements, unless liquidation or cessation of operations is an absolute necessity or there are no other viable alternatives to such actions.

Those in charge of governance (including the Auditing Committee) are responsible for supervising the financial reporting process of AVerMedia Technologies, Inc.

Auditor's Responsibilities for the Audit of the Individual Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual 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 on the basis of the individual 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 individual 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual 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 Company to cease to continue as a going concern.

5. Evaluated the overall presentation, structure and content of the financial statements, including the notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtained sufficient and appropriate audit evidence of the individual financial statements of each entity of the Company to present our opinion on the individual financial statements. We were responsible for the guidance, monitoring and implementation of audit cases and were responsible for forming the audit opinions on the Company.

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 determine the key audit matters for the audit of AVerMedia‘s 2025 parent company only financial statements. 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 Pei-De Chen and Liu,Yi-Ching
Deloitte & Touche
Taipei, Taiwan
Republic of China
March 12, 2026

Notice to Readers
The accompanying financial statements are intended only to present the 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 financial statements are those generally applied in the Republic of China. For the convenience of readers, the independent auditors’ report and the accompanying 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 theinterpretation of the two versions, the Chinese-language independent auditors’ report and financial statements shall prevail.

AVerMedia Technologies Inc.

Parent Company Only Balance Sheets

December 31, 2025 and December 31, 2024

Unit: NTD thousand

Code	Assets	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current Assets				
1100	Cash and Cash Equivalents (Note 6)	$ 570,847	17	$ 801,592	23
1110	Financial Assets at Fair Value through Profit or Loss (Note 7)	191,131	6	40,283	1
1136	Financial assets at amortized cost (Notes 9 and 28)	37,716	1	49,178	1
1170	Accounts receivable – non-related parties (Notes 10)	36,870	1	29,404	1
1180	Accounts receivable – related parties (Notes 10 and 27)	209,899	6	203,288	6
1200	Other Receivables (Note 27)	3,112	-	6,253	-
1220	Current Tax Assets (Note 22)	3,023	-	4,463	-
130X	Inventories (Note 11)	162,265	5	178,750	5
1470	Other Current Assets	9,412	-	20,040	1
11XX	Total Current Assets	1,224,275	36	1,333,251	38
	Non-current Assets				
1517	Financial Assets at Fair Value through Other Comprehensive Income (Note 8)	40,000	1	40,000	1
1550	Investments accounted for using equity method (Notes 12)	1,159,915	34	1,261,450	36
1600	Property, Plant and Equipment (Note 13)	286,915	8	298,088	9
1760	Investment Properties (Note 14 and 28)	606,493	18	395,780	12
1780	Intangible assets	-	-	1,034	-
1840	Deferred Income Tax Assets (Note 22)	116,626	3	115,969	3
1900	Other Non-current Assets (Note 28)	1,962	-	34,879	1
15XX	Total Non-current assets	2,211,911	64	2,147,200	62
1XXX	Total Assets	$ 3,436,186	100	$ 3,480,451	100
Code	**Liabilities and Equity**				
	Current liabilities				
2100	Short-term loans (Notes 15 and 28)	$ 180,000	5	$ 180,000	5
2170	Accounts Payables (Note 27)	92,558	3	104,871	3
2200	Other payables (Notes 16 and 27)	127,563	4	141,599	4
2250	Provisions for liabilities (Notes 17)	1,590	-	1,590	-
2320	Long-term liabilities-current portion (Note 15 and 28)	10,009	-	2,948	-
2399	Other Current Liabilities	2,125	-	3,402	-
21XX	Total current liabilities	413,845	12	434,410	12
	Non-current Liabilities				
2540	Long-term loans (Notes 15 and 28)	186,544	6	60,052	2
2570	Deferred income tax liabilities (Notes 22)	3,104	-	4,194	-
2645	Guarantee deposits	5,117	-	4,052	-
2650	Credit balance of investments accounted for using equity method (Notes 12)	61,795	2	68,145	2
25XX	Total non-current liabilities	256,560	8	136,443	4
2XXX	Total liabilities	670,405	20	570,853	16
	Equity (Notes 19 and 24)				
3110	Common Share Capital	1,572,939	46	1,576,189	46
3200	Capital Surplus	741,182	21	763,802	22
	Retained Earnings				
3310	Appropriated as Legal Capital Reserve	491,192	14	491,192	14
3320	Special Capital Reserves	-	-	141,695	4
3350	Unappropriated Earnings	606,575	18	520,360	15
3300	Total Retained Earnings	1,097,767	32	1,153,247	33
3400	Other Equity Interests	(7,003)	-	(28,991)	(1)
3500	Treasury Stock	(639,104)	(19)	(554,649)	(16)
3XXX	Total equity	2,765,781	80	2,909,598	84
	Total Liabilities and Equity	$ 3,436,186	100	$ 3,480,451	100

The accompanying notes are an integral part of the parent company only financial statements.

AVerMedia Technologies Inc.

Parent Company Only of Comprehensive Income

January 1 to December 31, 2025 and 2024

Unit: NT$ thousand; NT$ for loss per share

Code		2025 Amount	2025 %	2024 Amount	2024 %
4000	Net Revenue (Notes 20 and 27)	$ 678,063	100	$ 578,599	100
5000	Cost of Revenue (Note 11, 21 and 27)	433,326	64	395,691	68
5900	Gross Profit	244,737	36	182,908	32
5920	Realized Profits	3,652	1	2,566	-
5950	Realized Gross Profit	248,389	37	185,474	32
	Operating expenses (Notes 10, 21 and 27)				
6100	Marketing	119,040	18	140,825	24
6200	General and administrative expenses	75,454	11	94,838	16
6300	Research and development expenses	168,210	25	183,825	32
6450	Expected credit gain on reversal	(89)	-	(1,479)	-
6000	Total Operating Expenses	362,615	54	418,009	72
6900	Net Operating Loss	(114,226)	(17)	(232,535)	(40)
	Non-operating income and expenses (Note 21 and 27)				
7100	Interest Income	14,002	2	24,935	4
7010	Other Income	39,934	6	41,552	7
7020	Other Gains and Losses	(21,154)	(3)	37,131	7
7050	Financial Costs	(6,383)	(1)	(4,993)	(1)
7070	Profits and Losses of Subsidiaries Using Equity Method	62,124	9	62,925	11
7000	Total Non-operating Income and Expenses	88,523	13	161,550	28

(Continued)

(Brought forward)

Code		2025 Amount	2025 %	2024 Amount	2024 %
7900	Net loss before tax	($ 25,703)	(4)	($ 70,985)	(12)
7950	Income tax profit (Note 22)	(1,747)	-	(19,654)	(3)
8200	Net loss for the year	(23,956)	(4)	(51,331)	(9)
	Other Comprehensive Income				
8360	Items That May be Reclassified Subsequently to Profit or Loss:				
8361	Exchange differences arising on translation of foreign operations	(2,779)	-	10,320	2
8500	Total Comprehensive Income	($ 26,735)	(4)	($ 41,011)	(7)
	Losses Per Share (Note 23)				
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 parent company only financial statements.

AVerMedia Technologies Inc.

Parent Company Only Statement of Changes in Equity

January 1 to December 31, 2025 and 2024

Unit: NTD thousand, Unless Specified Otherwise

Code		Common Share Capital			Retained Earnings				Other Equity Interests				
		Shares (In Thousands)	Amount	Capital Surplus	Appropriated as Legal Capital Reserve	Special Capital Reserves	Unappropriated Earnings	Total	Exchange differences arising on translation of foreign operations	Unearned Share-based Employee Compensation	Total	Treasury Stock	Total equity
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
	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)
D1	Net Income	-	-	-	-	-	(51,331)	(51,331)	-	-	-	-	(51,331)
D3	Other comprehensive income after tax in 2024	-	-	-	-	-	-	-	10,320	-	10,320	-	10,320
D5	Total comprehensive income in 2024	-	-	-	-	-	(51,331)	(51,331)	10,320	-	10,320	-	(41,011)
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
L5	Shares of Parent Company Purchased by a Subsidiary are Considered Treasury Stock	-	-	-	-	-	-	-	-	-	-	(37,466)	(37,466)
M1	Changes in capital surplus from dividends distributed to subsidiaries	-	-	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
	2024 Appropriations of Earnings												
B3	Special Capital Reserves	-	-	-	-	(141,695)	141,695	-	-	-	-	-	-
B5	Cash Dividends to shareholders	-	-	-	-	-	(31,524)	(31,524)	-	-	-	-	(31,524)
D1	Net loss	-	-	-	-	-	(23,956)	(23,956)	-	-	-	-	(23,956)
D3	Other comprehensive income after tax in 2025	-	-	-	-	-	-	-	(2,779)	-	(2,779)	-	(2,779)
D5	Total comprehensive income in 2025	-	-	-	-	-	(23,956)	(23,956)	(2,779)	-	(2,779)	-	(26,735)
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)
L5	Shares of Parent Company Purchased by a Subsidiary are Considered Treasury Stock	-	-	-	-	-	-	-	-	-	-	(84,455)	(84,455)
M1	Changes in capital surplus from dividends distributed to subsidiaries	-	-	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

The accompanying notes are an integral part of the parent company only financial statements.

AVerMedia Technologies Inc.

Parent Company Only Cash Flows Statement

January 1 to December 31, 2025 and 2024

Unit: NTD thousand

Code		2025	2024
	Cash Flows from Operating Activities		
A10000	Net profit (loss) before tax	($ 25,703)	($ 70,985)
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation Expense	17,723	20,372
A20200	Amortization Expense	1,034	5,392
A20300	Expected credit loss on Impairment reversal	(89)	(1,479)
A20400	Net gain on financial instruments measured at fair value through profit or loss	(1,141)	(1,065)
A20900	Financial Costs	6,383	4,993
A21200	Interest Income	(14,002)	(24,935)
A21900	Remuneration costs of employee share options	(6,236)	26,415
A22300	Profits and Losses of Subsidiaries Using Equity Method	(62,124)	(62,925)
A23700	Loss on inventory write-down, obsolescence, and scrapping	14,684	21,330
A24000	Realized Profit from Subsidiaries	(3,652)	(2,566)
A24100	Net loss (gain) on foreign currency exchange	10,323	(34,053)
A29900	Recognition of Provisions for liabilities	-	366
A30000	Changes in Operating Assets and Liabilities		
A31115	Financial instruments at fair value through profit or loss	(149,707)	81,457
A31150	Accounts Receivables	(5,896)	30,729
A31180	Other Receivables	2,216	(977)
A31200	Inventories	1,801	24,329
A31240	Other Current Assets	10,628	(4,475)
A32150	Accounts payables	(13,495)	21,183
A32180	Other Payables	(13,760)	(265)
A32230	Other Current Liabilities	(1,277)	281
A33000	Cash inflow (outflow) generated from operations	(232,290)	33,122
A33300	Interest Paid	(6,226)	(5,029)
A33500	Income Tax Refunded (Paid)	1,440	(564)
AAAA	Net cash inflow (outflow) from operating activities	(237,076)	27,529

(Continued)

(Brought forward)

Code		2025	2024
	Cash Flows from Investing Activities		
B00010	Acquisition Financial Assets at Fair Value through Profit or Other Comprehensive Loss	$ -	($ 40,000)
B00400	Decrease of financial assets at amortized cost	9,355	91,877
B02200	Acquisition of subsidiary	-	(6,031)
B02700	Acquisition of Property, Plant and Equipment	(2,905)	(3,486)
B03700	Increase in Refundable Deposits	(1,168)	(400)
B03800	Decrease in Refundable Deposits	2,485	-
B05400	Acquisition of Investment Properties	(182,560)	-
B07100	Increase in prepayments for equipment	(694)	(32,248)
B07500	Interests Received	14,927	24,555
B07600	Dividends Received from Subsidiaries	78,860	62,161
BBBB	Net cash inflow (outflow) from investing activities	(81,700)	96,428
	Cash Flows from Financing Activities		
C00200	Decrease in short-term loans	-	(80,000)
C01600	Proceeds from long-term loans	140,000	-
C01700	Repayment of Long-term debt payable	(6,447)	(2,903)
C03000	Increase in guarantee deposits received	1,065	56
C04500	Cash Dividend	(31,524)	(23,710)
CCCC	Net cash inflow (outflow) from financing activities	103,094	(106,557)
DDDD	Effect of Exchange Rate Changes on Cash and Cash Equivalents	(15,063)	26,413
EEEE	Net increase (decrease) in cash and cash equivalents	(230,745)	43,813
E00100	Cash and Cash Equivalents, Beginning of Year	801,592	757,779
E00200	Cash and Cash Equivalents, End of Year	$ 570,847	$ 801,592

The accompanying notes are an integral part of the parent company only financial statements.

AVerMedia Technologies Inc.
Notes to Parent company only financial statements
January 1 to December 31, 2025 and 2024
(Amounts in NTD Thousand, Unless Specified Otherwise)

I. General

AVerMedia Technologies Inc. (hereinafter referred to as 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 parent company only financial statements are expressed in NT$, which is the Company's functional currency.

II. The Authorization of Financial Statements

The parent company only financial statements were approved 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 Company has assessed that the application of the amendments to the IFRS Accounting Standards, as endorsed and issued into effect by the FSC, will not have a material impact on the Company'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 parent company only financial statements were approved for issuance, the company 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 1)
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 IAS
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.

<u>IFRS 18 "Presentation and Disclosure in Financial Statements" and related amendments</u>

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

- The Company 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 Company 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 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 Company shall use the label “other” only when no more informative description is available.
- Additional disclosure of management-defined performance measures: When the Company 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 Company’s overall financial performance, the 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 Company 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 Company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. If, after assessment, the Company 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.

Except for the above impact, as of the date the accompanying parent company only financial statements were issued, the Company continues in evaluating other impacts of the above amended standards and on its financial position and financial performance from the initial adoption of the aforementioned standards or interpretations and related applicable period.

IV. Summary of the Significant Accounting Policies

(I) Statement of compliance

The accompanying parent company only financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the "Accounting Standards Used in Preparation of the Parent Company Only Financial Statements").

(II) Basis of preparation

Apart from the financial instruments measured at fair value, the parent company only 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.

When preparing the parent company only financial statements, the Company uses the equity method for the invested subsidiary. To ensure the annual income, other comprehensive income and equity of the parent company only financial statements are in line with the annual income, other comprehensive income and equity belonging to the owner of the Company in the consolidated financial statements, the accounting disposal differences on the individual basis and the consolidated basis adjusts "investments using equity methods," "profit and loss of subsidiaries using the equity method," and related equity items.

(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) Foreign currency

In preparing the Company's financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the exchange rates prevailing on 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 parent company only financial statements, the assets and liabilities of overseas operating institutions (including subsidiaries located in a different country or whose currency is different from the one used by the Company) are translated into NT$ (presentation currency) using the exchange rate as of each 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.

(V) 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 ordinary course of business, less the estimated costs of completion and selling expenses. The costs of inventories are determined using the weighted-average method.

(VI) Investment in subsidiaries

The Company adopts the equity method to handle the investment in subsidiaries.

Subsidiaries refer to the individual entities controlled by the Company.

Under the equity method, the original investment costs are as costs. After the acquisition date, the carrying amount may vary in accordance with the income of subsidiaries of the Company and other comprehensive income and profits. In addition, the changes in other equity interest of the subsidiaries enjoyed by the Company are recognized based on the shareholding ratio.

Where the changes in the ownership equity of the subsidiaries do not cause the Company to lose control of the subsidiaries, such changes are disposed of as equity trading. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company’s share of losses of a subsidiary equals or exceeds its interest in the subsidiary (including the carrying amount of the investment in the subsidiary under the equity method and other long-term interests that, in substance, form part of the Company’s net investment in the subsidiary), the Company continues to recognize losses in proportion to its ownership interest.

When assessing impairments, the Company uses the financial statements to consider the cash generating units and compares the recoverable and carrying amounts. When the recoverable amount of assets increases in the future, the reversal of the impairment loss is recognized in profit. However, the carrying amount after the reversal of impairment loss shall not exceed the carrying amount of such asset deducting the amortization without recognizing the impairment loss.

When the Company loses control over a subsidiary, it measures any retained investment in the former subsidiary at fair value at the date when control is lost. The difference between the fair value of the retained investment, together with any consideration received, and the carrying amount of the investment at the date control is lost is recognized in profit or loss for the period. In addition, all amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Unrealized profit or loss resulting from downstream transactions is eliminated in full in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries are recognized only in the Company's parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

(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.

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 are reclassified into investment property at the carrying amount at the end of self-use.

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 Company 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 and equipment, investment property and intangible assets

At the end of each reporting period, the Company reviews whether or not there is any sign that the property, plant and equipment, 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 Company estimates the recoverable amount of the cash generating unit of such asset.

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 in the parent company only balance sheets when the Company 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 Company 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.

B. Financial assets measured at amortized cost

If investment assets of the Company 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, including cash and cash equivalents, accounts receivables at amortized cost, other receivables, and refundable deposits) 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 Company 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 Company'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 Company recognizes an impairment loss for expected credit losses on financial assets at amortized cost (including accounts receivables) 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 Company 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 the purpose of internal credit risk management, the Company determines there is internal or external information indicating that the debtor is unlikely to repay the debts that the financial assets have defaulted in the following circumstances without taking the 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 Company 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 Company 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.

(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.

Warranty

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

(XIII) Revenue recognition

Upon identifying the performance obligations in the contract with the customer, the Company allocates the transaction price to the performance obligations in the contract and recognizes revenue when the Company 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 Company recognizes the income and trade receivables concurrently.

The Company 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) Leases

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

The Company 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.

(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 Company 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 Company 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 Company issues restricted employee stock, it is recognized in other equity (employee unearned remuneration) on the grant date, and the capital reserve – restricted employee stock is adjusted at the same time. If the shares are issued for consideration and employees are required to return the consideration upon termination of employment, the full amount of consideration received from employees shall be recognized as a liability. If an employee leaves the company within the vesting period and is not required to return the received dividend, the related expense shall be recognized when the dividends are declared, with corresponding adjustments to retained earnings and capital surplus - restricted shares for employees.

At the end of each reporting period, the Company 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

The Company determines its current period income (loss) based on the regulations established by the Republic of China and uses this information to calculate the provision for 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 and the corresponding tax bases used in the computation of taxable profit in the financial statements of each entity.

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 Company 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 of the Company 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. <u>Critical Accounting Judgments and Key Sources of Estimation and Uncertainty</u>

In the application of the aforementioned Company’s accounting policies, the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Key sources of estimation uncertainty

The evaluation of sales allowances for the subsidiary company accounted for using the equity method of investment - AVer Information, Inc.

The subsidiary company, AVer Information, Inc., accounted for using the equity method of investment, has its main customers in the distribution sector in the Americas region. In order to incentivize sales and promote the market, the company has entered into multiple sales discount (allowance) and feedback contracts with its key distributors. 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	$ 502	$ 511
Checking and demand deposits	223,915	407,726
Cash equivalents		
Time deposits with original maturities of less than three months	346,430	393,355
	$ 570,847	$ 801,592

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%～3.96%	1.29%～4.60%

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

	December 31, 2025	December 31, 2024
Financial assets – current		
Mandatorily measured at FVTPL		
Non-derivative financial assets		
- Fund beneficiary certificates	$ 191,131	$ 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	$ 40,000	$ 40,000

The Company 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 Company 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		
Restricted demand deposits	$ 37,716	$ -
Restricted time deposits	-	49,178
	$ 37,716	$ 49,178

Please refer to Note 28 for information 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	$ 246,933	$ 232,945
Less: Allowance for impairment loss	(164)	(253)
	$ 246,769	$ 232,692

The average credit period for product sales of the Company is 30 to 120 days. No interest is calculated for the accounts receivables. To reduce the credit risk, the management of the Company 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 overdue receivables. In addition, the Company 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 Company believes the credit risks of the Company have been reduced significantly.

The Company 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 Company'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 Company's customer base.

The Company 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 Company writes off accounts receivable when there is information indicating 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 attempt to recover the 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 company'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	$ 183,290	$ 23,879	$ 31,714	$ 7,872	$ 178	$ 246,933
Loss allowance (lifetime expected credit loss)	(30)	(31)	(74)	(29)	-	(164)
Amortized cost	$ 183,260	$ 23,848	$ 31,640	$ 7,843	$ 178	$ 246,769

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	$ 173,791	$ 21,182	$ 32,070	$ 5,902	$ -	$ 232,945
Loss allowance (lifetime expected credit loss)	(130)	(75)	(48)	-	-	(253)
Amortized cost	$ 173,661	$ 21,107	$ 32,022	$ 5,902	$ -	$ 232,692

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	$ 253	$ 1,732
Less: Reversal of impairment losses for the current year	(89)	(1,479)
Balance at December 31	$ 164	$ 253

XI. Inventories

	December 31, 2025	December 31, 2024
Finished goods	$ 19,509	$ 34,091
Work in processing	13,944	10,352
Raw materials	128,812	134,307
	$ 162,265	$ 178,750

The nature of Cost of revenue is as follows:

	Years Ended December 31, 2025	Years Ended December 31, 2024
Costs of sold inventories	$ 418,642	$ 374,361
Loss on inventory write-down, obsolescence, and scrapping	14,684	21,330
	$ 433,326	$ 395,691

XII. Investments Accounted for Using Equity Method

	December 31, 2025	December 31, 2024
Investments in subsidiary		
AVer Information Inc. (AVer Information)	$ 1,126,037	$ 1,241,335
AVermedia Technologies Inc. (AVerMedia USA)	(50,939)	(57,551)
AVermedia Technologies Inc. (AVerMedia Japan)	2,388	909
AVerMedia Technologies (Shanghai), Inc. (AVerMedia Shanghai)	24,739	11,768
AVT Solutions GmbH. (AVerMedia Germany)	(10,856)	(10,594)
AVermedia Information (SPAIN)S.L. (AVerMedia Spain)	1,974	1,825
AVerMedia Korea Inc. (AVerMedia Korea)	4,777	5,613
	1,098,120	1,193,305
Add: Credit balance of investments accounted for using equity method reclassified to non-current liabilities	61,795	68,145
	$ 1,159,915	$ 1,261,450

The ownership equities and voting ratio of the Company on subsidiaries at the end of the reporting period are as follows:

	December 31, 2025	December 31, 2024
AVer Information	49.92%	49.92%
AVerMedia USA	100.00%	100.00%
AVerMedia Japan	100.00%	100.00%
AVerMedia Shanghai	100.00%	100.00%
AVerMedia Germany	100.00%	100.00%
AVerMedia Spain	100.00%	100.00%
AVerMedia Korea	100.00%	100.00%

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 who 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.

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.

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 further operate the Korean market in the long term, and the establishment was completed on April 3, 2024.

XIII. Property, plant and equipment

	Land	Buildings	Machinery and Equipment	Computers and Office Equipment	Transportation Equipment	Other Equipment	Total
Costs							
Balance at January 1, 2024	$ 260,245	$ 219,641	$ 32,744	$ 13,247	$ 5,913	$ 19,008	$ 550,798
Additions	-	-	-	968	-	2,553	3,521
Disposition	-	-	(3,907)	-	-	(2,290)	(6,197)
Transfer internally	(93,880)	-	-	-	-	-	(93,880)
Balance at December 31, 2024	$ 166,365	$ 219,641	$ 28,837	$ 14,215	$ 5,913	$ 19,271	$ 454,242
Accumulated depreciation							
Balance at January 1, 2024	$ -	($ 98,101)	($ 20,554)	($ 9,842)	($ 1,626)	($ 14,910)	($ 145,033)
Disposition	-	-	3,907	-	-	2,290	6,197
Depreciation Expense	-	(4,986)	(5,273)	(2,475)	(958)	(3,626)	(17,318)
Balance at December 31, 2024	$ -	($ 103,087)	($ 21,920)	($ 12,317)	($ 2,584)	($ 16,246)	($ 156,154)
Balance at December 31, 2024	$ 166,365	$ 116,554	$ 6,917	$ 1,898	$ 3,329	$ 3,025	$ 298,088
Costs							
Balance on January 1, 2025	$ 166,365	$ 219,641	$ 28,837	$ 14,215	$ 5,913	$ 19,271	$ 454,242
Additions	-	-	309	1,118	-	982	2,409
Disposition	-	-	(372)	(1,505)	(1,124)	(601)	(3,602)
Transfer internally	-	-	46	-	-	162	208
Balance on December 31, 2025	$ 166,365	$ 219,641	$ 28,820	$ 13,828	$ 4,789	$ 19,814	$ 453,257
Accumulated depreciation							
Balance on January 1, 2025	$ -	($ 103,087)	($ 21,920)	($ 12,317)	($ 2,584)	($ 16,246)	($ 156,154)
Disposition	-	-	372	1,505	1,124	601	3,602
Depreciation Expense	-	(4,986)	(4,081)	(1,176)	(949)	(2,598)	(13,790)
Balance on December 31, 2025	$ -	($ 108,073)	($ 25,629)	($ 11,988)	($ 2,409)	($ 18,243)	($ 166,342)
Net amount as of December 31, 2025	$ 166,365	$ 111,568	$ 3,191	$ 1,840	$ 2,380	$ 1,571	$ 286,915

Except for the recognition of depreciation expense, the Company did not have any material additions, disposals, or impairments of property, plant and equipment for the years 2025 and 2024.

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

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

XIV. Investment Properties

	Years Ended December 31, 2025	Years Ended December 31, 2024
Costs		
Balance, beginning of period	$ 459,787	$ 365,907
Additions	182,560	-
Transfer internally	32,086	93,880
Balance at December 31	$ 674,433	$ 459,787
Accumulated depreciation		
Balance, beginning of period	($ 64,007)	($ 60,953)
Depreciation Expense	(3,933)	(3,054)
Balance at December 31	($ 67,940)	($ 64,007)
Net balance at December 31	$ 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 Company as of December 31 of 2025 and 2024 were NT$1,362,058 thousand and NT$1,141,862 thousand. The fair values estimated by the management of the Company using the transaction prices of similar properties in the 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 28 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

XV. Loans

(I) Short-term loans

	December 31, 2025	December 31, 2024
Unsecured loans	$ 150,000	$ 150,000
Annual rate of interest (%)	1.88%~1.91%	1.85%
Last maturity date	2026/2/13	2025/1/2
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

XVI. Other Payables

	December 31, 2025	December 31, 2024
Payroll and bonus payables	$ 50,630	$ 52,867
Royalty payable	43,051	50,547
Leave payables	12,133	12,571
Others	21,749	25,614
	$ 127,563	$ 141,599

XVII. Provisions for liabilities

	December 31, 2025	December 31, 2024
Warranty – current	$ 1,590	$ 1,590

The warranty provisions for liabilities are the present value of the best estimation by the management of the Company 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.

XVIII. Retirement Benefit Plans

The Company adopted a pension plan under the "Labor Pension Act", which is a state-managed defined contribution plan. Under the Labor Pension Act, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

XIX. 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 21 (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.

The appropriated as legal capital reserve shall be distributed until the balance reaches the amount of paid-in capital of the Company. The appropriated as legal capital reserve will be used for offsetting deficits. When the Company has no deficit, the portion of appropriated as legal capital reserve exceeding 25% of the paid-in capital can be set aside for capital, but also 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	Total Shares Owned (thousand shares)	Acquisition costs	Market price
AVer Information	27,194	$ 1,280,178	$ 1,056,471

December 31, 2024

Name of subsidiary	Total Shares Owned (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. Upon acquisition, the Company recognizes NT$639,104 thousand in treasury stock based on the shareholding ratio. Apart from that, the holders of the treasury stock are not allowed to participate in the new shares to be issued for cash. The rest of the rights are consistent with those of common shareholders.

XX. Revenue

	Years Ended December 31, 2025	Years Ended December 31, 2024
Product sales revenue	$ 668,013	$ 573,918
Labor and other revenue	10,050	4,681
	$ 678,063	$ 578,599

XXI. Net profit (loss) of the current year

(I) Other income

	Years Ended December 31, 2025	Years Ended December 31, 2024
Rental income	$ 30,795	$ 27,255
Others	9,139	14,297
	$ 39,934	$ 41,552

(II) Other gains and losses

	Years Ended December 31, 2025	Years Ended December 31, 2024
Net foreign exchange loss (gain)	($ 18,347)	$ 43,968
Net gain on financial instruments measured at fair value through profit or los	1,141	1,065
Others	(3,948)	(7,902)
	($ 21,154)	$ 37,131

(III) Depreciation and amortization

	Years Ended December 31, 2025	Years Ended December 31, 2024
Property, plant and equipment	$ 13,790	$ 17,318
Investment properties	3,933	3,054
Intangible assets	1,034	5,392
	$ 18,757	$ 25,764
Summary of depreciation by function		
Cost of Revenue	$ 3,547	$ 5,307
Operating Expenses	10,243	12,011
Other Gains and Losses	3,933	3,054
	$ 17,723	$ 20,372
Summary of amortization by function		
Cost of Revenue	$ -	$ 112
General and administrative expenses	1,005	5,054
Research and development expenses	29	226
	$ 1,034	$ 5,392

(IV) Employee benefits expenses

	Years Ended December 31, 2025	Years Ended December 31, 2024
Short-term employee benefits	$ 255,983	$ 269,057
Post-employment benefits		
Defined contribution plans	10,850	10,755
Stock-based compensation		
Equity settlement	(6,236)	26,415
Total employee benefits expenses	$ 260,597	$ 306,227
Summary by function		
Cost of Revenue	$ 13,253	$ 12,425
Operating Expenses	247,344	293,802
	$ 260,597	$ 306,227

(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.

XXII. 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		
Income tax adjustments on prior years	$ -	($ 966)
Deferred income tax		
Current year	(1,747)	(18,688)
Income tax gains recognized in profit or loss	($ 1,747)	($ 19,654)

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

	Years Ended December 31, 2025	Years Ended December 31, 2024
Net loss before tax	($ 25,703)	($ 70,985)
Income tax expense calculated at the statutory tax rate on profit before tax	($ 5,141)	($ 14,197)
Tax-free income	(9,663)	(18,192)
Unrecognized temporary differences	13,057	12,733
Income tax adjustments on prior years	-	(966)
Non-deductible expenses for tax purposes	-	968
Income tax gains recognized in profit or loss	($ 1,747)	($ 19,654)

(II) Deferred income tax assets

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	Balance at December 31
Deferred income tax assets			
Investment loss using equity method	$ 20,936	($ 2,944)	$ 17,992
Unrealized gross margin with affiliated companies	9,156	(1,112)	8,044
Allowance for impairment loss of inventories	21,045	2,309	23,354
Loss carryforwards	64,514	2,404	66,918
Others	318	-	318
	$ 115,969	$ 657	$ 116,626
Deferred income tax liabilities			
Unrealized exchange gains	$ 4,194	($ 1,090)	$ 3,104

Years Ended December 31, 2024

Deferred income tax assets	Balance at January 1	Recognized in profit or loss	Balance at December 31
Investment loss using equity method	$ 15,228	$ 5,708	$ 20,936
Unrealized gross margin with affiliated companies	9,829	(673)	9,156
Allowance for impairment loss of inventories	17,857	3,188	21,045
Loss carryforwards	52,459	12,055	64,514
Others	245	73	318
	$ 95,618	$ 20,351	$ 115,969
Deferred income tax liabilities			
Unrealized exchange gains	$ 2,531	$ 1,663	$ 4,194

(III) Information on unused loss carryforwards

	December 31, 2025	December 31, 2024
Loss carryforwards		
2033 due	$ 53,610	$ 52,459
2034 due	13,308	12,055
	$ 66,918	$ 64,514

(IV) Income tax examination

The Company's income tax returns up to 2023 have been approved by the tax collection agency.

XXIII. 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 loss for the year

	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 Company offered to settle compensation or bonuses paid to employees in cash or shares, the Company 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 Company 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.

XXIV. 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 vested period, employees are not allowed to sell, pledge, transfer, gift, or dispose of the restricted stock options in any way.

(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.

XXV. Capital risk management

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

The Company'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 Company is exempted from other external capital regulations.

XXVI. Financial Instruments

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

The management of the Company believes that the carrying amount of the financial assets and liabilities not measured at fair value is close 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				
Beneficiary Certificates of Funds	$ 191,131	$ -	$ -	$ 191,131
Financial Assets at Fair Value through Other Comprehensive Income				
Equity Instrument Investments				
Unlisted Domestic Stocks	$ -	$ -	$ 40,000	$ 40,000

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	$ -	$ -	$ 40,000	$ 40,000

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 3 financial instruments at fair value

The fair value of the unlisted domestic equity investments held by the Company is measured based on the cash capital increase price set by 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	$ 191,131	$ 40,283
Measured at amortized costs (Note 1)	859,712	1,092,300
Investments in Equity Instruments Measured at Fair Value through Other Comprehensive Income	40,000	40,000
Financial liabilities		
Measured at amortized costs (Note 2)	539,029	428,084

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

Note 2: The balance includes financial liabilities measured at amortized cost, such as short-term borrowings, accounts payable, other payables, long-term borrowings (including current portions due within one year), and guarantee deposits.

(IV) The objectives and policies of financial risk management

The objectives of the Company's financial risk management are to manage the market risks (including exchange rate, interest rate risks), credit risks, and liquidity risks related to operating activities. To lower the related financial risks, the Company 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 Company 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 Company is exposed to foreign exchange rate risk and interest rate srisk as a result of its operating activities.

The Company 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 Company engages in sales and purchase transactions priced in foreign currency, which exposes the Company to the risk of exchange rate variation. To prevent the loss from exchange rate variation, the Company 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 31 for the carrying amounts of the Company's monetary assets and monetary liabilities denominated in non-functional currencies at the balance sheet date.

Sensitivity analysis

The Company 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 Company when the exchange rate of NT$ (functional currency) to all related foreign currencies increases and decreases by 5%. The positive numbers in the table below indicate the amount by which profit before tax would increase if the NT$ depreciated by 5% against the relevant foreign currencies. Conversely, if the NT$ appreciates by 5%, the impact on net income (or net loss) would be the same amount but in the opposite direction.

	Profit or loss	
	Years Ended December 31, 2025	Years Ended December 31, 2024
USD	$ 13,159	$ 22,756
EURO	2,094	2,330
JPY	2,276	924
RMB	2,632	2,008

(2) Interest rate risks

The carrying amount of financial assets and liabilities of the Company exposed to 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	$ 346,430	$ 443,557
- Financial liabilities	50,000	30,000
Cash flow interest rate risks		
- Financial assets	261,631	405,726
- Financial liabilities	326,553	213,000

The Company holds deposits and 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 Company's net loss before tax for 2025 and 2024 will increase/decrease by NT$649 thousand and NT$1,927 thousand, respectively.

(3) Other pricing risk

The Company 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 loss for the years 2025 and 2024 would decrease/increase 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$200 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 Related Party will default on its contractual obligations resulting in a financial loss to the Company. As of the balance sheet date, the Company's maximum exposure to credit risk arising from the potential failure of counterparties to fulfill their obligations is primarily represented by the carrying amounts of financial assets recognized in the parent company only balance sheet.

The Company 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 Company is responsible for the determination of the line of credit, credit approval, and other monitoring procedure to ensure proper actions are taken for the recovery of overdue receivables. The target of accounts receivables involves numerous customers. The Company 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. In addition, the Company 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 Company believes the credit risks of the Company 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 Company 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 Company 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 Company's non-derivative financial liabilities with agreed-upon repayment periods, which were based on the date the Company will be required to make the first repayment and financial liabilities 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	$ 157,358	$ 5,118	$ -	$ 162,476
Floating interest rate instruments	144,121	54,276	166,658	365,055
Fixed interest rate instruments	50,139	-	-	50,139
	$ 351,618	$ 59,394	$ 166,658	$ 577,670

	December 31, 2024			
	Instant maturity or less than 1 year	1 to 5 years	Over 6 years	Total
Non-interest-bearing liabilities	$ 182,542	$ 8,420	$ 6,526	$ 197,488
Floating interest rate instruments	152,948	12,407	47,645	213,000
Fixed interest rate instruments	30,000	-	-	30,000
	$ 365,490	$ 20,827	$ 54,171	$ 440,488

(2) Loan commitments

	December 31, 2025	December 31, 2024
Unsecured bank loan commitments		
- Drawn amount	$ 163,000	$ 150,500
- Undrawn amount	492,930	350,678
	$ 655,930	$ 501,178
Secured bank loan commitments		
- Drawn amount	$ 226,500	$ 99,000
- Undrawn amount	20,000	250,000
	$ 246,500	$ 349,000

XXVII. Related Party Transactions

Apart from the information disclosed in other notes, the transactions between the Company and other related parties are as follows:

(I) Name of related party and Nature of Relationships with the Company

Name of related party	Nature of Relationships with the Company
AVer Information	Subsidiary
AVerMedia USA	Subsidiary
AVerMedia Japan	Subsidiary
AVerMedia Shanghai	Subsidiary
AVerMedia Germany	Subsidiary
AVerMedia Spain	Subsidiary
AVerMedia Korea	Subsidiary

(II) Operating transactions

Account items	Type/Name of related party	Years Ended December 31, 2025	Years Ended December 31, 2024
Sales income	AVerMedia Shanghai	$ 129,084	$ 128,442
	AVerMedia USA	194,535	159,148
	AVerMedia Japan	53,240	29,281
	AVerMedia Germany	17,496	31,010
	Subsidiary	6,285	6,606
		$ 400,640	$ 354,487

The material transactions among the Company, subsidiaries, and related parties have the same transaction price, payment and collection conditions as ordinary non-related parties.

(III) Receivables – related parties

Account items	Type/Name of related party	December 31, 2025	December 31, 2024
Accounts Receivables	AVerMedia USA	$ 105,709	$ 132,078
	AVerMedia Shanghai	39,715	24,312
	AVerMedia Germany	36,194	31,657
	Subsidiary	28,281	15,241
		$ 209,899	$ 203,288

Outstanding Receivables from Related Parties Guarantee.

For receivables from related parties in 2025 and 2024, the Company has not provided allowance losses.

Account items	Type/Name of related party	December 31, 2025	December 31, 2024
Other Receivables	AVer Information	$ 88	$ 443

(IV) Accounts payables – related parties

Account items	Type/Name of related party	December 31, 2025	December 31, 2024
Accounts payables	AVer Information	$ 6,480	$ 6,924
	AVerMedia Korea	-	9,699
		$ 6,480	$ 16,623
Other Payables	Subsidiary	$ 3,072	$ 5,372

The remaining balance of accounts payable – related parties is not secured.

(V) Other related party transactions

Account items	Type/Name of related party	Years Ended December 31, 2025	Years Ended December 31, 2024
Processing fees	AVer Information	$ 25,975	$ 25,953
Lease expenses	AVer Information	$ 2,880	$ 2,997
Labor expenditures	AVerMedia Shanghai	$ 112	$ 639
Commission expenditures	Subsidiary	$ 10,679	$ 4,946
Other expenses	Subsidiary	$ 522	$ 532
Other Income	AVer Information	$ 1,026	$ 1,342
Procurement	Subsidiary	$ 7,687	$ 14,500

(VI) Remuneration of major management personnel

	Years Ended December 31, 2025	Years Ended December 31, 2024
Short-term employee benefits	$ 23,316	$ 22,074
Post-employment benefits	702	648
Stock-based compensation	(1,528)	5,834
	$ 22,490	$ 28,556

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

XXVIII. Pledged assets

The following assets of the Company 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

XXIX. 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.

XXX. Material 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.

XXXI. Significant financial assets and liabilities denominated in foreign currencies

The following information was summarized according to the foreign currencies other than the functional currencies of the company. The exchange rates disclosed were used to translate the foreign currencies into the functional currency. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2025

	Foreign currencies	Exchange rate	Carrying value
Assets denominated in foreign currencies			
Monetary items			
USD	$ 10,541	31.43 (USD : NTD)	$ 331,316
RMB	11,824	4.49 (RMB : NTD)	53,161
EURO	1,142	36.90 (EUR : NTD)	42,122
JPY	227,187	0.20 (JPY : NTD)	45,619
Non-monetary items			
JPY	11,892	0.20 (JPY : NTD)	2,388
RMB	5,503	4.49 (RMB : NTD)	24,739
EURO	53	36.90 (EUR : NTD)	1,974
KRW	217,083	0.02 (KRW : NTD)	4,777
Foreign currency liabilities			
Monetary items			
USD	2,168	31.43 (USD : NTD)	68,131
RMB	117	4.49 (RMB : NTD)	526
EURO	6	36.90 (EUR : NTD)	239
Non-monetary items			
USD	1,621	31.43 (USD : NTD)	50,939
EURO	294	36.90 (EUR : NTD)	10,856

December 31, 2024

	Foreign currencies	Exchange rate	Carrying value
Assets denominated in foreign currencies			
Monetary items			
USD	$ 16,416	32.79 (USD : NTD)	$ 538,194
RMB	8,979	4.48 (RMB : NTD)	40,206
EURO	1,385	34.14 (EUR : NTD)	47,274
JPY	88,069	0.21 (JPY : NTD)	18,486
Non-monetary items			
JPY	4,331	0.21 (JPY : NTD)	909
RMB	2,628	4.48 (RMB : NTD)	11,768
EURO	53	34.14 (EUR : NTD)	1,825
KRW	249,911	0.02 (KRW : NTD)	5,613
Foreign currency liabilities			
Monetary items			
USD	2,534	32.79 (USD : NTD)	83,065
RMB	8	4.48 (RMB : NTD)	37
EURO	20	34.14 (EUR : NTD)	673
Non-monetary items			
USD	1,755	32.79 (USD : NTD)	57,551
EURO	310	34.14 (EUR : NTD)	10,594

The Company recognized net foreign exchange losses of NT$18,347 thousand and net foreign exchange gains of NT$43,968 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 currencies.

XXXII. Disclosures in the Notes

(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.

(II) Information on investees: Table 4.

(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 5.
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 6.
   (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.

AVerMedia Technologies Inc.

Marketable securities held

December 31, 2025

Appendix 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 Note 19 (V) Treasury stock

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

AVerMedia Technologies Inc.

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)	
AVerMedia Technologies Inc.	AVerMedia USA	Subsidiary	Sale	$ 194,535	(29)	After Shipping 90 days	$ -	—	$ 105,709	43	
	AVerMedia Shanghai	Subsidiary	Sale	129,084	(19)	After Shipping 90 days	-	—	39,715	16	
AVer Information	AVer Information Inc. (USA)	Subsidiary	Sale	527,281	(30)	After Shipping 90 days	-	—	18,774	5	
	AVer Information Europe B.V.	Subsidiary	Sale	334,802	(19)	After Shipping 90 days	-	—	73,400	21	

AVerMedia Technologies Inc.

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 (times/year)	Overdue receivables from related parties		Amounts Received in Subsequent Period (Note 1)	Allowance for Bad Debts
					Amount	Action Taken		
AVerMedia Technologies Inc.	AVerMedia USA	Subsidiary	Accounts Receivables $105,709	1.64	$ 28,312	-	$ 20,884	$ -

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

AVerMedia Technologies Inc.

Names, Locations, And Related Information Of Investees Over Which The Company Exercises Significant Influence

January 1 to December 31, 2025

Table 4

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	（註 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	（註 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	（註 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	（註 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 5 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 AVerMedia Information Inc. resolved to proceed with the dissolution and liquidation of Yuan Chen Investment Co., Ltd.

AVerMedia Technologies Inc.

Information on Investment in Mainland China

January 1 to December 31, 2025

Table 5

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	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(USD 1,200)	$ 40,323 (USD 1,200)	$ 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.

AVerMedia Technologies Inc.

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 6

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.

§THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS§

AVerMedia Technologies Inc.

Detailed Schedule of Cash and Cash Equivalents

December 31, 2025

Statement 1

Unit: In Thousands of New Taiwan Dollars /Foreign currency in thousands

Item	Description	Amount
Cash on hand		$ 357
Petty cash		145
Bank balance		
Demand deposit		52,365
Foreign currency deposits	Including USD 4,236 thousand at 31.43, GBP 10 thousand at 42.33, EUR 159 thousand at 36.90, JPY 93,641 thousand at 0.2008, and RMB 2,970 thousand at 4.496.	171,550
Cash equivalents		
Time deposits	Maturity dates: 2026/1/11–2026/3/9 Annual interest rates: 1.29–3.96%	346,430
		$ 570,847

AVerMedia Technologies Inc.

Statement of Financial Instruments at Fair Value Through Profit or Loss – Current

December 31, 2025

Statement 2

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

Appellation	Description	Shares/Units (thousand)	Face value	Total amount	Acquisition costs	Accumulated impairment	Fair value Unit price	Fair value Total amount	Provided as collateral or pledge status
Beneficiary Certificates									
SinoPac TWD Money Market Fund		5,483	-	$ 80,744	$ 80,000	$ -	14.7256	$ 80,744	None
Fubon Chi-Hsiang Money Market Fund		4,845	-	80,331	80,000	-	16.5793	80,331	None
Yuanta De-Li Money Market Fund		1,742	-	30,056	30,000	-	17.2494	30,056	None
				$ 191,131	$ 190,000	$ -		$ 191,131	

AVerMedia Technologies Inc.

Statement of accounts receivables

December 31, 2025

Statement 3 | Unit: In Thousands of New Taiwan Dollars

Client Name	Amount
Related party	
AVerMedia USA	$ 105,709
AVerMedia Germany	36,194
AVerMedia Shanghai	39,715
AVerMedia Japan	26,770
Others (note)	1,511
	209,899
Non-related party	
Client A	7,435
Client B	3,903
Client C	3,472
Client D	3,017
Client E	2,797
Client F	2,618
Client G	2,527
Client H	2,146
Others (note)	9,119
	37,034
Less: Allowance for impairment loss	164
	36,870
Net amount	$ 246,769

Note: The amount of each customer did not reach 5% of the balance of this account.

AVerMedia Technologies Inc.

Statement of inventories

December 31, 2025

Statement 4 Unit: In Thousands of New Taiwan Dollars

Item	Recognized amount	Net realizable value
Raw materials	$ 230,292	$ 256,250
Work in processing	22,499	102,256
Finished goods	37,008	52,458
	289,799	$ 410,964
Less: Allowance for Inventory Impairment Loss	(127,534)	
	$ 162,265	

AVerMedia Technologies Inc.

Statement of changes in investment using the equity method

For the year ended December 31, 2025

Statement 5

Unit: In Thousands of New Taiwan Dollars

	Balance, January 1, 2025		Increase in the current year		Decrease in the current year		Adjustment number assessed using the equity method	Balance at December 31, 2025				
Appellation	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount	(Note 2)	Shares (In Thousands)	Ownership Percentage	Amount	Equity net worth	Provided as collateral or pledge
AVer Information	46,389	$1,241,335	-	$ -	-	$ -	($ 115,298)	46,389	49.92%	$1,126,037	$1,653,462	None
AVerMedia USA	3,000	(57,551)	-	-	-	-	6,612	3,000	100%	(50,939)	(35,866)	None
AVerMedia Shanghai (Note 1)	-	11,768	-	-	-	-	12,971	-	100%	24,739	31,558	None
AVerMedia Germany (Note 1)	-	(10,594)	-	-	-	-	(262)	-	100%	(10,856)	(5,891)	None
AVerMedia Japan	-	909	-	-	-	-	1,479	-	100%	2,388	2,957	None
AVerMedia Spain (Note 1)	-	1,825	-	-	-	-	149	-	100%	1,974	1,974	None
AVerMedia Korea	51	5,613	-	-	-	-	(836)	51	100%	4,777	4,777	None
		1,193,305		$ -		$ -	($ 95,185)			1,098,120		
Add: Credit balance of investments accounted for using equity method reclassified to non-current liabilities		68,145								61,795		
		$1,261,450								$1,159,915		

Note 1: The certificate of incorporation only states the investment amount without the record of the number of shares.

Note 2: Adjustments assessed using the equity method include:

(1) Profits and Losses of Subsidiaries Using Equity Method	$ 62,124
(2) Receiving cash dividends from subsidiaries	(78,860)
(3) Exchange difference in the translation of foreign financial statements	(2,779)
(4) Realized sales gains from the subsidiaries	3,652
(5) Dividends distributed to subsidiaries for the adjustment of capital surplus	5,133
(6) Subsidiary purchased shares of parent company for subscription of treasury stock	(84,455)
	($ 95,185)

AVerMedia Technologies Inc.

Statement of Cost of Revenue

For the year ended December 31, 2025

Statement 6 — Unit: In Thousands of New Taiwan Dollars

Item	Amount
(I) Costs of sales of self-manufactured products	
Raw materials	
Material inventories at January 1	$ 236,890
Add: Material purchased in the current year	390,798
Less: Material inventories at December 31	230,292
Department requisition and delivery	4,137
Costs of selling materials	52,469
Other roll-out	4,511
Raw materials consumed in the current year	336,279
Manufacturing expenses	55,511
Manufacturing costs	391,790
Add: Work in processing at January 1	16,236
Other turn-in	76,892
Less: Work in processing at December 31	22,499
Department requisition	3,666
Costs of selling work in processing	24
Other roll-out	85,506
Costs of finished goods	373,223
Add: Finished goods at January 1	41,613
Other turn-in	34,120
Department requisition	2,195
Less: Finished goods at December 31	37,008
Other roll-out	29,217
Costs of sales of self-manufactured products	384,926
(II) Costs of selling materials	52,469
(III) Costs of selling work in processing	24
(IV) Loss on inventory write-down, obsolescence, and scrapping	14,684
(V) Other cost of revenue	(18,777)
	$ 433,326

AVerMedia Technologies Inc.

Statement of expenses for marketing, management, research and development

For the year ended December 31, 2025

Statement 7 Unit: In Thousands of New Taiwan Dollars

	Marketing	General and administrative expenses	Research and development expenses	Total
Salary expenditures	$ 53,785	$ 44,010	$ 125,160	$ 222,955
Advertising expenses	9,828	30	7	9,865
Insurance expenses	5,962	3,983	9,944	19,889
Commission expenditures	10,680	-	-	10,680
Others (note)	38,785	27,431	33,099	99,315
	$ 119,040	$ 75,454	$ 168,210	$ 362,704

Note: The amount of each item did not exceed 5% of the balance of the item.

AVerMedia Technologies Inc.

Summary statement of employee benefits expenses occurred in the current period based on functions

FOR THE YEAR ENDED DECEMBER 31, 2025 AND 2024

Statement 8

Unit: In Thousands of New Taiwan Dollars

	Years Ended December 31, 2025			Years Ended December 31, 2024		
	Classified as cost of revenue	Classified as operating expenses	Total	Classified as cost of revenue	Classified as operating expenses	Total
Employee benefit expenses						
Salary expenses	$ 11,415	$ 216,084	$ 227,499	$ 10,045	$ 230,352	$ 240,397
Stock-based compensation	(323)	(5,913)	(6,236)	512	25,903	26,415
Labor and health insurance expenses	1,130	17,709	18,839	968	17,645	18,613
Pension expenses	566	10,284	10,850	488	10,267	10,755
Remuneration of directors	-	2,500	2,500	-	2,900	2,900
Other employee benefits expenses	465	6,680	7,145	412	6,735	7,147
	$ 13,253	$ 247,344	$ 260,597	$ 12,425	$ 293,802	$ 306,227

1. In 2025 and 2024, the numbers of employees were 197 people and 199 people, respectively, and the number of directors who were not concurrently serving as employees was 7 people in both years.
2. In 2025 and 2024, the average employee benefit expenses were NT$1,358 thousand and NT$1,580 thousand, respectively, and the average employee salary expenses were NT$1,165 thousand and NT$1,390 thousand, respectively, reflecting an adjustment of (16.19%).
3. The Company established the Audit Committee to replace the Supervisors in accordance with the Securities and Exchange Act.
4. The salary and remuneration policy of the Company is as follows (including directors, managers, and employees):

(1) Director: The policy, standards, and portfolio of remuneration of directors and the procedure of stipulation of remuneration are provided in Article 13-2 of the Articles of Incorporation of the Company. The Company, regardless of the operating profit or loss, may provide remuneration to directors. The Board of Directors is authorized to determine the amount of remuneration, which is based on participation in the Company's operation, contribution to the Company, and the standards in the industry domestically and internationally. The Company also evaluates, on a regular basis, the performance of directors, such as the achievement rate of financial indicators, profit rate, operating benefits, and contributions, as the basis for evaluation in accordance with the organizational regulations of the Salary and Remuneration Committee of the Company and related regulations. Such performance evaluation and reasonableness of remuneration are reviewed by the Salary and Remuneration Committee and the Board of Directors. The remuneration system is promptly reviewed in accordance with the actual operation and related laws and regulations.

(2) Managers: The policy, standards, and portfolio of remuneration of managers and the procedure of stipulation of remuneration are provided in the organizational regulations of the Salary and Remuneration Committee of the Company and related regulations. The Company evaluates the overall

remuneration of managers on a regular basis, and such evaluations serve as the basis of remuneration. Such performance evaluation and reasonableness of remuneration are reviewed by the Salary and Remuneration Committee and the Board of Directors. The remuneration system is promptly reviewed in accordance with the actual operation and related laws and regulations. Apart from reviewing the remuneration standards in the industry on a regular basis to ensure the competitiveness of the remuneration and reach the purpose of keeping and inspiring talents, the overall operating performance and profits are the critical distribution basis. The distribution of remuneration is in a positive correlation with the operation performance.

(3) Employees: The Company conducts an industry salary survey on a regular basis and adjusts the salary and grants various bonuses based on the changes in the external environment, the annual operation condition of the Company and personal performance in order to ensure the salary and benefits meet the market standards and internal/external fairness. The Company stipulates "Work Rules" and "Regulations Governing Performance Management" as the basis of the remuneration system.