

AVer Information Inc. and  
Subsidiaries

Consolidated Financial  
Statements for the  
Three Months Ended March 31,  
2023 and 2022 and  
Independent Auditors' Review  
Report

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## **Independent Auditor's Review (translated from Chinese)**

To the Board of Directors and Shareholders of AVer Information Inc.

### **Introduction**

We have reviewed the accompanying consolidated financial statements of AVer Information Inc. and its subsidiaries (AVer Group) as of March 31, 2023 and 2022, and related consolidated statements of comprehensive income, of changes in equity, and of cash flows for the three months ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

We conducted our reviews in accordance with the Standards on Review Engagements No. 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of Consolidated Financial Statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other reviewer procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our reviews, nothing has come to our attention that cause us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects the consolidated financial position of the Company as of March 31, 2023 and 2022 and its consolidated financial performance and its consolidated cash flow for the three months ended March 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are I-Ching Liu and Ming-Yen Chien.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China  
April 26, 2023

### Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.*

*For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.*

AVer Information Inc. and subsidiaries  
CONSOLIDATED BALANCE SHEETS  
(Unit: In Thousands of New Taiwan Dollars)

C o d e	A S S E T S	March 31, 2023 (Reviewed)		December 31, 2022 (Audited)		March 31, 2022 (Reviewed)	
		A m o u n t	%	A m o u n t	%	A m o u n t	%
	CURRENT ASSETS						
1100	Cash (Note 6)	\$ 1,007,292	25	\$ 1,088,115	27	\$ 1,063,421	25
1110	Financial assets at fair value through profit or loss (Note 7)	-	-	-	-	205	-
1136	Financial assets at amortized cost(Note 9 and 29)	142,771	4	145,018	4	136,219	3
1150	Notes receivable	1,487	-	3,524	-	1,701	-
1170	Account receivable (Notes 10 and 28)	299,191	7	273,494	7	350,238	8
1200	Other receivables (Note 28)	8,685	-	8,974	-	11,361	-
1220	Income tax assets for current period	72,857	2	76,779	2	18,596	1
130X	Inventories (Notes 11)	550,518	14	617,037	15	688,926	16
1460	Non-current assets held for sale (Notes 4 and 12)	66,187	2	-	-	-	-
1479	Other current assets	47,113	1	45,957	1	15,339	1
11XX	Total current assets	2,196,101	55	2,258,898	56	2,286,006	54
	NONCURRENT ASSETS						
1517	Financial assets at fair value through other comprehensive income (Note 8)	442,753	11	385,516	9	482,763	11
1600	Property, plant, and equipment (Notes 14 and 29)	1,211,850	30	1,226,780	30	1,233,246	29
1755	Right-of-use assets (Note 15)	31,911	1	25,868	1	36,657	1
1760	Investment property (Note 12 and 16)	-	-	66,399	2	67,033	2
1780	Intangible assets	25,311	1	20,173	-	23,012	-
1840	Deferred income tax assets	70,867	2	70,690	2	81,557	2
1990	Other noncurrent assets	15,478	-	13,669	-	32,840	1
15XX	Total noncurrent assets	1,798,170	45	1,809,095	44	1,957,108	46
1XXX	TOTAL ASSETS	\$ 3,994,271	100	\$ 4,067,993	100	\$ 4,243,114	100
C o d e	L I A B I L I T I E S A N D E Q U I T Y						
	CURRENT LIABILITIES						
2100	Short-term loans (Note 17)	\$ 600,000	15	\$ 600,000	15	\$ 600,000	14
2120	Financial liabilities at fair value through profit or loss (Note 7)	-	-	804	-	4,122	-
2170	Accounts payable (Note 28)	110,230	3	109,642	3	129,776	3
2200	Other payables (Note 18 and 28)	246,586	6	336,179	8	254,622	6
2230	Income tax liabilities for current period	6,311	-	5,545	-	13,373	-
2280	Capital lease liabilities (Note 15)	31,141	1	25,837	1	25,304	1
2365	Refund liability	71,384	2	80,421	2	126,160	3
2399	Other current liabilities (Note 19)	32,968	1	12,007	-	12,157	-
21XX	Total current liabilities	1,098,620	28	1,170,435	29	1,165,514	27
	NONCURRENT LIABILITIES						
2550	Provision (Note 19)	49,280	1	48,531	1	38,619	1
2570	Deferred income tax liabilities	4,303	-	4,340	-	4,517	-
2580	Capital lease liabilities (Note 15)	9,169	-	10,366	-	25,867	1
2670	Other noncurrent liabilities	16,946	1	16,014	1	15,683	-
25XX	Total noncurrent liabilities	79,698	2	79,251	2	84,686	2
2XXX	Total Liabilities	1,178,318	30	1,249,686	31	1,250,200	29
	EQUITY (Note 21)						
3110	Capital - common stock	929,200	23	929,200	23	929,200	22
3200	Capital surplus	735,120	18	735,120	18	735,120	17
	Retained earnings						
3310	Appropriated as legal reserve	367,304	9	367,304	9	302,070	7
3320	Appropriated as special reserve	420,956	10	420,956	10	7,062	-
3350	Unappropriated earnings	900,550	23	921,357	23	1,502,336	36
3300	Total retained earnings	1,688,810	42	1,709,617	42	1,811,468	43
3400	Other equity	( 537,177 )	( 13 )	( 555,630 )	( 14 )	( 482,874 )	( 11 )
3XXX	Total equity	2,815,953	70	2,818,307	69	2,992,914	71
	TOTAL	\$ 3,994,271	100	\$ 4,067,993	100	\$ 4,243,114	100

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

## AVer Information Inc. and subsidiaries

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

(Reviewed, Not Audited)

Code		Three Months Ended March 31			
		2023		2022	
		A m o u n t	%	A m o u n t	%
	REVENUE (Note 22 and 28)				
4000	Sales revenue	\$ 542,046	100	\$ 674,977	100
	COST OF REVENUE (Note 11, 23 and 28)				
5000	Cost of goods sold	<u>244,479</u>	<u>45</u>	<u>313,853</u>	<u>47</u>
5900	GROSS PROFIT	<u>297,567</u>	<u>55</u>	<u>361,124</u>	<u>53</u>
	OPERATING EXPENSES (Note 23)				
6100	Marketing	184,652	34	175,218	26
6200	General and administrative	23,877	4	24,099	3
6300	Research and development	<u>105,343</u>	<u>20</u>	<u>99,843</u>	<u>15</u>
6000	Total operating expenses	<u>313,872</u>	<u>58</u>	<u>299,160</u>	<u>44</u>
6900	INCOME(LOSS) FROM OPERATIONS	( <u>16,305</u> )	( <u>3</u> )	<u>61,964</u>	<u>9</u>
	NON-OPERATING INCOME AND EPENSES (Note 23)				
7100	Interest revenue	35	-	6	-
7010	Other revenues	2,596	-	2,807	-
7020	Other gains and losses	( 4,129 )	( 1 )	18,624	3
7050	Finance cost	( <u>2,661</u> )	<u>-</u>	( <u>1,876</u> )	<u>-</u>
7000	Total non-operating income and expenses	( <u>4,159</u> )	( <u>1</u> )	<u>19,561</u>	<u>3</u>
7900	INCOME(LOSS) BEFORE INCOME TAX	( 20,464 )	( 4 )	81,525	12

(Continued)

		Three Months Ended March 31			
		2023		2022	
Code		A m o u n t	%	A m o u n t	%
7950	INCOME TAX EXPENSE (Note 4 and 24)	\$ <u>343</u>	<u>-</u>	\$ <u>11</u>	<u>-</u>
8200	NET(LOSS) INCOME	( <u>20,807</u> )	( <u>4</u> )	<u>81,514</u>	<u>12</u>
	OTHER				
	COMPREHENSIVE				
	INCOME (LOSS)				
8310	Items that will not be reclassified subsequently to profit or loss				
8316	Unrealized loss on investments in equity instruments at fair value through other comprehensive (loss) income	20,050	4	( 72,936)	( 11)
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences arising on translation of foreign operations	( <u>1,597</u> )	<u>-</u>	<u>11,018</u>	<u>2</u>
8300	Other comprehensive loss for the year (net of income tax)	<u>18,453</u>	<u>4</u>	( <u>61,918</u> )	( <u>9</u> )
8500	TOTAL COMPREHENSIVE INCOME(LOSS) FOR THE YEAR	( <u>\$ 2,354</u> )	<u>-</u>	<u>\$ 19,596</u>	<u>3</u>
	NET INCOME(LOSS) ATTRIBUTABLE TO:				

(Continued)

		Three Months Ended March 31			
Code		2023		2022	
		A m o u n t	%	A m o u n t	%
8610	Shareholders of the Company TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO	(\$ 20,807)	( 4)	\$ 81,514	12
8710	Shareholders of the Company Earnings(losses) per share (Note 25)	(\$ 2,354)	-	\$ 19,596	3
9710	Basic	(\$ 0.22)		\$ 0.88	
9810	Diluted	(\$ 0.22)		\$ 0.87	

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

AVer Information Inc. and subsidiaries  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)  
(Reviewed, Not Audited)

C o d e		C a p i t a l - common stock	C a p i t a l s u r p l u s	R e t a i n e d		e a r n i n g s		O t h e r e q u i t y E x c h a n g e differences on translation of foreign financial s t a t e m e n t s	Unrealized gains (losses) on financial a s s e t s measured at fair value t h r o u g h o t h e r c o m p r e h e n s i v e i n c o m e	Total equity
				Appropriated as legal reserve	Appropriated as special reserve	Unappropriated e a r n i n g s	T o t a l			
A1	BALANCE, January 1, 2022	\$ 929,200	\$ 735,120	\$ 302,070	\$ 7,062	\$ 1,420,822	\$ 1,729,954	(\$ 20,096)	(\$ 400,860)	\$ 2,973,318
D1	Net income for the three months ended March 31, 2022	-	-	-	-	81,514	81,514	-	-	81,514
D3	Other comprehensive income (loss) for the three months ended March 31, 2022, net of income tax	-	-	-	-	-	-	11,018	( 72,936)	( 61,918)
D5	Total comprehensive income (loss) for the three months ended March 31,2022	-	-	-	-	81,514	81,514	11,018	( 72,936)	19,596
Z1	BALANCE, MARCH 31, 2022	<u>\$ 929,200</u>	<u>\$ 735,120</u>	<u>\$ 302,070</u>	<u>\$ 7,062</u>	<u>\$ 1,502,336</u>	<u>\$ 1,811,468</u>	(\$ 9,078)	(\$ 473,796)	<u>\$ 2,992,914</u>
A1	BALANCE, January 1, 2023	\$ 929,200	\$ 735,120	\$ 367,304	\$ 420,956	\$ 921,357	\$ 1,709,617	\$ 15,413	(\$ 571,043)	\$ 2,818,307
D1	Net (loss) income for the three months ended March 31, 2023	-	-	-	-	( 20,807)	( 20,807)	-	-	( 20,807)
D3	Other comprehensive income (loss) for the three months ended March 31, 2023, net of income tax	-	-	-	-	-	-	( 1,597)	20,050	18,453
D5	Total comprehensive income (loss) for the three months ended March 31,2023	-	-	-	-	( 20,807)	( 20,807)	( 1,597)	20,050	( 2,354)
Z1	BALANCE, MARCH 31, 2023	<u>\$ 929,200</u>	<u>\$ 735,120</u>	<u>\$ 367,304</u>	<u>\$ 420,956</u>	<u>\$ 900,550</u>	<u>\$ 1,688,810</u>	(\$ 13,816)	(\$ 550,993)	<u>\$ 2,815,953</u>

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

AVer Information Inc. and subsidiaries  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(In Thousands of New Taiwan Dollars)  
(Reviewed, Not Audited)

C o d e		Three Months Ended March 31	
		2023	2022
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Profit (loss) before tax	(\$ 20,464)	\$ 81,525
A20010	Adjustments to reconcile profit (loss):		
A20100	Depreciation expense	33,881	33,191
A20200	Amortization expense	2,974	2,761
A20300	Expected credit impairment loss (Reversal)	( 54)	( 16)
A20400	Net loss (gain) on financial instruments at fair value through profit or loss	( 1,989)	4,066
A20900	Interest expense	2,661	1,876
A21200	Interest revenue	( 35)	( 6)
A22500	Loss on disposal of property, plant and equipment	32	22
A23700	Provision of inventory valuation loss and stock obsolescence	7,732	1,747
A24100	Unrealized gross (gain)loss on foreign exchange	1,657	( 287)
A29900	Provision of liability reserve	1,602	19
A30000	Net changes of operating assets and liabilities		
A31115	Financial assets at fair value enforced through profit or loss	1,303	1,775
A31130	Notes receivable	2,037	1,712
A31150	Accounts receivable	( 24,398)	( 33,092)
A31180	Other receivables	296	( 1,442)
A31200	Inventories	57,514	49,977
A31240	Other current assets	( 1,158)	1,964
A32110	Financial liability held for trading	( 118)	( 1,479)
A32150	Accounts payable	2,952	28,989
A32180	Other payables	( 95,351)	( 79,256)

(Continued)

<u>C o d e</u>		<u>Three Months Ended March 31</u>	
		<u>2023</u>	<u>2022</u>
A32200	Provision of liability	(\$ 1,093)	(\$ 888)
A32230	Other current liabilities	( 282)	( 1,074)
A32990	Refund liability	( 8,414)	17,823
A32990	Other noncurrent liabilities	<u>1,106</u>	<u>398</u>
A33000	Cash inflow(outflow) generated from operations	( 37,609)	110,305
A33300	Interest paid	( 2,550)	( 1,845)
A33500	Income taxes (paid) refund	<u>3,476</u>	( <u>183</u> )
AAAA	Net cash inflow(outflow) from operating activities	( <u>36,683</u> )	<u>108,277</u>
Cash flows in investing activities			
B00010	Financial assets at fair value through other comprehensive income	( 37,187)	-
B02600	Increase in receipts in advance due to non-current assets classified as held for sale	21,500	-
B02700	Acquisition of property, plant and equipment	( 8,150)	( 43,338)
B03700	Increase of refundable deposit	( 1,218)	( 378)
B04500	Acquisition of intangible assets	( 8,115)	-
B07500	Interest received	<u>51</u>	<u>22</u>
BBBB	Net cash outflow from investing activities	( <u>33,119</u> )	( <u>43,694</u> )
CASH FLOWS FROM FINANCING ACTIVITIES			
C03000	Increase in guarantee deposits received	-	278
C04020	Payments of lease liabilities	( <u>7,556</u> )	( <u>6,397</u> )
CCCC	Cash inflow (outflow) from financing activities	( <u>7,556</u> )	( <u>6,119</u> )
DDDD	Effect of exchange rate changes on cash	( <u>3,465</u> )	<u>1,043</u>
EEEE	Net (decrease) increase in cash	( 80,823)	59,507
E00100	Cash at beginning of period	<u>1,088,115</u>	<u>1,003,914</u>
E00200	Cash at end of period	<u>\$1,007,292</u>	<u>\$1,063,421</u>

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

AVer Information Inc. and subsidiaries  
Notes to Consolidated Financial Statements  
For the three Months ended March 31, 2023 and 2022  
(In Thousands of New Taiwan Dollars, unless specified otherwise)  
(Reviewed, Not Audited)

1. GENERAL

AVer Information Inc. (hereinafter referred to as “AVer” or “the Company”) was incorporated on January 2008, with the business that mainly engages in selling, manufacturing, researching, and developing of related products including computer system equipment and presentation and video conferencing systems.

AVer’s shares were listed on the Taiwan Stock Exchange (TWSE) on August 25, 2011.

The consolidated financial statements were expressed in the functional currency of the Company to be New Taiwan Dollars (NT\$).

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements were reported to the Board of Directors for issue on April 26, 2023.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- (1) The Company applied for the first time International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, hereinafter referred to as “IFRSs”), which were endorsed and issued by the Financial Supervisory Commission of the Republic of China (hereinafter referred to as the “FSC”) and became effective.

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Company’s accounting policies.

- (2) The IFRSs issued by the International Accounting Standards Board (IASB), but not yet endorsed and issued into effect by the FSC.

<u>Newly issued/revised/amended standards and interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Noncurrent"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

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

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

As of the date of issuance of the consolidated financial statements, the Company continues in evaluating the impact on its financial position and financial performance as a result of revising standards and interpretations of above IFRSs; relevant impact will be disclosed upon the completion of assessments.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### (1) Statement of compliance

The consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual financial statements.

(2) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are mentioned at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the relevant inputs are observable and based on the significance thereof, are described as follows:

1. Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities.
2. Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
3. Level 3 inputs: unobservable inputs for an asset or liability.

(3) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intercompany transactions, balances, income, and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company.

See Note 13 and Table 5 for detailed information, percentages of ownership, and main businesses on subsidiaries.

(4) Other significant accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2022.

1. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. The interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings; that is, the

estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

## 2. Non-current Assets Held for Sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition.

To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, and the sale should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

## 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

For the applied critical accounting judgments and key sources of estimates and uncertainty, please refer to the consolidated financial statements for the year ended December 31, 2022.

## 6. CASH

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand	\$ 1,072	\$ 1,107	\$ 983
Checking accounts and demand deposits	<u>1,006,220</u>	<u>1,087,008</u>	<u>1,062,438</u>
	<u>\$ 1,007,292</u>	<u>\$ 1,088,115</u>	<u>\$ 1,063,421</u>

Ranges of the market interest rate of bank deposits at the end of the reporting period are as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
demand deposits	0.001%~4.10%	0.001%~3.60%	0.001%~0.17%

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Financial assets</u> —			
<u>current</u>			
Mandatorily measured at FVTPL			
Derivative (not hedged)			
— Forward foreign exchange contracts	\$ -	\$ -	\$ 205
<u>Financial liability</u> —			
<u>current</u>			
Held for trading			
Derivative (not hedged)			
— Forward foreign exchange contracts	\$ -	\$ 804	\$ 4,122

Outstanding forward foreign exchange contracts that do not apply hedge accounting at the end of the reporting period consisted of the following:

December 31, 2022

	<u>Currency</u>	<u>Maturity date</u>	<u>Contract amount (in T h o u s a n d s )</u>
Forward	Euro to New	2023.1.19~	EUR 2,276/ NTD73,583
foreign	Taiwan	2023.2.24	
exchange sold	Dollar		

March 31, 2022

	<u>Currency</u>	<u>Maturity date</u>	<u>Contract amount (in T h o u s a n d s )</u>
Forward	Euro Dollar	2022.4.25~	EUR 3,900/NTD 122,879
foreign	to New	2022.6.27	
exchange sold	Taiwan Dollar		
Forward	US Dollar to	2022.4.25~	USD 3,500/NTD 97,672
foreign	New Taiwan	2022.5.25	
exchange sold	Dollar		
Forward	JPY Dollar to	2022.4.25~	JPY 31,000/NTD 7,492
foreign	New Taiwan	2022.5.25	
exchange sold	Dollar		

The objective of forward exchange trading operated by the Company is mainly to reduce risks of foreign currency assets and liabilities resulted from exchange rate fluctuation.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2023	December 31, 2022	March 31, 2022
Non-current			
Investments in equity instruments at FVTOCI			
Publicly traded stocks	\$ 442,753	\$ 385,516	\$ 482,763

In order to enhance the strategic cooperation between both parties and to stabilize the long-term business direction, the Company acquired ordinary shares of AVerMedia Technologies, Inc. These investments in equity instruments are held for medium to long-term strategic purposes. The management elected to designate these investments in equity instruments as at FVTOCI.

9. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Current</u>			
Domestic instruments			
Time deposits with original maturities of more than 3 months	\$ 142,771	\$ 145,018	\$ 136,219

Ranges of the market interest rate of bank deposits at the end of the reporting period are as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Time deposits	0.001%	0.001%	0.001%

The Company pledged the assets as collateral for bank borrowing. Please refer

to Note 29.

10. ACCOUNTS RECEIVABLE

	March 31, 2023	December 31, 2022	March 31, 2022
At amortized cost			
Gross carrying amount	\$ 299,191	\$ 273,548	\$ 350,256
Less: Loss allowance	<u>-</u>	<u>( 54)</u>	<u>( 18)</u>
	<u>\$ 299,191</u>	<u>\$ 273,494</u>	<u>\$ 350,238</u>

The Company provides 30~60 days for the average credit period of sales of goods within which interests on the accounts receivable are waived. In order to minimize credit risks, the management of the Company has delegated a team responsible for determining credit limits, credit approvals, and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews and recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The lifetime expected credit losses on accounts receivable are estimated using a provision matrix by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on the past due status is not further distinguished according to the Company's different customer base. The Company estimates expected credit losses based on the number of days for which receivables are past due.

The Company has purchased credit insurance for the accounts receivable of major customers. The insurance-to-value ratio is 85%~90% of the approved limit of the buyer's insured amount. When the expected credit loss rate is set

based on the number of overdue days of the accounts receivable, the recoverable amount of the insurance has been considered.

The Company writes off accounts receivable when there is information indicating that the debtor is experiencing severe financial difficulty, for example, that the counterpart is undergoing liquidation, and there is no realistic prospect of recovery of the receivable. For accounts receivables that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables with are due. When recoveries are made, they are recognized in profit or loss.

Loss allowances of accounts receivables of the Company based on the provision matrix are as follows:

March 31, 2023

	<u>Not past due</u>	<u>Past due 1~30Days</u>	<u>Past due 31~90Days</u>	<u>Past due 91~180Days</u>	<u>T o t a l</u>
Gross carrying amount	\$ 268,734	\$ 22,907	\$ 4,156	\$ 3,394	\$ 299,191
Loss allowance (lifetime expected credit loss)	-	-	-	-	-
Amortized cost	<u>\$ 268,734</u>	<u>\$ 22,907</u>	<u>\$ 4,156</u>	<u>\$ 3,394</u>	<u>\$ 299,191</u>

December 31, 2022

	<u>Not past due</u>	<u>Past due 1~30Days</u>	<u>Past due 31~90Days</u>	<u>Past due 91~180Days</u>	<u>T o t a l</u>
Gross carrying amount	\$ 218,952	\$ 49,363	\$ 5,146	\$ 87	\$ 273,548
Loss allowance (lifetime expected credit loss)	( <u>54</u> )	-	-	-	( <u>54</u> )
Amortized cost	<u>\$ 218,898</u>	<u>\$ 49,363</u>	<u>\$ 5,146</u>	<u>\$ 87</u>	<u>\$ 273,494</u>

March 31, 2022

	<u>Not past due</u>	<u>Past due 1~30Days</u>	<u>Past due 31~90Days</u>	<u>Past due 91~180Days</u>	<u>T o t a l</u>
Gross carrying amount	\$ 299,970	\$ 49,139	\$ 946	\$ 201	\$ 350,256
Loss allowance (lifetime expected credit loss)	( 18)	-	-	-	( 18)
Amortized cost	<u>\$ 299,952</u>	<u>\$ 49,139</u>	<u>\$ 946</u>	<u>\$ 201</u>	<u>\$ 350,238</u>

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

	<u>Three Months Ended March 31</u>	
	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ 54	\$ 33
Less : Impairment losses reversed	( 54)	( 16)
Foreign exchange gains and losses	-	1
Balance at March 31	<u>\$ -</u>	<u>\$ 18</u>

11. INVENTORIES

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Finished goods	\$ 272,714	\$ 300,146	\$ 236,465
Work in progress	55,893	49,650	76,280
Raw materials	<u>221,911</u>	<u>267,241</u>	<u>376,181</u>
	<u>\$ 550,518</u>	<u>\$ 617,037</u>	<u>\$ 688,926</u>

The nature of the cost of goods sold is as follows:

	<u>Three Months Ended March 31</u>	
	<u>2023</u>	<u>2022</u>
Cost of inventories sold	\$ 236,747	\$ 312,106
Provision of inventory valuation and stock obsolescence loss	<u>7,732</u>	<u>1,747</u>
	<u>\$ 244,479</u>	<u>\$ 313,853</u>

The loss on write-down of inventories to net realizable value was included in the cost of revenue.

12. NON-CURRENT ASSETS HELD FOR SALE (As of December 31, 2022 and March 31, 2022 : None)

	March 31, 2023
Freehold land and plant held for sale	<u>\$ 66,187</u>

On March 20, 2023, the Company signed a real estate sale agreement to dispose of a plant and parking areas (classified under investment property) located at Zhonghe District, New Taipei City, for NT\$ 203 million including taxes. The selling price after deducting the expected selling costs will exceed the carrying amount of the related assets. Therefore, no impairment loss is recognized upon reclassifying these assets as held for sale non-current assets. The amount of gain on this disposal will not be confirmed until all the relevant taxes and expenses are paid.

13. SUBSIDIARIES

- (1) The Company and Subsidiaries included in the consolidated financial statements, main content of the consolidated financial statements:

<u>I n v e s t o r</u>	<u>I n v e s t e e</u>	<u>Nature of Activities</u>	<u>% o f O w n e r s h i p</u>		
			March 31, 2023	December 31, 2022	March 31, 2022
The Company	AVer Information Inc. (USA)	Sales of computer system equipment, presentation and video conferencing systems	100%	100%	100%
	AVer Information Europe B.V.	Sales of computer system equipment, presentation and video conferencing systems	100%	100%	100%
	AVer Information Inc. (Japan)	Sales of computer system equipment, presentation and video conferencing systems	100%	100%	100%
	AVer Information (Vietnam) Co., Ltd	Sales of computer system equipment, presentation and video conferencing systems	100%	100%	100%
	Yuan Chen Investment Co., Ltd.	Investment company	100%	100%	100%

14. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2023	December 31, 2022	March 31, 2022
Land	\$ 373,218	\$ 373,218	\$ 373,218
Houses and buildings	654,596	659,908	670,318
Machinery equipment	104,055	108,978	100,460
Transportation equipment	2,239	2,535	3,420
Office equipment	25,359	25,057	28,339
Leasehold improvements	2,150	1,717	2,023
Other equipment	38,589	44,070	28,391
Construction in progress and Equipment pending acceptance	11,644	11,297	27,077
	<u>\$ 1,211,850</u>	<u>\$ 1,226,780</u>	<u>\$ 1,233,246</u>

For the three months ended March 31 of 2023 and 2022, no major disposals and impairment of the Company's property plant and equipment was present except recognized depreciation expenses, additions machinery equipment and other equipment.

The above items of property, plant, and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Plant main buildings	50 years
Electromechanical power and engineering systems	5-10 years
Machinery equipment	3-10 years
Transportation equipment	5 years
Office equipment	3-5 years
Leasehold improvements	3 years
Other equipment	2-3 years

Property, plant and equipment pledged as collateral for bank borrowings by the Company are set out in Note 29.

#### 15. LEASE ARRANGEMENTS

##### (1) Right-of-use assets

	March 31, 2023	December 31, 2022	March 31, 2022
Right-of-use assets carrying amount			
Buildings	<u>\$ 31,911</u>	<u>\$ 25,868</u>	<u>\$ 36,657</u>

	Three Months Ended March 31	
	2023	2022
Additions to right-of-use assets	<u>\$ 11,920</u>	<u>\$ -</u>
Depreciation of right-of-use assets		
Buildings	<u>\$ 5,708</u>	<u>\$ 5,041</u>

For the three months ended March 31 of 2023 and 2022, no major sublet, impairment of the Company's right-of-use assets was present except recognized depreciation expenses and additions associates.

(2) Lease liabilities

	March 31, 2023	December 31, 2022	March 31, 2022
Lease liability carrying amount			
Current	<u>\$ 31,141</u>	<u>\$ 25,837</u>	<u>\$ 25,304</u>
Noncurrent	<u>\$ 9,169</u>	<u>\$ 10,366</u>	<u>\$ 25,867</u>

Range of discount rates for lease liabilities was as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Buildings	0.001%~5.70%	0.001%~5.70%	0.001%~5.70%

(3) Material terms of right-of-use assets

The Company leases certain buildings for the use as offices, plants and dormitories with lease terms of 1~5 years. The lease of buildings located in France and the Netherlands agrees to adjust the lease payment according to the local consumer price index each year. The Company has no bargain purchase option to acquire the leasehold offices, plants, and dormitories at the end of the lease terms.

(4) Other lease information

	Three Months Ended March 31	
	2023	2022
Total cash outflow for leases	<u>( \$ 7,956 )</u>	<u>( \$ 7,008 )</u>

16. INVESTMENT PROPERTY

	<u>L a n d</u>	<u>P l a n t</u>	<u>T o t a l</u>
<u>Cost</u>			
Balance at January 1, 2023	\$ 45,699	\$ 33,390	\$ 79,089
Reclassified to held for sale	( <u>45,699</u> )	( <u>33,390</u> )	( <u>79,089</u> )
Balance at March 31, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2023	\$ -	\$ 12,690	\$ 12,690
Depreciation expense	-	212	212
Reclassified to held for sale	<u>-</u>	( <u>12,902</u> )	( <u>12,902</u> )
Balance at March 31, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Carrying amount at March 31, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Carrying amount at December 31, 2022 and January 1, 2023	<u>\$ 45,699</u>	<u>\$ 20,700</u>	<u>\$ 66,399</u>
<u>Cost</u>			
Balance at January 1 and March 31, 2022	<u>\$ 45,699</u>	<u>\$ 33,390</u>	<u>\$ 79,089</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2022	\$ -	\$ 11,844	\$ 11,844
Depreciation expense	<u>-</u>	<u>212</u>	<u>212</u>
Balance at March 31, 2022	<u>\$ -</u>	<u>\$ 12,056</u>	<u>\$ 12,056</u>
Carrying amount at March 31, 2022	<u>\$ 45,699</u>	<u>\$ 21,334</u>	<u>\$ 67,033</u>

The Company has an investment property of a plant and parking areas located at Zhonghe District, New Taipei City, Taiwan, R.O.C., for the purpose

of business leasing. The signing date of the asset sales agreement was on March 20, 2023, in Note 12.

Investment properties are depreciated using the straight-line basis over their remaining useful lives of 36-40 years.

The fair value of the investment property of the Company is NT\$201,897 thousand and NT\$146,600 thousand for the year ended on December 31, 2022 and 2021 respectively. The valuation is estimated by the management of the Company in reference to the recent transaction prices of properties in the neighboring districts. Compared to December 31, 2021, the fair value of March 31, 2022 did not change materially.

17. SHORT-TERM LOANS

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Unsecured loans</u>			
Bank loans	\$ 400,000	\$ 400,000	\$ 400,000
Annual interest rate (%)	1.64%~1.69%	1.46%~1.48%	0.85%~0.87%
Maturity date	2023/4/19	2023/1/26	2022/5/26
<u>Secured loans</u>			
Loan amount	\$ 200,000	\$ 200,000	\$ 200,000
Annual interest rate (%)	1.50%~1.60%	1.27%~1.28%	0.70%~0.86%
Maturity date	2023/4/19	2023/1/26	2022/4/28

18. OTHER PAYABLES

	March 31, 2023	December 31, 2022	March 31, 2022
Salary and bonus payable	\$ 63,604	\$ 162,778	\$ 96,641
Payable for employees' compensation and remuneration of directors	46,163	46,163	64,715
Vacation pay payable	37,234	41,011	31,933
Insurance payable	16,120	10,109	9,759
Payable for equipment	13,951	8,339	2,256
Others	69,514	67,779	49,318
	<u>\$ 246,586</u>	<u>\$ 336,179</u>	<u>\$ 254,622</u>

19. PROVISION OF LIABILITY

	March 31, 2023	December 31, 2022	March 31, 2022
Current – warranty (classified under other current liabilities)	\$ 7,188	\$ 7,426	\$ 5,904
Noncurrent – warranty	<u>49,280</u>	<u>48,531</u>	<u>38,619</u>
	<u>\$ 56,468</u>	<u>\$ 55,957</u>	<u>\$ 44,523</u>

The provision of liability is the present value of the best estimate of the future economic benefit outflow resulted from the warranty obligations by the management of the Company as agreed in the product sales contract. The estimate is based on historical warranty experience.

20. RETIREMENT BENEFIT PLANS

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

The overseas subsidiaries of the Company are required to contribute at certain percentages of payroll costs to the retirement benefit scheme in accordance with local laws and regulations and recognized the contributions as pension expenses.

21. EQUITY

(1) Capital - Common Stock

	March 31, 2023	December 31, 2022	March 31, 2022
Number of shares authorized (in thousands of shares)	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Authorized shares	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>
Number of shares issued (in thousands of shares)	<u>92,920</u>	<u>92,920</u>	<u>92,920</u>
Shares issued	<u>\$ 929,200</u>	<u>\$ 929,200</u>	<u>\$ 929,200</u>

A holder of issued common shares with par value of NT\$10 per share is entitled to vote and to receive dividends.

(2) Capital surplus

	March 31, 2023	December 31, 2022	March 31, 2022
Additional paid-in capital	\$ 734,624	\$ 734,624	\$ 734,624
Treasury share transactions	496	496	496
	<u>\$ 735,120</u>	<u>\$ 735,120</u>	<u>\$ 735,120</u>

Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital which is limited to a certain percentage of the Company's capital surplus and to once a year.

(3) Retained earnings and dividends policy

The Company's Articles of Incorporation state that, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of the previous year, setting aside a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations; and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which shall be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors stated by the Company's Articles of Incorporation, please refer to "Employees' compensation and remuneration of directors" in Note 23 (6).

In consideration of the Company's long-term financial planning and meeting the shareholders' needs of cash inflow, cash dividends distributed to shareholders each year shall not be lower than 10% of the total dividends distributed in the current year in accordance with the Company's Articles of Incorporation.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeds 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings of the Company for 2021 had been approved in the meetings of the shareholders of the Company held on June 8, 2022. The appropriations and dividends per share were as follows:

	<u>Appropriations of E a r n i n g s</u>	<u>Dividends Per Share (NT\$)</u>
Appropriated as legal reserve	\$ 65,234	
Appropriations as special reserve	413,894	
Cash dividends	353,096	\$ 3.80

The appropriation of earnings for 2022 that had been proposed by the Company's Board of Directors on March 17, 2023 was as follows:

	<u>Appropriations of E a r n i n g s</u>	<u>Dividends Per Share (NT\$)</u>
Appropriated as legal reserve	\$ 33,276	
Appropriations as special reserve	134,674	
Cash dividends	132,876	\$ 1.43

The appropriation of earnings for 2022 will be resolved in the shareholders' meeting to be held on June 7, 2023.

## 22. REVENUE

	<u>Three Months Ended March 31</u>	
	<u>2023</u>	<u>2022</u>
Revenue from contracts with customers		
Revenue from the sale of goods	\$ 532,837	\$ 651,266
Revenue from the rendering of services and other revenue	<u>9,209</u>	<u>23,711</u>
	<u>\$ 542,046</u>	<u>\$ 674,977</u>

Disaggregation of Revenue from contracts with customers – Type of goods

	Three Months Ended March 31	
	2023	2022
Video conferencing systems products	\$ 442,041	\$ 439,671
Integrated education products	92,636	224,800
Others	7,369	10,506
	<u>\$ 542,046</u>	<u>\$ 674,977</u>

23. NET PROFIT (LOSS) FOR THE PERIOD

(1) Other income

	Three Months Ended March 31	
	2023	2022
Rental income		
Investment property	\$ 1,467	\$ 1,497
Others	1,129	1,310
	<u>\$ 2,596</u>	<u>\$ 2,807</u>

(2) Other gains and losses

	Three Months Ended March 31	
	2023	2022
Financial instruments mandatorily measured at FVTPL	\$ 1,989	(\$ 4,066)
Net foreign exchange (losses) gains	( 5,875)	22,927
Gains(losses) on disposal and write-off of property, plant, and equipment	( 32)	( 22)
Other	( 211)	( 215)
	<u>(\$ 4,129)</u>	<u>\$ 18,624</u>

(3) Finance costs

	Three Months Ended March 31	
	2023	2022
Interest on bank loans	\$ 2,261	\$ 1,220
Interest on lease liabilities	400	611
Other interest expenses	-	45
	<u>\$ 2,661</u>	<u>\$ 1,876</u>

(4) Depreciation and amortization

	Three Months Ended March 31	
	2023	2022
Property, plant, and equipment	\$ 27,961	\$ 27,938
Right-of-use assets	5,708	5,041
Investment properties	212	212
Intangible assets	<u>2,974</u>	<u>2,761</u>
	<u>\$ 36,855</u>	<u>\$ 35,952</u>
An analysis of depreciation by function		
Cost of revenue	\$ 15,372	\$ 14,811
Operating expenses	18,297	18,168
Other gains and losses	<u>212</u>	<u>212</u>
	<u>\$ 33,881</u>	<u>\$ 33,191</u>
An analysis of amortization by function		
Cost of revenue	\$ 1,042	\$ 1,151
Marketing	31	125
General and administrative	1,801	1,427
Research and development	<u>100</u>	<u>58</u>
	<u>\$ 2,974</u>	<u>\$ 2,761</u>

(5) Employee benefits expense

	Three Months Ended March 31	
	2023	2022
Post-employment benefits		
Defined contribution plans	\$ 7,330	\$ 6,862
Short-term benefits		
Salary expense	202,550	202,317
Insurance expense	21,409	20,104
Others	<u>4,557</u>	<u>4,463</u>
Total employee benefits expense	<u>\$235,846</u>	<u>\$233,746</u>
An analysis of employee benefits expense by function		
Cost of revenue	\$ 30,172	\$ 35,736
Operating expenses	<u>205,674</u>	<u>198,010</u>
	<u>\$235,846</u>	<u>\$233,746</u>

(6) Employees' compensation and remuneration of directors

In compliance with the Articles of Incorporation, the Company accrued employees' compensation and remuneration of directors at the rate of 5% ~ 20% and lower than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. For the three months ended March 31, 2022, the accrued employees' compensation and the remuneration of directors were as follows:

	Three Months Ended March 31, 2022	
	<u>R a t e    %</u>	<u>A m o u n t</u>
Compensation of employees	10%	\$ <u>9,540</u>
Remuneration of directors	1.99%	\$ <u>1,898</u>

For the three months ended March 31, 2023, the Company did not accrue compensation of employees, and remuneration of directors due to loss before income tax.

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

The appropriations of compensation of employees and remuneration of directors for 2022 and 2021 were approved by the Company's board of directors on March 17, 2023 and March 10, 2022, respectively as follows:

	<u>Fiscal year 2022</u>	<u>Fiscal year 2021</u>
Compensation of employees		
— Cash	\$ 38,501	\$ 86,136
Remuneration of directors	<u>7,662</u>	<u>17,141</u>
	<u>\$ 46,163</u>	<u>\$ 103,277</u>
Recognized amount in consolidated financial statements	<u>\$ 46,163</u>	<u>\$ 103,277</u>

There were no difference between the employees' compensation and directors' remuneration approved for 2022 and 2021 and the amounts reported as expenses in 2022 and 2021.

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

24. INCOME TAX

(1) Major components of income tax expense recognized in profit or loss

	Three Months Ended March 31	
	2023	2022
Current income tax		
In respect of the current period	\$ 812	\$ 813
Adjustments in respect of prior years	123	( 98)
Deferred tax		
In respect of the current period	( 592)	( 704)
Income tax expenses recognized in profit or loss	<u>\$ 343</u>	<u>\$ 11</u>

(2) Income tax assessments

The Company's tax returns through 2020 have been assessed by the tax authorities.

25. EARNINGS (LOSSES) PER SHARE

The net profit (loss) and weighted average number of ordinary shares outstanding in the computation of earnings (losses) per share from continuing operations were as follows:

Net profit for the period

	Three Months Ended March 31	
	2023	2022
Net profits (losses) used in the computation of basic earnings and diluted earnings (losses) per share	<u>(\$ 20,807)</u>	<u>\$ 81,514</u>

<u>Number of shares</u>	Unit: in Thousands	
	Three Months Ended March 31	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings (losses) per share	92,920	92,920
Effect of potential dilutive ordinary shares ;		<u>713</u>
The weighted average number of ordinary shares used in the computation of diluted earnings per share		<u>93,633</u>

If the Company offered to settle the employees' compensation in cash or shares, the Company assumed that the entire amount of the compensation will be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

26. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that all entities of the Company will be able to operate under the premises of going concerns and growth while maximizing the return to shareholders through the optimization of the debt and equity balance.

The Company's capital structure is composed of the net debt (i.e., total liabilities less cash and cash equivalents) of the Company and owner equity (i.e., capital, capital surplus, retained earnings, and other equity items) of the Company.

27. FINANCIAL INSTRUMENTS

(1) Fair value of financial instruments not measured at fair value

The management of the Company considers that the carrying amounts of financial assets and financial liabilities recognized in the consolidated

financial statements approximate their fair values or their fair values cannot be reliably measured.

- (2) Fair value of financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy

March 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>T o t a l</u>
<u>Financial assets at</u>				
<u>FVTOCI</u>				
Investments in equity instruments				
Publicly traded stocks	\$ <u>442,753</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>442,753</u>

December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>T o t a l</u>
<u>Financial assets at</u>				
<u>FVTOCI</u>				
Investments in equity instruments				
Publicly traded stocks	\$ <u>385,516</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>385,516</u>

<u>Financial liabilities at</u>				
<u>FVTPL</u>				
Derivative – forward foreign exchange contracts	\$ <u>-</u>	\$ <u>804</u>	\$ <u>-</u>	\$ <u>804</u>

March 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>T o t a l</u>
<u>Financial assets at FVTPL</u>				
Derivative – forward foreign exchange contracts	<u>-</u>	<u>205</u>	<u>-</u>	<u>205</u>

<u>Financial assets at</u>				
<u>FVTOCI</u>				
Investments in equity instruments				
Publicly traded stocks	\$ <u>482,763</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>482,763</u>

<u>Financial liabilities at</u>				
<u>FVTPL</u>				
Derivative – forward foreign exchange contracts	\$ <u>-</u>	\$ <u>4,122</u>	\$ <u>-</u>	\$ <u>4,122</u>

The Company did not have financial assets at FVTPL on three months ended March 31, 2023 and 2022. There were no transfers between Levels 1 and 2 in the current and prior period.

2. Valuation techniques and inputs applied for Level 2 fair value measurement

<u>Categories of financial instruments</u>	<u>Valuation techniques and inputs</u>
Derivative – forward foreign exchange contracts	Discounted cash flow method: measurement of the yield curve is derived from the forward exchange rate quote at the end of the period and the quoted interest rate in line with the contract expiration.

(3) Categories of financial instruments

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<u>Financial assets</u>			
Fair value through profit or loss			
Mandatorily measured at FVTPL	\$ -	\$ -	\$ 205
Amortized cost (Note 1)	1,472,624	1,531,187	1,573,883
Financial assets at FVTOCI	442,753	385,516	482,763
<u>Financial liability</u>			
Fair value through profit or loss			
Held for trading	-	804	4,122
Amortized cost (Note 2)	782,444	776,183	788,631

Note 1: The balances included financial liabilities measured at amortized cost, which comprise cash, notes receivable and trade receivable, other receivables, and other financial assets.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise short-term loans, trade payable and trade payable, other payable, and guarantee deposits.

(4) Financial risk management objectives and policies

The Company manages its exposure to risks relating to the operations through market risk (including exchange rate risk, interest rate risk, and other price risks), credit risk, and liquidity risk as the objective of its financial risk management. To reduce relevant financial risk, the Company identifies, assesses, and avoids the market uncertainties, in order to reduce the potentially adverse effects on the Company's financial performance.

Before entering into significant transactions, approval process by the Audit Committee and the Board of Directors and must be carried out based on related standards and internal control procedures.

1. Market risk

The Company's activities are exposed primarily to the financial risks of changes in foreign currency exchange rates, interest rates, and the Company utilizes some derivative financial instruments (mainly forward foreign exchange contracts) to manage the related risks.

There has been no change to the Company's exposure to market risks or the manner in which these risks are managed and measured.

(1) Foreign currency risk

The Company uses forward foreign exchange contracts to manage the foreign currency risk of accounts receivable that are not denominated in functional currency created from export sales. The carrying amounts of the Company's foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 30.

Sensitivity analysis

The Company is mainly exposed to the USD, EUR and JPY.

The following table details the Company's sensitivity to a 5% increase or decrease in the New Taiwan dollars (i.e., functional currency) against relevant foreign currencies. The Company's increase/decrease of pre-tax profit for the three months ended

March 31 of 2023 and 2022 associated with the functional currency depreciating/strengthening 5% against the relevant currency.

	P r o f i t o r l o s s	
	Three Months Ended March 31	
	2023	2022
USD	\$ 28,519	\$ 21,608
EUR	5,806	23,981
JPY	7,647	8,840

(2) Interest risk

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rate risk at the end of the reporting period were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Fair value interest rate risk			
— Financial assets	\$ 142,771	\$ 145,018	\$ 136,219
— Financial liabilities	640,310	636,203	651,171
Cash flow interest rate risk			
— Financial assets	948,807	981,225	977,369

The Company is exposed to cash flow interest rate risk because of having bank deposits at floating interest rates.

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rate risk for non-derivative instruments at the end of the reporting period.

If interest rates had been increased/decreased by 25 basis points and all other variables were held constant, the Company's pre-tax profit for the three months ended March 31 of 2023 and 2022 would increase/decrease by NT\$593 thousand and NT\$611 thousand, respectively.

(3) Other price risks

The Company was exposed to price risk due to having listed marketable securities.

#### Price sensitivity analysis

A sensitivity analysis is performed based on the equity price risk at the end of the reporting period.

If the listed marketable securities equity prices had been increased/decreased by 10%, the Company's comprehensive income for the three months ended March 31 of 2023 and 2022 would increase/decrease by NT\$44,275 thousand and NT\$48,276 thousand, respectively, as a result of the increase/decrease in fair value of financial assets at FVTOCI.

## 2. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk mainly arises from cash, bank deposits, receivables of the operating activities and other financial instruments created by investment activities.

#### Financial credit risk

The Company controls and manages its exposure to credit risk which pertained in every financial institute. Since the Company's bank deposits are from creditworthy financial institutes, therefore, no significant credit risk was identified.

#### Business related credit risk

In order to reduce credit risk, the Company continuously assesses the financial position and historical transaction records of each customer through payment policies, except without requiring the counterparty to provide collateral or security. In order to reduce credit risk, the Company purchased the credit insurance for major customers on receivables. The insurance-to-value ratio is 85%~90% of the approved limit of buyer's insured amount. In addition, the Company reviews and recoverable amount of each individual trade

debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. Therefore, the management of the Company concluded that the Company does not have significant credit risk.

### 3. Liquidity risk

The Company finances its operations and mitigates the effects of fluctuations in cash flows through controlling and maintaining sufficient cash. The management of the Company monitors the utilization of bank financing amounts and ensures compliance with loan covenants, in order to manage liquidity risk. The Company has sufficient circulating capital to finance the due liabilities and the risk that the Company is unable to provide cash or other financial assets to settle financial liabilities, or to fulfill relevant obligations is not identified. Therefore, bank borrowing is not a significant source of liquidity to the Company.

As of March 31, 2023, December 31, 2022 and March 31, 2022 the Company had available un-utilized financing amount set out as following descriptions of the financing amounts in (2).

#### (1) Liquidity and interest rate risk tables

The following table details the analysis of the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed-upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The table includes undiscounted cash flow based on financial liabilities. (include principal and accrued interest)

March 31, 2023

	On Demand o r Less than 1 m o n t h	1-3 months	3 months-1 y e a r	1-5 years
<u>Non-derivative financial liability</u>				
Non-interest bearing	\$ 112,362	\$ 60,525	\$ 7,772	\$ -
Lease liability	2,489	5,645	23,688	9,334
Fixed interest instruments	<u>600,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 714,851</u>	<u>\$ 66,170</u>	<u>\$ 31,460</u>	<u>\$ 9,334</u>

December 31, 2022

	On Demand o r Less than 1 m o n t h	1-3 months	3 months-1 y e a r	1-5 years
<u>Non-derivative financial liability</u>				
Non-interest bearing	\$ 87,171	\$ 82,601	\$ 4,620	\$ -
Lease liability	2,310	4,924	19,622	10,564
Fixed interest instruments	<u>600,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 689,481</u>	<u>\$ 87,525</u>	<u>\$ 24,242</u>	<u>\$ 10,564</u>

March 31, 2022

	On Demand o r Less than 1 m o n t h	1 to 3 m o n t h s	3 months to 1 y e a r	1-5 years
<u>Non-derivative financial liability</u>				
Non-interest bearing	\$ 93,264	\$ 74,325	\$ 19,297	\$ -
Lease liability	2,190	4,807	19,960	25,760
Fixed interest instruments	<u>500,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 595,454</u>	<u>\$ 179,132</u>	<u>\$ 39,257</u>	<u>\$ 25,760</u>

(2) Financing amount

	March 31, 2023	December 31, 2022	March 31, 2022
Unsecured bank financing amount			
— Amount used	\$ 400,000	\$ 400,000	\$ 400,000
— Amount unused	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>
	<u>\$ 800,000</u>	<u>\$ 800,000</u>	<u>\$ 800,000</u>

(Continued)

	March 31, 2023	December 31, 2022	March 31, 2022
Secured bank financing amount			
– Amount used	\$ 200,000	\$ 200,000	\$ 200,000
– Amount unused	<u>580,000</u>	<u>580,000</u>	<u>580,000</u>
	<u>\$ 780,000</u>	<u>\$ 780,000</u>	<u>\$ 780,000</u>

## 28. TRANSACTIONS WITH RELATED PARTIES

The parent company of the Company is AVerMedia Technologies, Inc. (AVerMedia) that holds 49.92% of ordinary shares of the Company directly and indirectly on March 31, 2023, December 31, 2022 and March 31, 2022 respectively.

Transactions, balances, income and expenses between the Company and its subsidiaries (related parties of the Company) have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, a summary of material transactions between the Company and other related parties is disclosed as follows:

### (1) Related party name and relationship with the Company

<u>R e l a t e d P a r t y N a m e</u>	<u>R e l a t i o n s h i p w i t h t h e C o m p a n y</u>
AVerMedia Technologies, Inc.	Parent company
AVerMedia Technologies Europe B.V.	Fellow subsidiary
AVerMedia Technologies (ShangHai), Inc.	Fellow subsidiary

### (2) Operating income

<u>L i n e I t e m s</u>	<u>R e l a t e d P a r t y C a t e g o r y</u>	<u>Three Months Ended March 31</u>	
		<u>2023</u>	<u>2022</u>
Sales revenue	Parent company	\$ 6,930	\$ 8,803
	Fellow company	<u>-</u>	<u>9</u>
		<u>\$ 6,930</u>	<u>\$ 8,812</u>

The price and transaction terms for sales to related parties are equivalent to those for sales to unrelated parties.

(3) Purchases

Related Party Category / Name	Three Months Ended March 31	
	2023	2022
Parent Company	<u>\$ 428</u>	<u>\$ 1,464</u>

(4) Receivables from related parties

Line Items	Related Party Category	March,31, 2023	December,31, 2022	March,31, 2022
Accounts receivable	Parent company	\$ 7,141	\$ 9,437	\$ 9,043
	Fellow company	<u>-</u>	<u>-</u>	<u>10</u>
		<u>\$ 7,141</u>	<u>\$ 9,437</u>	<u>\$ 9,053</u>
Other receivables	Parent company	\$ 2,697	\$ 3,392	\$ 4,379
	Fellow company	<u>388</u>	<u>446</u>	<u>207</u>
		<u>\$ 3,085</u>	<u>\$ 3,838</u>	<u>\$ 4,586</u>

The outstanding trade receivables from related parties are unsecured. For the three months ended March 31, 2023 and 2022, no impairment loss was recognized for trade receivables from related parties.

(5) Payables to related parties

Line Items	Related Party Category	March,31, 2023	December,31, 2022	March,31, 2022
Accounts payable	Parent company	<u>\$ 447</u>	<u>\$ 1,483</u>	<u>\$ 1,578</u>
Other payable	Parent company	\$ 859	\$ 686	\$ 419
	Fellow company	<u>339</u>	<u>281</u>	<u>237</u>
		<u>\$ 1,198</u>	<u>\$ 967</u>	<u>\$ 656</u>

The outstanding trade payables from related parties are unsecured.

(6) Others

Line Items	Related Party Category / Item	Three Months Ended March 31	
		2023	2022
Other revenues	Parent company AVerMedia Technologies, Inc.	<u>\$ 790</u>	<u>\$ 790</u>

(7) Compensation of key management personnel

	Three Months Ended March 31	
	2023	2022
Short-term benefits	\$ 25,077	\$ 17,208
Post-employment benefits	<u>162</u>	<u>160</u>
	<u>\$ 25,239</u>	<u>\$ 17,368</u>

The remuneration of Board of Directors and other key executives were determined by the remuneration committee based on the performance of individuals and market trends.

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowing amounts:

	March,31, 2023	December,31, 2022	March,31, 2022
Pledged certificates of deposits (classified under financial assets measured at amortized cost)	\$ 142,771	\$ 145,018	\$ 136,219
Houses and buildings - net value	<u>117,711</u>	<u>118,448</u>	<u>120,657</u>
	<u>\$ 260,482</u>	<u>\$ 263,466</u>	<u>\$ 256,876</u>

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's entities significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows. Significant assets and liabilities denominated in foreign currencies are as follows:

(Unit: NTD and Foreign Currency in Thousands)

March 31, 2023

	<u>F o r e i g n</u>	<u>E x c h a n g e</u>	<u>C a r r y i n g</u>
	<u>c u r r e n c y</u>	<u>r a t e</u>	<u>a m o u n t</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 22,549	30.45 (USD: NTD)	\$ 686,612
EUR	3,503	33.15 (EUR: NTD)	116,129
JPY	668,440	0.23(JPY: NTD)	152,939
			<u>\$ 955,680</u>

Financial liabilityMonetary items

USD	\$ 3,817	30.45 (USD: NTD)	<u>\$ 116,232</u>
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December 31, 2022

	<u>F o r e i g n</u>	<u>E x c h a n g e</u>	<u>C a r r y i n g</u>
	<u>c u r r e n c y</u>	<u>r a t e</u>	<u>a m o u n t</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 19,742	30.71 (USD: NTD)	\$ 606,285
EUR	6,014	32.72 (EUR: NTD)	196,769
JPY	659,735	0.23 (JPY: NTD)	153,323
			<u>\$ 956,377</u>

Financial liabilityMonetary items

USD	\$ 3,445	30.71 (USD: NTD)	\$ 105,808
RMB	425	4.41 (RMB: NTD)	1,873
			<u>\$ 107,681</u>

March 31, 2022

	<u>F o r e i g n</u>	<u>E x c h a n g e</u>	<u>C a r r y i n g</u>
	<u>c u r r e n c y</u>	<u>r a t e</u>	<u>a m o u n t</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 18,213	28.63 (USD: NTD)	\$ 521,359
EUR	15,025	31.92 (EUR: NTD)	479,612
JPY	751,367	0.24(JPY: NTD)	176,797
			<u>\$ 1,177,768</u>

Financial liabilityMonetary items

USD	\$ 3,116	28.63(USD: NTD)	<u>\$ 89,191</u>
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For the three months ended March 31, 2023 and 2022, the net foreign exchange losses were NT\$ 5,875 thousand and net foreign exchange gains NT\$ 22,927 thousand, respectively. It is impractical to disclose net foreign exchange gains or losses by each significant foreign currency due to the variety of the foreign currency.

31. SEPARATELY DISCLOSED ITEMS

(1) Information on significant transactions:

1. Financing provided to others : None
2. Endorsements/guarantees provided : Table 1 (attached)
3. Marketable securities held( excluding investment in subsidiaries ): Table 2 (attached)
4. Marketable securities acquired and disposed of at costs of prices of at least NT\$300 million or more than 20% of the paid-in capital : None
5. Acquisition of individual real estate at costs of at least NT\$300 million or more than 20% of the paid-in capital : None
6. Disposal of individual real estate at prices of at least NT\$300 million or more than 20% of the paid-in capital : Table 3 (attached)
7. Total purchases from or sales to related parties amounting to at least NT\$100 million or more than 20% of the paid-in capital : None
8. Receivables from related parties amounting to at least NT\$100 million or more than 20% of the paid-in capital : None
9. Trading in derivative instruments : None
10. Other : Intercompany relationships and significant intercompany transactions : Table 4 (attached)

(2) Information on investees: Table 5 (attached)

(3) Information on investments in mainland China :

1. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, investment gains or losses, carrying amount of the investment at

the end of the reporting period, repatriation of investment gains or losses, and the limit on the amount of investment in the mainland China area : None

2. Any of the significant transactions with investee companies in mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses : None

(4) Information on major shareholders : List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder : Table 6 (attached)

32. SEGMENTS INFORMATION

The Company determined its operating segment to be only one education and video conference department; the department mainly engages in selling, manufacturing, researching, and developing of related products including computer system equipment and presentation and video conferencing systems. Furthermore, information of segment income (loss), segment assets, and segment liabilities are consistent with those of the Company's consolidated financial statements. Please refer to the consolidated balance sheet and consolidated statement of comprehensive income.

AVer Information Inc. and subsidiaries  
Endorsements/ guarantees provided  
January 1 to March 31, 2023

Table 1 (attached)

Unit : unless stated otherwise  
, In Thousands of New Taiwan Dollars

N o . (Note 1)	Endorsement/guarant ee P r o v i d e r	G u a r a n t e e d P a r t y		Provided to	For the Period Maximum B a l a n c e	E n d i n g Balance	Amount Actually D r a w n	Collateralized by Properties Amount of Endorsement/ guarantee	Ratio of Accumulated Endorsement /guarantee to net Equity per Latest Financial Statements ( % )	Endorsement /guarantee Maximum A m o u n t allowable	Guarantee Provided by P a r e n t C o m p a n y ( N o t e )	Guarantee Provided by a Subsidiary ( N o t e )	Guarantee Provided to Subsidiaries in Mainland C h i n a ( N o t e )	Note
		N a m e	N a t u r e o f Relationship	E a c h Guaranteed P a r t y Endorsement/ guarantee A m o u n t L i m i t s										
0	The Company	AVer Information Inc. (USA)	Subsidiary	50% of paid-in capital to be \$464,600	\$ 103,247 (USD 3,387)	\$ 103,145 (USD 3,387)	\$ -	\$ -	3.66	50% of paid-in capital to be \$464,600	Y	N	N	

Note : Fill in Y for guarantees provided by the public offering parent company, guarantees provided by a subsidiary, guarantees provided to subsidiaries in mainland China.

AVer Information Inc. and subsidiaries  
Marketable securities held at the end of the reporting period.  
March 31, 2023

Table 2 (attached)

Unit : unless stated otherwise  
In Thousands of New Taiwan Dollars

Held Company Name	Marketable Securities Type and Name	Relationship With the Company	Financial Statement Account	End date of the Reporting Period				Note
				Unit (In Thousands)	Carrying Value	Percentage of Ownership	Fair Value	
The Company	Publicly traded stocks AVerMedia Technologies, Inc	Parent company	Financial assets at fair value through other comprehensive income	18,962	\$ 442,753	11.98%	\$ 442,753	

DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL

January 1 to March 31, 2023

Table 3 (attached)

In Thousands of New Taiwan Dollars

S e l l e r	P r o p e r t y	Event Date	Original Acquisition Date	C a r r y i n g A m o u n t	Transaction Amount	Collection of Payments	Gain (Loss) on Disposal	Counterparty	Relationship	Purpose of Disposal	Price Reference	O t h e r T e r m s
The Company	Land and Plant	2023.03.20	2008.01.01	66,187	\$ 203,000  ( include tax )	Note	Note	Pu Chen Hun Co., Ltd	None	To supplement working capital	The appraisal report of China Prudence Real Estate Appraisers Firm	None

Note : According to the contract terms, a 10% deposit has been received. The amount of gain on this disposal will not be confirmed until all the relevant taxes and expenses are paid, please refer to Note 12.

AVer Information Inc. and subsidiaries  
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
January 1 to March 31, 2023

Table 4 (attached)

Unit : unless stated otherwise  
· In Thousands of New Taiwan Dollars

N o .	I n v e s t e e C o m p a n y	C o u n t e r p a r t y	Relationship (Note 1)	T r a n s a c t i o n D e t a i l s			
				Financial Statement A c c o u n t s	A m o u n t	Payment Terms	% t o T o t a l R e v e n u e s o r A s s e t s
0	The Company	AVer Information Inc. (USA)	1	Sales revenue	\$ 94,702	Note 2	17
				Accounts receivable	60,970	Note 3	2
		AVer Information Europe B.V.	1	Sales revenue	77,204	Note 2	14
				Accounts receivable	79,305	Note 3	2
		AVer Information Inc. (Japan)	1	Sales revenue	20,555	Note 2	4
				Accounts receivable	47,214	Note 3	1
		AVer Information (Vietnam) Co., Ltd	1	Accounts receivable	8,000	Note 3	-

Note 1: (1) From the parent company to the subsidiary.  
(2) From the subsidiary to the parent company.  
(3) Between two subsidiaries

Note 2: Payment terms are similar to those of general customer and specified based on the local market conditions.

Note 3: 90 days after the goods were shipped.

AVer Information Inc. and subsidiaries  
INFORMATION ON INVESTEEES  
January 1 to March 31, 2023

Table 5 (attached)

Unit: unless stated otherwise,  
New Taiwan Dollars/Foreign Currencies in Thousands

Investor Company	I n v e s t e e C o m p a n y	Main Locations	M a i n B u s i n e s s e s	Original Investment Amount		Balance at the End of the Period			Investee Company Net Income (Loss) of the Period	S h a r e o f P r o f i t ( L o s s )	N o t e
				End date of the Reporting Period	End date of the Previous Period	S h a r e s	Percentage ( % )	Carrying Amount ( N o t e 2 )			
The Company	AVer Information Inc. (USA)	United States	Sales of computer system equipment, presentation and video conferencing systems	\$ 217,848 ( USD 6,000 )	\$ 217,848 ( USD 6,000 )	6,990,000	100	\$ 222,861	(\$ 17,951 )	(\$ 17,951 )	Subsidiary
	AVer Information Europe B.V.	Netherlands	Sales of computer system equipment, presentation and video conferencing systems	131,089 ( EUR 3,000 )	131,089 ( EUR 3,000 )	(Note 1)	100	53,308	14,561	14,561	Subsidiary
	AVer Information Inc. (Japan)	Japan	Sales of computer system equipment, presentation and video conferencing systems	24,828 ( JPY 70,000 )	24,828 ( JPY 70,000 )	1,400	100	( 5,399 )	( 119 )	( 119 )	Subsidiary
	AVer Information (Vietnam) Co., Ltd	Vietnam	Sales of computer system equipment, presentation and video conferencing systems	10,710 ( VND 8,172,000 )	10,710 ( VND 8,172,000 )	(Note 1)	100	14,298	109	109	Subsidiary
	Yuan Chen Investment Co., Ltd.	Taiwan	Investment	500	500	50,000	100	434	-	-	Subsidiary

Note 1: Only the investment amount is displayed on the company business license with no record of shares recorded.

Note 2: Carrying amount is the net amount after unrealized sales profit is deducted.

Note 3: All the amounts above have been eliminated upon consolidation.

AVer Information Inc.  
Major Shareholders Information  
March 31, 2023

Table 6 (attached)

Unit: Share

Main Shareholders Information	S h a r e s	
	Number of Shares	Percentage of Ownership
AVerMedia Technologies, Inc.	46,388,504	49.92%

Note: The information of major shareholders represented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.