

AVer Information Inc. and
Subsidiaries

Consolidated Financial
Statements for the
Three Months Ended March 31,
2022 and 2021 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, 2022 and 2021, 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 Statements of Auditing Standards No.65 "Review of 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, 2022 and 2021 and its consolidated financial performance and its consolidated cash flow for the three months ended March 31, 2022 and 2021 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 Sabrina Liu and Steven Chien.

Deloitte & Touche
Taipei, Taiwan
Republic of China
May 10, 2022

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, 2022 (Reviewed)		December 31, 2021 (Audited)		March 31, 2021 (Reviewed)	
		A m o u n t	%	A m o u n t	%	A m o u n t	%
	CURRENT ASSETS						
1100	Cash and cash equivalents (Note 6)	\$ 1,063,421	25	\$ 1,003,914	24	\$ 1,415,287	29
1110	Financial assets at fair value through profit or loss (Note 7)	205	-	445	-	51,309	1
1136	Financial assets at amortized cost(Note 9 and 28)	136,219	3	136,219	3	120,000	3
1150	Notes receivable	1,701	-	3,413	-	570	-
1170	Account receivable (Notes 10 and 27)	350,238	8	304,857	7	459,598	9
1200	Other receivables (Note 27)	11,361	-	9,920	-	21,835	1
1220	Income tax assets for current period	18,596	1	17,979	1	6,552	-
130X	Inventories (Notes 11)	688,926	16	730,156	17	932,234	19
1479	Other current assets	15,339	1	17,069	-	14,366	-
11XX	Total current assets	2,286,006	54	2,223,972	52	3,021,751	62
	NONCURRENT ASSETS						
1517	Financial assets at fair value through other comprehensive income (Note 8)	482,763	11	555,699	13	363,221	8
1600	Property, plant, and equipment (Notes 13 and 28)	1,255,142	30	1,256,846	29	1,261,273	26
1755	Right-of-use assets (Note 14)	36,657	1	40,799	1	48,726	1
1760	Investment property (Note 15)	67,033	2	67,245	2	67,879	1
1780	Intangible assets	23,012	-	24,096	1	11,372	-
1840	Deferred income tax assets	81,557	2	79,282	2	92,367	2
1990	Other noncurrent assets	10,944	-	10,423	-	14,454	-
15XX	Total noncurrent assets	1,957,108	46	2,034,390	48	1,859,292	38
1XXX	TOTAL ASSETS	\$ 4,243,114	100	\$ 4,258,362	100	\$ 4,881,043	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 16 and 28)	\$ 600,000	14	\$ 600,000	14	\$ 200,000	4
2120	Financial liabilities at fair value through profit or loss (Note 7)	4,122	-	-	-	874	-
2170	Accounts payable (Note 27)	129,776	3	91,766	2	376,202	8
2200	Other payables (Note 17)	254,622	6	347,952	8	379,242	8
2230	Income tax liabilities for current period	13,373	-	12,672	-	209,472	4
2280	Capital lease liabilities (Note 14)	25,304	1	25,012	1	23,427	-
2365	Refund liability	126,160	3	104,503	3	140,163	3
2399	Other current liabilities (Note 18)	12,157	-	13,820	-	21,710	-
21XX	Total current liabilities	1,165,514	27	1,195,725	28	1,351,090	27
	NONCURRENT LIABILITIES						
2540	Long-term loans (Note 16)	-	-	-	-	28,210	1
2550	Provision (Note 18)	38,619	1	38,879	1	36,095	1
2570	Deferred income tax liabilities	4,517	-	4,319	-	5,210	-
2580	Capital lease liabilities (Note 14)	25,867	1	31,072	1	44,605	1
2670	Other noncurrent liabilities	15,683	-	15,049	-	16,722	-
25XX	Total noncurrent liabilities	84,686	2	89,319	2	130,842	3
2XXX	Total Liabilities	1,250,200	29	1,285,044	30	1,481,932	30
	EQUITY (Note 20)						
3110	Capital - common stock	929,200	22	929,200	22	929,200	19
3200	Capital surplus	735,120	17	735,120	17	735,120	15
	Retained earnings						
3310	Appropriated as legal reserve	302,070	7	302,070	7	223,250	5
3320	Appropriated as special reserve	7,062	-	7,062	-	2,208	-
3350	Unappropriated earnings	1,502,336	36	1,420,822	34	1,520,246	31
3300	Total retained earnings	1,811,468	43	1,729,954	41	1,745,704	36
3400	Other equity	(482,874)	(11)	(420,956)	(10)	(10,913)	-
3XXX	Total equity	2,992,914	71	2,973,318	70	3,399,111	70
	TOTAL	\$ 4,243,114	100	\$ 4,258,362	100	\$ 4,881,043	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			
		2022		2021	
		A m o u n t	%	A m o u n t	%
	REVENUE (Note 21 and 27)				
4000	Sales revenue	\$ 674,977	100	\$ 1,000,138	100
	COST OF REVENUE (Note 11 and 22)				
5000	Cost of goods sold	<u>313,853</u>	<u>47</u>	<u>452,970</u>	<u>45</u>
		<u>361,124</u>	<u>53</u>	<u>547,168</u>	<u>55</u>
5900	GROSS PROFIT				
	OPERATING EXPENSES (Note 22)				
6100	Marketing	175,218	26	175,560	18
6200	General and administrative	24,099	3	29,645	3
6300	Research and development	<u>99,843</u>	<u>15</u>	<u>98,441</u>	<u>10</u>
6000	Total operating expenses	<u>299,160</u>	<u>44</u>	<u>303,646</u>	<u>31</u>
6900	INCOME FROM OPERATIONS	<u>61,964</u>	<u>9</u>	<u>243,522</u>	<u>24</u>
	NON-OPERATING INCOME AND EXPENSES (Note 22)				
7100	Interest revenue	6	-	253	-
7010	Other revenues	2,807	-	4,193	-
7020	Other gains and losses	18,624	3	(11,774)	(1)
7050	Finance cost	(<u>1,876</u>)	-	(<u>1,307</u>)	-
7000	Total non-operating income and expenses	<u>19,561</u>	<u>3</u>	(<u>8,635</u>)	(<u>1</u>)
7900	INCOME BEFORE INCOME TAX	81,525	12	234,887	23

(Continued)

		Three Months Ended March 31			
		2022		2021	
Code		A m o u n t	%	A m o u n t	%
7950	INCOME TAX EXPENSE (Note 23)	\$ <u>11</u>	<u>-</u>	\$ <u>31,400</u>	<u>3</u>
8200	NET INCOME	<u>81,514</u>	<u>12</u>	<u>203,487</u>	<u>20</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				
	income	(72,936)	(11)	580	-
8360	Items that may be				
	reclassified				
	subsequently to				
	profit or loss				
8361	Exchange				
	differences				
	arising on				
	translation of				
	foreign				
	operations	<u>11,018</u>	<u>2</u>	(<u>4,431</u>)	<u>-</u>
8300	Other				
	comprehensive				
	loss for the year				
	(net of income				
	tax)	(<u>61,918</u>)	(9)	(<u>3,851</u>)	<u>-</u>
8500	TOTAL				
	COMPREHENSIVE	<u>\$ 19,596</u>	<u>3</u>	<u>\$ 199,636</u>	<u>20</u>
	INCOME FOR THE YEAR				
	NET INCOME				
	ATTRIBUTABLE TO:				
8610	Shareholders of the				
	Company	<u>\$ 81,514</u>	<u>12</u>	<u>\$ 203,487</u>	<u>20</u>

(Continued)

Code		Three Months Ended March 31			
		2022		2021	
		A m o u n t	%	A m o u n t	%
	TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO				
8710	Shareholders of the Company	<u>\$ 19,596</u>	<u>3</u>	<u>\$ 199,636</u>	<u>20</u>
	Earnings per share (Note 24)				
9710	Basic	<u>\$ 0.88</u>		<u>\$ 2.19</u>	
9810	Diluted	<u>\$ 0.87</u>		<u>\$ 2.17</u>	

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 Foreign operation Translation of the f i n a n c i a l s t a t e m e n t s E x c h a n g e d i f f e r e n c e	Unrealized Gain (Loss) on Financial Assets at Fair V a l u e 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, 2021	\$ 929,200	\$ 735,120	\$ 223,250	\$ 2,208	\$ 1,316,759	\$ 1,542,217	(\$ 7,062)	\$ -	\$ 3,199,475
D1	Net income for the three months ended March 31, 2021	-	-	-	-	203,487	203,487	-	-	203,487
D3	Other comprehensive income (loss) for the three months ended March 31, 2021, net of income tax	-	-	-	-	-	-	(4,431)	580	(3,851)
D5	Total comprehensive income (loss) for the three months ended March 31, 2021	-	-	-	-	203,487	203,487	(4,431)	580	199,636
Z1	BALANCE, MARCH 31, 2021	\$ 929,200	\$ 735,120	\$ 223,250	\$ 2,208	\$ 1,520,246	\$ 1,745,704	(\$ 11,493)	\$ 580	\$ 3,399,111
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	\$ 929,200	\$ 735,120	\$ 302,070	\$ 7,062	\$ 1,520,336	\$ 1,811,468	(\$ 9,078)	(\$ 473,796)	\$ 2,992,914

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	
		2022	2021
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax of the fiscal year	\$ 81,525	\$ 234,887
A20010	Adjustments for:		
A20100	Depreciation expense	33,191	26,972
A20200	Amortization expense	2,761	1,198
A20300	Expected credit impairment loss (Reversal)	(16)	11
A20400	Net benefit on financial instruments at fair value through profit or loss	4,066	(20,138)
A20900	Finance cost	1,876	1,307
A21200	Interest revenue	(6)	(253)
A22500	Gains on disposal and write-off of property, plant and equipment	22	(3,300)
A23700	Provision of inventory valuation loss and stock obsolescence	1,747	-
A23800	Reversal of inventory valuation loss and stock obsolescence	-	(6,021)
A24100	Unrealized gross profit on foreign exchange	(287)	6,682
A29900	Provision of liability reserve	19	(931)
A29900	Amortization of advance payments for goods and services	-	1,013
A30000	Net changes of operating assets and liabilities		
A31115	Financial assets at fair value enforced through profit or loss	1,775	12,078
A31130	Notes receivable	1,712	634
A31150	Accounts receivable	(33,092)	70,126

(Continued)

C o d e		Three Months Ended March 31	
		2022	2021
A31180	Other receivables	(\$ 1,442)	(\$ 3,562)
A31200	Inventories	49,977	(132,647)
A31240	Other current assets	1,964	(2,512)
A32110	Financial liability held for trading	(1,479)	(4,662)
A32150	Accounts payable	28,989	80,668
A32180	Other payables	(79,256)	(72,063)
A32200	Provision of liability	(888)	(501)
A32230	Other current liabilities	(1,074)	7,357
A32990	Refund liability	17,823	(50,544)
A32990	Other noncurrent liabilities	<u>398</u>	<u>(249)</u>
A33000	Cash inflow generated from operations	110,305	145,550
A33300	Payment of interest expenses	(1,845)	(1,297)
A33500	Payment of income tax	<u>(183)</u>	<u>(1,676)</u>
AAAA	Net cash inflow from operating activities	<u>108,277</u>	<u>142,577</u>
Cash flows in investing activities			
B00010	Financial assets at fair value through other comprehensive income	-	(322,322)
B00040	Financial assets at amortized cost	-	(120,000)
B02700	Acquisition of property, plant and equipment	(43,338)	(77,330)
B02800	Proceeds from sales of property, plant and equipment	-	3,300
B03700	Increase of refundable deposit	(378)	(40)
B07500	Interest received	<u>22</u>	<u>238</u>
BBBB	Net cash used in investing activities	<u>(43,694)</u>	<u>(516,154)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
C03000	Guarantee deposits received	278	-
C04020	Payments of lease liabilities	<u>(6,397)</u>	<u>(5,936)</u>
CCCC	Cash inflow (outflow) from financing activities	<u>(6,119)</u>	<u>(5,936)</u>
DDDD	Effect of changes in foreign exchange rates on cash and cash equivalents	<u>1,043</u>	<u>(5,753)</u>

(Continued)

<u>C o d e</u>		<u>Three Months Ended March 31</u>	
		<u>2022</u>	<u>2021</u>
EEEE	Net increase (decrease) in cash and cash equivalents	\$ 59,507	(\$ 385,266)
E00100	Cash and cash equivalents at beginning of year	<u>1,003,914</u>	<u>1,800,553</u>
E00200	Cash and cash equivalents at end of year	<u>\$ 1,063,421</u>	<u>\$ 1,415,287</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, 2022 and 2021
(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 1, 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 28, 2022.

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 have no 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 i n t e r p r e t a t i o n s</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
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, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 4)

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: The amendments will be applied prospectively for annual reporting periods starting on or after January 1, 2023.s

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except those deferred taxes will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the accompanying consolidated financial statements issued, the Company continues in evaluating the impact on its financial position and financial performance as a result of revising

standards and interpretations of other 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 12, Table 6 and Table 7 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, 2021.

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.

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, 2021.

6. CASH AND CASH EQUIVALENTS

	March 31, 2022	December 31, 2021	March 31, 2021
Cash on hand	\$ 983	\$ 971	\$ 1,004
Checking accounts and demand deposits	1,062,438	1,002,943	1,240,283
Cash equivalents			
Time deposits with original maturities of less than 3 months	-	-	174,000
	<u>\$ 1,063,421</u>	<u>\$ 1,003,914</u>	<u>\$ 1,415,287</u>

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

	March 31, 2022	December 31, 2021	March 31, 2021
demand deposits	0.001%~0.17%	0.001%~0.17%	0.001%~0.24%
Time deposits	-	-	0.41%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Financial assets —</u>			
<u>current</u>			
Mandatorily measured			
at FVTPL			
Derivative (not			
hedged)			
— Forward			
foreign			
exchange			
contracts	\$ 205	\$ 445	\$ 43
Non-derivative			
financial assets			
— Domestic			
fund			
beneficiary			
certificates	-	-	51,266
	<u>\$ 205</u>	<u>\$ 445</u>	<u>\$ 51,309</u>
<u>Financial liability —</u>			
<u>current</u>			
Held for trading			
Derivative (not			
hedged)			
— Forward			
foreign exchange			
contracts	<u>\$ 4,122</u>	<u>\$ -</u>	<u>\$ 874</u>

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

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 foreign exchange sold	Euro to New Taiwan Dollar	2022.4.25~ 2022.6.27	EUR 3,900/ NTD122,879
Forward foreign exchange sold	US Dollar to New Taiwan Dollar	2022.4.25~ 2022.5.25	USD 3,500/ NTD 97,672
Forward foreign exchange sold	Japanese Yen to New Taiwan Dollar	2022.4.25~ 2022.5.25	JPY 31,000/ NTD 7,492

December 31, 2021

	<u>Currency</u>	<u>Maturity date</u>	<u>Contract amount (in T h o u s a n d s)</u>
Forward foreign exchange sold	US Dollar to New Taiwan Dollar	2021.10.12~ 2022.1.25	USD 1,000/ NTD 28,136

March 31, 2021

	<u>Currency</u>	<u>Maturity date</u>	<u>Contract amount (in T h o u s a n d s)</u>
Forward foreign exchange sold	US Dollar to New Taiwan Dollar	2021.4.26~ 2021.6.25	USD 5,900/NTD 167,457

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

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Non-current Investments in equity instruments at FVTOCI			
Publicly traded stocks	<u>\$ 482,763</u>	<u>\$ 555,699</u>	<u>\$ 363,221</u>

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. in March to July 2021. 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, 2022	December 31, 2021	March 31, 2021
<u>Current</u>			
Domestic instruments			
Time deposits with original maturities of more than 3 months	\$ 136,219	\$ 136,219	\$ 120,000

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

	March 31, 2022	December 31, 2021	March 31, 2021
Time deposits	0.001%	0.001%	0.55%

The Company pledged the assets as collateral for bank borrowing. Please refer to Note 28.

10. ACCOUNTS RECEIVABLE

	March 31, 2022	December 31, 2021	March 31, 2021
At amortized cost			
Gross carrying amount	\$ 350,256	\$ 304,890	\$ 459,647
Less: Loss allowance	(18)	(33)	(49)
	\$ 350,238	\$ 304,857	\$ 459,598

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, 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>

December 31, 2021

	<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	\$ 262,182	\$ 40,175	\$ 1,958	\$ 575	\$ 304,890
Loss allowance (lifetime expected credit loss)	(33)	-	-	-	(33)
Amortized cost	<u>\$ 262,149</u>	<u>\$ 40,175</u>	<u>\$ 1,958</u>	<u>\$ 575</u>	<u>\$ 304,857</u>

March 31, 2021

	<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	\$ 395,790	\$ 55,321	\$ 7,948	\$ 588	\$ 459,647
Loss allowance (lifetime expected credit loss)	(49)	-	-	-	(49)
Amortized cost	<u>\$ 395,741</u>	<u>\$ 55,321</u>	<u>\$ 7,948</u>	<u>\$ 588</u>	<u>\$ 459,598</u>

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

	Three Months Ended March 31	
	2022	2021
Balance at January 1	\$ 33	\$ 38
Add : Impairment losses	-	11
Less : Impairment losses reversed	(16)	-
Foreign exchange gains and losses	1	-
Balance at September 30	<u>\$ 18</u>	<u>\$ 49</u>

11. INVENTORIES

	March 31, 2022	December 31, 2021	March 31, 2021
Finished goods	\$ 236,465	\$ 273,877	\$ 354,075
Work in progress	76,280	70,228	112,559
Raw materials	<u>376,181</u>	<u>386,051</u>	<u>465,600</u>
	<u>\$ 688,926</u>	<u>\$ 730,156</u>	<u>\$ 932,234</u>

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

	Three Months Ended March 31	
	2022	2021
Cost of inventories sold	\$ 312,106	\$ 458,991
Provision (reversal) of inventory valuation loss and stock obsolescence	<u>1,747</u>	<u>(6,021)</u>
	<u>\$ 313,853</u>	<u>\$ 452,970</u>

The reversal of inventory valuation is mainly from the clearance of aged stock.

12. SUBSIDIARIES

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

Investor	Investee	Nature of Activities	% of Ownership		
			March 31, 2022	December 31, 2021	March 31, 2021
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%

13. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2022	December 31, 2021	March 31, 2021
Land	\$ 373,218	\$ 373,218	\$ 373,218
Houses and buildings	670,318	677,448	701,263
Machinery equipment	100,460	103,987	109,494
Transportation equipment	3,420	3,715	4,950
Office equipment	28,339	29,331	27,316
Leasehold improvements	2,023	2,118	840
Other equipment	28,391	26,022	21,936
Construction in progress and Equipment pending acceptance	48,973	41,007	22,256
	<u>\$ 1,255,142</u>	<u>\$ 1,256,846</u>	<u>\$ 1,261,273</u>

For the three months ended March 31 of 2022 and 2021, 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	3-6 years
Transportation equipment	5 years
Office equipment	3-5 years
Leasehold improvements	3 years
Other equipment	2 years

Property, plant and equipment pledged as collateral for bank borrowings by the Company are set out in Note 28.

14. LEASE ARRANGEMENTS

(1) Right-of-use assets

	March 31, 2022	December 31, 2021	March 31, 2021
Right-of-use assets carrying amount			
Buildings	\$ <u>36,657</u>	\$ <u>40,799</u>	\$ <u>48,726</u>
	Three Months Ended March 31		
	2022	2021	
Additions to right-of-use assets	\$ <u>-</u>	\$ <u>10,868</u>	
Depreciation of right-of-use assets			
Buildings	\$ <u>5,041</u>	\$ <u>4,961</u>	

For the three months ended March 31 of 2022 and 2021, no major sublet, additions and impairment of the Company's right-of-use assets was present except recognized depreciation expenses and additions associates.

(2) Lease liabilities

	March 31, 2022	December 31, 2021	March 31, 2021
Lease liability carrying amount			
Current	\$ <u>25,304</u>	\$ <u>25,012</u>	\$ <u>23,427</u>
Noncurrent	\$ <u>25,867</u>	\$ <u>31,072</u>	\$ <u>44,605</u>

Range of discount rates for lease liabilities was as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Buildings	0.001%~5.70%	0.001%~5.70%	0.001%~6.50%

(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	
	2022	2021
Total cash outflow for leases	(\$ 7,008)	(\$ 6,759)

15. INVESTMENT PROPERTY

The Company has an investment property of plants and parking areas located at Zhonghe District, New Taipei City, Taiwan, R.O.C., for the purpose of business leasing. For the three months ended March 31 of 2022 and 2021, no major addition, disposal, and impairment of the Company's investment property was present except recognized depreciation expenses.

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\$146,600,000 for the three months ended March 31, 2021 and 2020 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 and 2020, the fair value of March 31, 2022 and 2021 did not change materially.

16. LOANS

(1) Short-term loans

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Unsecured loans</u>			
Bank loans	\$ 400,000	\$ 400,000	\$ 200,000
Annual interest rate (%)	0.85~0.87%	0.85%~0.87%	0.95%~1.00%
Maturity date	2022/5/26	2022/2/26	2021/6/26
<u>Secured loans</u>			
Loan amount	\$ 200,000	\$ 200,000	\$ -
Annual interest rate (%)	0.70~0.86%	0.70%~0.86%	-
Maturity date	2022/4/28	2022/1/28	-

(2) Long-term loans

	March 31, 2022	December 31, 2021	March 31, 2021
Government loans	\$ -	\$ -	\$ 28,210
Annual interest rate (%)	-	-	1.00%
Maturity date	-	-	2022/5/6

Due to the impact of COVID-19, US Federal Government passes the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and established the Paycheck Protection Program (PPP) with the objective to assist small to medium-sized businesses to retain their operation capability, continue paying employee salaries, and provide employment during the period while weathering the pandemic and the disruption of the economy.

The US subsidiary of the Company obtained a loan of US\$989,000 (equivalent to NT\$29,566,000) approved by the bank authorized by the US Small Business Administration (SBA) in May 2020 mainly for issuing employee salaries and relevant benefit expenses. The forgiveness application can be filed if all specific requirements are met. The capital of the loan must be paid back within a 2-year maturity period plus interest at a fixed interest rate of 1% for the portion of loan not forgiven. Conditions of PPP loan forgiveness ;

1. For the PPP loans approved and received before June 5, 2020, the expenditure period for PPP loan forgiveness is 8 weeks (extendable to 24 weeks), during which the actual relevant expenditure (payroll costs, covered rent payments, covered utilities) can be forgiven if the criteria of allocating 60% of expenditure on payroll costs and 40% on relevant operational expenses are satisfied.
2. The average number of full-time employees of the company during the expenditure period after the loan is received shall not be less than that from February 15 to June 30, 2019 or January 1 to February 29, 2020.
3. The wage reduction of every employee who resides in the U.S. during the expenditure period shall not exceed 25% threshold of the salary thereof for the period of January 1 to June 30, 2020.

AVer Information Inc. subsidiary in the U.S. has submitted the application of PPP loan forgiveness to the authorized bank and got approval from the bank and SBA in the middle of 2021. The full loan amount of US\$989,000 (equivalent to NT\$27,690,000) was recognized in government grants income (classified under other income).

17. OTHER PAYABLES

	March 31, 2022	December 31, 2021	March 31, 2021
Salary and bonus payable	\$ 96,641	\$ 115,283	\$ 99,880
Payable for employees' compensation and remuneration of directors	64,715	103,277	104,216
Vacation pay payable	31,933	37,201	34,916
Insurance payable	9,759	9,551	12,517
Freight payable	3,407	7,679	10,830
Payable for equipment	2,256	17,630	16,683
Payable for stock	-	-	40,319
Others	45,911	57,331	59,881
	<u>\$ 254,622</u>	<u>\$ 347,952</u>	<u>\$ 379,242</u>

18. PROVISION OF LIABILITY

	March 31, 2022	December 31, 2021	March 31, 2021
Current – warranty (classified under other current liabilities)	\$ 5,904	\$ 6,515	\$ 9,314
Noncurrent – warranty	<u>38,619</u>	<u>38,879</u>	<u>36,095</u>
	<u>\$ 44,523</u>	<u>\$ 45,394</u>	<u>\$ 45,409</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.

19. 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.

20. EQUITY

(1) Capital - Common Stock

	March 31, 2022	December 31, 2021	March 31, 2021
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, 2022	December 31, 2021	March 31, 2021
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 22 (7).

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 and 2020 were as follows:

	Appropriations of E a r n i n g s		Dividends Per Share (NT\$)	
	Fiscal year 2021	Fiscal year 2020	Fiscal year 2021	Fiscal year 2020
Appropriated as legal reserve	\$ 65,234	\$ 78,820		
Appropriations as special reserve	413,894	4,854		
Cash dividends	353,096	464,600	\$ 3.8	\$ 5.0

The appropriation of earnings for 2021 will be resolved in the shareholders' meeting to be held on June 8, 2022.

21. REVENUE

	Three Months Ended March 31	
	2022	2021
Revenue from contracts with customers		
Revenue from the sale of goods	\$ 651,266	\$ 985,271
Revenue from the rendering of services and other revenue	<u>23,711</u>	<u>14,867</u>
	<u>\$ 674,977</u>	<u>\$ 1,000,138</u>
<u>Disaggregation of Revenue from contracts with customers – Type of goods</u>		
	Three Months Ended March 31	
	2022	2021
Integrated education products	\$ 224,800	\$ 493,635
Video conferencing systems		
products	439,671	490,767
Others	<u>10,506</u>	<u>15,736</u>
	<u>\$ 674,977</u>	<u>\$ 1,000,138</u>

22. ADDITIONAL INFORMATION OF NET PROFIT FOR THE PERIOD

(1) Interest income

	Three Months Ended March 31	
	2022	2021
Bank deposits	<u>\$ 6</u>	<u>\$ 253</u>

(2) Other income

	Three Months Ended March 31	
	2022	2021
Rental income		
Investment property		
(Note 15)	\$ 1,497	\$ 1,557
Others	<u>1,310</u>	<u>2,636</u>
	<u>\$ 2,807</u>	<u>\$ 4,193</u>

(3) Other gains and losses

	Three Months Ended March 31	
	2022	2021
Gains(losses) on financial assets and financial liabilities		
Financial assets mandatorily measured at FVTPL	\$ 1,535	\$ 11,720
Financial liability held for trading	(5,601)	8,418
Net foreign exchange (losses)gains	22,927	(35,002)
Gains(losses) on disposal and write-off of property, plant, and equipment	(22)	3,300
Other3	(215)	(210)
	<u>\$ 18,624</u>	<u>(\$ 11,774)</u>

(4) Finance costs

	Three Months Ended March 31	
	2022	2021
Interest on bank loans	\$ 1,220	\$ 481
Interest on lease liabilities	611	823
Other interest expenses	<u>45</u>	<u>3</u>
	<u>\$ 1,876</u>	<u>\$ 1,307</u>

(5) Depreciation and amortization

	Three Months Ended March 31	
	2022	2021
Property, plant, and equipment	\$ 27,938	\$ 21,799
Right-of-use assets	5,041	4,961
Investment properties	212	212
Intangible assets	<u>2,761</u>	<u>1,198</u>
	<u>\$ 35,952</u>	<u>\$ 28,170</u>

	Three Months Ended March 31	
	2022	2021
An analysis of depreciation by function		
Cost of revenue	\$ 14,811	\$ 12,229
Operating expenses	18,168	14,531
Other gains and losses	<u>212</u>	<u>212</u>
	<u>\$ 33,191</u>	<u>\$ 26,972</u>

An analysis of amortization by function		
Cost of revenue	\$ 1,151	\$ 240
Marketing	125	93
General and administrative	1,427	714
Research and development	<u>58</u>	<u>151</u>
	<u>\$ 2,761</u>	<u>\$ 1,198</u>

(6) Employee benefits expense

	Three Months Ended March 31	
	2022	2021
Post-employment benefits (Note 19)		
Defined contribution plans	\$ 6,862	\$ 6,355
Short-term benefits		
Salary expense	202,317	218,883
Insurance expense	20,104	19,371
Others	<u>4,463</u>	<u>4,559</u>
Total employee benefits expense	<u>\$233,746</u>	<u>\$249,168</u>

(Continued)

	Three Months Ended March 31	
	2022	2021
An analysis of employee benefits expense by function		
Cost of revenue	\$ 35,736	\$ 41,494
Operating expenses	<u>198,010</u>	<u>207,674</u>
	<u>\$233,746</u>	<u>\$249,168</u>

(7) 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 and 2021, the accrued employees' compensation and the remuneration of directors were as follows:

Accrual rate

	Three Months Ended March 31					
	2022			2021		
	R a t e	%	A m o u n t	R a t e	%	A m o u n t
Compensation of employees	10%		<u>\$ 9,540</u>	10%		<u>\$ 25,670</u>
Remuneration of directors	1.99%		<u>\$ 1,898</u>	1.99%		<u>\$ 5,108</u>

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 2021 and 2020 were approved by the Company's board of directors on March 10, 2022 and March 5, 2021, respectively as follows:

	<u>Fiscal year 2021</u>	<u>Fiscal year 2020</u>
Compensation of employees		
— Cash	\$ 86,136	\$107,760
Remuneration of directors	<u>17,141</u>	<u>21,444</u>
	<u>\$103,277</u>	<u>\$ 129,204</u>
Recognized amount in consolidated financial statements	<u>\$103,277</u>	<u>\$ 129,204</u>

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.

23. INCOME TAX

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

	<u>Three Months Ended March 31</u>	
	<u>2022</u>	<u>2021</u>
Current income tax		
In respect of the current period	\$ 813	\$ 32,086
Adjustments in respect of prior years	(98)	474
Deferred tax		
In respect of the current period	(<u>704</u>)	(<u>1,160</u>)
Income tax expenses recognized in profit or loss	<u>\$ 11</u>	<u>\$ 31,400</u>

(2) Income tax assessments

The Company's tax returns through 2019 have been assessed by the tax authorities.

24. EARNINGS PER SHARE

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

Net profit for the period

	Three Months Ended March 31	
	2022	2021
Net profits used in the computation of basic earnings and diluted earnings per share	<u>\$ 81,514</u>	<u>\$ 203,487</u>

Number of shares

Unit: in Thousands

	Three Months Ended March 31	
	2022	2021
Weighted average number of ordinary shares used in the computation of basic earnings per share	92,920	92,920
Effect of potential dilutive ordinary shares ;	<u>713</u>	<u>772</u>
The weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>93,633</u>	<u>93,692</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.

25. 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.

26. 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, 2022

	<u>L e v e l 1</u>	<u>L e v e l 2</u>	<u>L e v e l 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>

Financial assets at
FVTOCI

Investments in equity
instruments

Publicly traded stocks	\$ <u>482,763</u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u>482,763</u>
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Financial liabilities at
FVTPL

Derivative — forward
foreign exchange
contracts

	\$ <u> -</u>	\$ <u> 4,122</u>	\$ <u> -</u>	\$ <u> 4,122</u>
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December 31, 2021

	<u>L e v e l 1</u>	<u>L e v e l 2</u>	<u>L e v e l 3</u>	<u>T o t a l</u>
<u>Financial assets at FVTPL</u>				
Derivative—forward foreign exchange contracts	\$ <u> -</u>	\$ <u> 445</u>	\$ <u> -</u>	\$ <u> 445</u>

(Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>T o t a l</u>
<u>Financial liabilities at</u> <u>FVTPL</u>				
Derivative – forward foreign exchange contracts	\$ 555,699	\$ -	\$ -	\$ 555,699

March 31, 2021

	<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>				
Domestic fund beneficiary certificates	\$ 51,266	\$ -	\$ -	\$ 51,266
Derivative – forward foreign exchange contracts	-	43	-	43
Total	\$ 51,266	\$ 43	\$ -	\$ 51,309

<u>Financial assets at</u> <u>FVTOCI</u>				
Investments in equity instruments				
Publicly traded stocks	\$ 363,221	\$ -	\$ -	\$ 363,221

<u>Financial liabilities at</u> <u>FVTPL</u>				
Derivative – forward foreign exchange contracts	\$ -	\$ 874	\$ -	\$ 874

The Company did not have financial assets at FVTPL on three months ended March 31, 2022 and 2021. There were no transfers between Levels 1 and 2 in the current and prior period.

- 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.

- Categories of financial instruments

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Financial assets</u>			
Fair value through profit or loss			
Mandatorily measured at FVTPL	\$ 205	\$ 445	\$ 51,309
Amortized cost (Note 1)	1,573,883	1,468,746	2,028,113
Financial assets at FVTOCI-			
Investments in equity instruments	482,763	555,699	363,221
<u>Financial liability</u>			
Fair value through profit or loss			
Held for trading	4,122	-	874
Amortized cost (Note 2)	986,143	1,041,165	985,112

Note 1: The balances included financial liabilities measured at amortized cost, which comprise cash and cash equivalents, 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, long-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 29.

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 positive number below indicates an increase in pre-tax profit associated with the functional currency depreciating 5% against the relevant currency; the aforementioned number but of the negative value indicates a decrease in pre-tax profit associated with the functional currency strengthening 5% against the relevant currency.

	P r o f i t o r l o s s	
	Three Months Ended March 31	
	2022	2021
USD	\$ 21,608	\$ 12,251
EUR	23,981	10,315
JPY	8,840	8,065

(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, 2022	December 31, 2021	March 31, 2021
Fair value interest rate risk			
— Financial assets	\$ 136,219	\$ 136,219	\$ -
— Financial liabilities	651,171	656,084	296,242
Cash flow interest rate risk			
— Financial assets	977,369	907,806	1,319,459

The Company is exposed to cash flow interest rate risk because of having bank demand and Time 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 2022 and 2021 would increase/decrease by NT\$611 thousand and NT\$825 thousand, respectively.

(3) Other price risks

The Company was exposed to price risk due to having listed marketable securities and domestic fund beneficiary certificates.

Sensitivity analysis

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

If the domestic fund equity prices had been increased/decreased by 0.5%, the Company's pre-tax profit for the

three months ended March 31 of 2021 would increase/decrease by NT\$256 thousand (for the three months ended March 31 of 2022: None), as a result of the increase/decrease in fair value of financial assets at fair value through profit or loss.

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 2022 and 2021 would increase/decrease by NT\$48,276 thousand and NT\$36,322 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.

The credit risk of the Company in March 31, 2022 and 2021, December 31, 2021 by region mainly gathered in Europe and America, and based on accounted for 67%, 62% and 75% of total receivables.

3. Liquidity risk

The Company finances its operations and mitigates the effects of fluctuations in cash flows through controlling and maintaining sufficient cash and cash equivalents. 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, 2022, December 31, 2021 and March 31, 2021 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, 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	\$ 128,860	\$ 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>\$ 631,050</u>	<u>\$ 179,132</u>	<u>\$ 39,257</u>	<u>\$ 25,760</u>

December 31, 2021

	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	\$ 141,607	\$ 68,070	\$ 3,591	\$ -
Lease liability	2,094	4,783	20,718	31,467
Fixed interest instruments	<u>500,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 643,701</u>	<u>\$ 172,853</u>	<u>\$ 24,309</u>	<u>\$ 31,467</u>

March 31, 2021

	On Demand o r Less than 1 m o n t h	1 t o 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	\$ 305,366	\$ 209,476	\$ 27,735	\$ -
Lease liability	2,172	4,572	19,381	46,811
Fixed interest instruments	<u>42</u>	<u>200,000</u>	<u>-</u>	<u>28,210</u>
	<u>\$ 307,580</u>	<u>\$ 414,048</u>	<u>\$ 47,116</u>	<u>\$ 75,021</u>

(2) Financing amount

	March 31, 2022	December 31, 2021	March 31, 2021
Unsecured bank financing amount			
— Amount used	\$ 400,000	\$ 400,000	\$ 200,000
— Amount unused	<u>200,000</u>	<u>200,000</u>	<u>-</u>
	<u>\$ 600,000</u>	<u>\$ 600,000</u>	<u>\$ 200,000</u>
Secured bank financing amount			
— Amount used	\$ 200,000	\$ 200,000	\$ -
— Amount unused	<u>780,000</u>	<u>780,000</u>	<u>430,000</u>
	<u>\$ 980,000</u>	<u>\$ 980,000</u>	<u>\$ 430,000</u>

27. TRANSACTIONS WITH RELATED PARTIES

The parent company of the Company is AVerMedia Technologies, Inc. (AVerMedia) that holds 49.92%, 49.92% and 49.91% of ordinary shares of the Company directly and indirectly on March 31, 2022, December 31, 2021 and March 31, 2021 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 (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>2022</u>	<u>2021</u>
Sales revenue	Parent company	\$ 8,803	\$ 15,228
	Fellow company	<u>9</u>	<u>115</u>
		<u>\$ 8,812</u>	<u>\$ 15,343</u>

Purchase and sales of goods from/to related parties follows the regular trade condition (market price); the sales terms for the related parties were 90 days after the goods were shipped.

(3) Receivables from related parties

<u>L i n e I t e m s</u>	<u>Related Party Category</u>	<u>March,31, 2022</u>	<u>December,31, 2021</u>	<u>March,31, 2021</u>
Accounts receivable	Parent company	\$ 9,043	\$ 9,333	\$ 15,803
	Fellow company	10	-	161
		<u>\$ 9,053</u>	<u>\$ 9,333</u>	<u>\$ 15,964</u>
Other receivables	Parent company	<u>\$ 4,379</u>	<u>\$ 3,571</u>	<u>\$ 4,904</u>

The outstanding trade receivables from related parties are unsecured. For the three months ended March 31, 2022 and 2021, no impairment loss was recognized for trade receivables from related parties.

(4) Payables to related parties

<u>L i n e I t e m s</u>	<u>Related Party Category</u>	<u>March,31, 2022</u>	<u>December,31, 2021</u>	<u>March,31, 2021</u>
Accounts payable	Parent company	<u>\$ 1,578</u>	<u>\$ 1,094</u>	<u>\$ 2,321</u>

The outstanding trade payables from related parties are unsecured.

(5) Compensation of key management personnel

	<u>Three Months Ended March 31</u>	
	<u>2022</u>	<u>2021</u>
Short-term benefits	\$ 17,208	\$ 30,015
Post-employment benefits	160	146
	<u>\$ 17,368</u>	<u>\$ 30,161</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.

28. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	March,31, 2022	December,31, 2021	March,31, 2021
Pledged certificates of deposits (classified under financial assets measured at amortized cost)	\$ 136,219	\$ 136,219	\$ -
Houses and buildings - net value	<u>120,657</u>	<u>121,393</u>	<u>\$ 123,603</u>
	<u>\$ 256,876</u>	<u>\$ 257,612</u>	<u>\$ 123,603</u>

29. 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, 2022

	<u>F o r e i g n</u> <u>c u r r e n c y</u>	<u>E x c h a n g e</u> <u>r a t e</u>	<u>C a r r y i n g</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)	<u>176,797</u>
			<u>\$ 1,177,768</u>
 <u>Financial liability</u>			
<u>Monetary items</u>			
USD	\$ 3,116	28.63 (USD: NTD)	<u>\$ 89,191</u>

December 31, 2021

	<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	\$ 18,849	27.68 (USD: NTD)	\$ 521,734
EUR	13,844	31.32 (EUR: NTD)	433,592
JPY	742,642	0.24 (JPY: NTD)	178,606
			<u>\$1,133,932</u>
<u>Financial liability</u>			
<u>Monetary items</u>			
USD	\$ 2,227	27.68 (USD: NTD)	\$ 61,638
RMB	1,501	4.34 (RMB: NTD)	6,520
			<u>\$ 68,158</u>

March 31, 2021

	<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	\$ 16,911	28.54 (USD: NTD)	\$ 482,564
EUR	6,162	33.48 (EUR: NTD)	206,290
JPY	625,927	0.26(JPY: NTD)	161,301
			<u>\$ 850,155</u>
<u>Financial liability</u>			
<u>Monetary items</u>			
USD	\$ 8,325	28.54(USD: NTD)	<u>\$ 237,548</u>

Significant assets and liabilities denominated in foreign currencies in profit or loss (realized and unrealized) as follows:

Three Months Ended March 31				
	2022		2021	
<u>F o r e i g n</u>		<u>Net exchange</u>		<u>Net exchange</u>
<u>c u r r e n c y</u>	<u>Exchange rate</u>	<u>(loss) gains</u>	<u>Exchange rate</u>	<u>l o s s e s</u>
USD	27.99 (USD: NTD)	\$ 16,794	28.37 (USD: NTD)	(\$ 3,504)
EUR	31.45 (EUR: NTD)	10,465	34.20 (EUR: NTD)	(19,343)
JPY	0.24 (JPY: NTD)	(3,728)	0.27 (JPY: NTD)	(12,278)
		<u>\$ 23,531</u>		<u>(\$ 34,675)</u>

30. SEPARATELY DISCLOSED ITEMS

(1) Information on significant transactions and (2) information on investees:

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 : None
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 : Table 3 (attached)
8. Receivables from related parties amounting to at least NT\$100 million or more than 20% of the paid-in capital : Table 4 (attached)
9. Trading in derivative instruments : Table 7 (attached)
10. Other : Intercompany relationships and significant intercompany transactions : Table 5 (attached)
11. Information on investees : Table 6 (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 : Table 7 (attached)

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 8 (attached)

31. 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, 2022

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	\$ 96,963 (USD 3,387)	\$ 96,963 (USD 3,387)	\$ 41,826	\$ -	3.24	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, 2022

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 – Non-current	17,366	482,763	11.25%	482,763	

AVer Information Inc. and subsidiaries

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF PAID-IN CAPITAL

January 1 to March 31, 2022

Table 3 (attached)

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

Purchase (Sale) C o m p a n y	Related Party	N a t u r e o f Relationship	T r a n s a c t i o n D e t a i l s				Abnormal Transaction Condition and Reason		Notes, Accounts Receivable (P a y a b l e)		N o t e
			Purchase (S a l e)	A m o u n t	Percentage to T o t a l Purchase (S a l e) (%)	Payment Term	Unit Price	Payment Term	E n d i n g B a l a n c e	% to Total N o t e s , A c c o u n t Receivable (Payable) (%)	
The Company	AVer Information Inc. (USA)	Subsidiary	Sales	\$ 131,164	(34)	90 days after the goods were shipped	\$ -	—	\$ 117,166	29	

Note: All the amount above have been eliminated upon consolidation.

AVer Information Inc. and subsidiaries

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF PAID-IN CAPITAL

March 31, 2022

Table 4 (attached)

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

Company Name	R e l a t e d P a r t y	R e l a t i o n s h i p	R e l a t e d P a r t y Ending Balance (Note2)	Turnover R a t e (Times / Y e a r)	O v e r d u e		A m o u n t s Received in Subsequent Period (Note1)	Provision of Allowance for Impairment Loss
					A m o u n t	Action Taken		
The Company	AVer Information Inc. (USA)	Subsidiary	Accounts Receivable \$117,166	3.71	\$ -	-	\$ 69,705	\$ -
	AVer Information Europe B.V.	Subsidiary	Accounts Receivable 145,272	1.28	-	-	27,840	-

Note 1: The amount recovered as of May 10, 2022.

Note 2: All the amount above have been eliminated upon consolidation.

AVer Information Inc. and subsidiaries
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
January 1 to March 31, 2022

Table 5 (attached)

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

N o (Note 1)	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 (N o t e 2)
0	The Company	AVer Information Inc. (USA)	1	Sales revenue	\$ 131,164	Note 2	19%
		AVer Information Europe B.V.	1	Accounts receivable	117,166	Note 3	3%
				Sales revenue	52,173	Note 2	8%
		AVer Information Inc. (Japan)	1	Accounts receivable	145,272	Note 3	3%
				Sales revenue	14,995	Note 2	2%
		AVer Information (Vietnam) Co., Ltd	1	Accounts receivable	32,677	Note 3	1%
				Sales revenue	6,638	Note 2	1%
				Accounts receivable	6,799	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 INVESTEES
January 1 to March 31, 2022

Table 6 (attached)

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

Investor Company	Investee Company (Note 1, 2)	Main Locations	Main Businesses	Original Investment Amount		Balance at the End of the Period			Investee Company Net Income (Loss) of the Period	Share of Profit (Loss)	Note
				End date of the Reporting Period	End date of the Previous Period	Shares	Percentage (%)	Carrying Amount (Note 3)			
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	\$ 161,991	(\$ 16,540)	(\$ 16,540)	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 2)	100	7,985	11,286	11,286	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	(12,048)	2,827	2,827	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 2)	100	14,628	(299)	(299)	Subsidiary
	YUAN CHEN Investment Co., Ltd.	Taiwan	Investment	500	500	50,000	100	433	-	-	Subsidiary

Note 1: Please refer to Table 8 (attached) for relevant information of Investees in mainland China.

Note 2: Only the investment amount is displayed on the company business license with no record of shares recorded.

Note 3: Carrying amount is the net amount after unrealized sales profit is deducted.

AVer Information Inc. and subsidiaries
Investment information in mainland China
January 1 to March 31, 2022

Table 7 (attached)

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

Investees in mainland C h i n a	Main Businesses	Paid-in capital (N o t e 5)	Investment m e t h o d (N o t e 1)	Beginning of the current period From Taiwan Accumulated Outflow of Investment	I n v e s t m e n t F l o w s (Outflow/Inflow) in the current p e r i o d		End date of the Reporting P e r i o d From Taiwan Accumulated Outflow of Investment	Investee Company Net Income (Losses) of the current period	T h e Company Direct Or Indirect Investment w i t h Percentage o f Ownership	Current Period Profit (Loss)	Investment at the end of the reporting period C a r r y i n g A m o u n t (N o t e 2)	As of the End of the Reporting P e r i o d Accumulated I n w a r d Remittance of E a r n i n g s	N o t e
					O u t f l o w	I n f l o w							
AVer Information Inc. (ShangHai)	Sales of computer system equipment, presentation and video conferencing systems	\$ 23,127 (USD 700)	1	\$ 23,127 (USD 700)	\$ -	\$ -	\$ 23,127 (USD 700)	\$ -	-	\$ -	\$ -	\$ -	Note 5

Accumulated Investment in Mainland China Outflow from Taiwan of the R e p o r t i n g P e r i o d	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Regulated by Investment Commission (Note 3)
\$ 23,127 (USD 700)	\$ 23,127 (USD 700)	\$ 1,795,748

Note 1: The methods for engaging in investment in mainland China include the following:

- (1) Direct investment in mainland China
- (2) Indirect investment in mainland China through companies registered in a third region (specify the name of the company in third region).

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

Note 3: In accordance with the regulations “Regulations Governing the examination of Investment or Technical Cooperation in Mainland China” amended on August 29, 2008, the allowable amount of investment in mainland China is 60% of net value.

Note 4: The value expressed in terms of the accumulated amount actually remitted from Taiwan with an average exchange rate of US\$1=NT\$33.04

Note 5: The accounting closing date of AVer Information Inc. (ShangHai) is March 26, 2019. As of March 31, 2022, the investment amounts authorized by Investment Commission, MOEA is not cancelled yet.

AVer Information Inc.
Major Shareholders Information
March 31, 2022

Table 8 (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.