Ventec International Group Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2021 and 2020 and Independent Auditors' Report

Notice to Readers

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders

Ventec International Group Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Ventec International Group Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Group's consolidated financial statements for the year ended December 31, 2021 are stated as follows:

<u>Existence of Specific Revenue</u>

The Group recorded significant growth in the amount of revenue derived from specific customers for the year ended December 31, 2021 compared to the previous year. Therefore, the existence of the revenue derived from specific customers was identified as a key audit manner.

Refer to Note 4 to the Group's consolidated financial statements for the accounting policy of revenue recognition.

The main audit procedures performed for existence of specific revenue were as follows:

1. We understood the design and implementation of internal controls and tested the operating effectiveness of revenue derived from specific customers.
2. We sample tested the transection documents related to revenue derived from specific customers, including sales orders, shipping invoices and documents.
3. We sample tested the payee, payment terms and the timing of payment receipt related to revenue derived from specific customers to verify the existence of revenue.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors'

report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Yi-Ching Liu and Chun-Hung Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 10, 2022

VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

ASSETS	**2021**		**2020**	
	Amount	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 491,638	8	$ 553,225	12
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	65,123	1	20,923	1
Financial assets at amortized cost - current (Notes 4, 8, 15 and 28)	180,644	3	40,517	1
Notes receivable (Notes 4, 9, 15, 19 and 28)	84,351	1	37,262	1
Trade receivables (Notes 4, 9, 19 and 26)	2,382,890	39	1,403,746	32
Other receivables (Notes 4 and 9)	12,995	-	7,413	-
Current tax assets (Notes 4 and 21)	3,648	-	-	-
Inventories (Notes 4, 10 and 24)	1,420,866	23	822,660	18
Prepayments	83,979	1	59,696	1
Total current assets	4,726,134	76	2,945,442	66
NON-CURRENT ASSETS				
Financial assets at amortized cost - non-current (Notes 4 and 8)	65,123	1	152,770	3
Property, plant and equipment (Notes 4, 12, 15, 24, and 28)	1,058,150	17	1,024,757	23
Right-of-use assets (Notes 4 and 13)	212,186	4	207,407	5
Goodwill (Notes 4 and 14)	62,812	1	64,627	2
Intangible assets (Note 4 and 24)	12,319	-	134	-
Deferred tax assets (Notes 4 and 21)	30,630	1	50,559	1
Refundable deposits	9,033	-	9,971	-
Other non-current assets	16,263	-	4,585	-
Total non-current assets	1,466,516	24	1,514,810	34
TOTAL	$ 6,192,650	100	$ 4,460,252	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 8, 9, 15 and 28)	$ 629,274	10	$ 248,044	6
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	-	-	173	-
Trade payables	1,317,430	21	868,800	19
Other payables (Note 16)	646,178	11	424,054	10
Lease liabilities - current (Notes 4 and 13)	42,520	1	38,366	1
Current tax liabilities (Notes 4 and 21)	39,396	1	16,917	-
Current portion of long-term borrowings (Notes 12, 15 and 28)	18,254	-	17,358	-
Other current liabilities (Notes 4 and 19)	3,901	-	3,251	-
Total current liabilities	2,696,953	44	1,616,963	36
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 12, 15 and 28)	120,137	2	137,057	3
Deferred tax liabilities (Notes 4 and 21)	152,422	2	111,761	3
Lease liabilities - non-current (Notes 4 and 13)	99,376	2	96,332	2
Net defined benefit liabilities - non-current (Notes 4 and 17)	47,757	1	40,418	1
Other non-current liabilities	25,430	-	4,136	-
Total non-current liabilities	445,122	7	389,704	9
Total liabilities	3,142,075	51	2,006,667	45
EQUITY (Notes 4, 11, 18 and 23)				
Ordinary shares	714,543	12	714,543	16
Capital surplus	886,111	14	886,111	20
Retained earnings				
Legal reserve	154,737	2	117,549	3
Special reserve	323,690	5	395,706	9
Unappropriated earnings	1,148,122	19	516,802	11
Total retained earnings	1,626,549	26	1,030,057	23
OTHER EQUITY				
Exchange differences in translating the financial statements of foreign operations	(143,852)	(2)	(123,690)	(3)
Unearned employee benefits	(32,776)	(1)	(53,436)	(1)
Total other equity	(176,628)	(3)	(177,126)	(4)
Total equity	3,050,575	49	2,453,585	55
TOTAL	$ 6,192,650	100	$ 4,460,252	100

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

VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
NET REVENUE (Notes 4, 19 and 32)	$ 7,667,219	100	$ 4,830,183	100
COST OF REVENUE (Notes 4, 10 and 20)	5,342,878	70	3,406,860	71
GROSS PROFIT	2,324,341	30	1,423,323	29
OPERATING EXPENSES (Note 20)				
Selling and marketing expenses	708,499	9	489,672	10
General and administrative expenses	298,498	4	210,384	4
Research and development expenses	237,653	3	182,904	4
Expected credit impairment losses	3,225	-	8,357	-
Total operating expenses	1,247,875	16	891,317	18
PROFIT FROM OPERATIONS	1,076,466	14	532,006	11
NON-OPERATING INCOME AND EXPENSES (Notes 4, 7 and 20)				
Interest income	1,967	-	1,528	-
Other income	16,702	-	8,578	-
Other gains and losses	(34,460)	-	(61,897)	(1)
Interests expense	(12,373)	-	(9,275)	-
Total non-operating income and expenses	(28,164)	-	(61,066)	(1)
PROFIT BEFORE INCOME TAX	1,048,302	14	470,940	10
INCOME TAX EXPENSE (Notes 4 and 21)	220,490	3	97,687	2
NET PROFIT FOR THE YEAR	827,812	11	373,253	8
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4 and 17)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	($ 2,666)	-	($ 1,375)	-
Exchange differences arising in translation to the presentation currency	(78,239)	(1)	(120,910)	(3)
	(80,905)	(1)	(122,285)	(3)

VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
Items that may be reclassified subsequently to profit or loss:	58,077	-	192,926	4
Exchange differences on translating foreign operations	(22,828)	(1)	70,641	1
Other comprehensive income (loss) for the year	$ 804,984	10	$ 443,894	9
TOTAL COMPREHENSIVE INCOME FOR THE YEAR				
EARNINGS PER SHARE (Note 22)				
Basic	$ 11.72		$ 5.28	
Diluted	$ 11.51		$ 5.25	

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

VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	Ordinary Shares (Notes 4 and 18)			Retained Earnings (Note 18)			Other Equity (Notes 4, 11, 18 and 23)		
	Share (In Thousands)	Share Capital	Capital surplus (Notes 4, 18 and 23)	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences in translating the financial statements of foreign operations	Unearned employee benefits	Total Equity
BALANCE AT JANUARY 1, 2020	70,654	$ 706,543	$ 835,071	$ 70,375	$ 309,947	$ 631,129	($ 195,706)	$ -	$ 2,357,359
Appropriation of 2019 earnings									
Legal reserve	-	-	-	47,174	-	(47,174)	-	-	-
Special reserve	-	-	-	-	85,759	(85,759)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(353,272)	-	-	(353,272)
Net profit for the year ended December 31, 2020	-	-	-	-	-	373,253	-	-	373,253
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	(1,375)	72,016	-	70,641
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	371,878	72,016	-	443,894
Issuance of ordinary shares under employee restricted shares	800	8,000	51,040	-	-	-	-	(53,436)	5,604
BALANCE AT DECEMBER 31, 2020	71,454	714,543	886,111	117,549	395,706	516,802	(123,690)	(53,436)	2,453,585
Appropriation of 2020 earnings									
Legal reserve	-	-	-	37,188	-	(37,188)	-	-	-
Special reserve	-	-	-	-	(72,016)	72,016	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(228,654)	-	-	(228,654)
Net profit for the year ended December 31, 2021	-	-	-	-	-	827,812	-	-	827,812
Other comprehensive income for the year ended December 31, 2021, net of income tax	-	-	-	-	-	(2,666)	(20,162)	-	(22,828)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	825,146	(20,162)	-	804,984
Issuance of ordinary shares under employee restricted shares	-	-	-	-	-	-	-	20,660	20,660
BALANCE AT DECEMBER 31, 2021	71,454	$ 714,543	$ 886,111	$ 154,737	$ 323,690	$ 1,148,122	($ 143,852)	($ 32,776)	$ 3,050,575

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

VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,048,302	$ 470,940
Adjustments for		
Depreciation expenses	176,629	162,830
Amortization expenses	747	668
Expected credit impairment losses	3,225	8,357
Interests expense	12,373	9,275
Interest income	(1,967)	(1,528)
Compensation cost of employee restricted shares	20,660	5,604
Loss (gain) on disposal of property, plant and equipment, net	2,282	(370)
Gain on disposal of right-of-use assets	(19)	-
Write-downs of (reversal of) inventories	4,609	(815)
Loss (gain) on foreign currency exchange, net	(36,275)	51,085
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	20,878	(20,558)
Notes receivable	(47,146)	7,399
Trade receivables	(1,014,638)	285,152
Other receivables	(6,612)	1,484
Inventories	(586,471)	(97,856)
Prepayments	(25,033)	(6,428)
Other current assets	-	72
Financial liabilities classified at fair value through profit or loss	(173)	-
Trade payables	457,215	(43,994)
Other payables	233,803	50,112
Other current liabilities	795	(3,291)
Net defined benefit liabilities	4,673	4,306
Cash generated from operations	267,857	882,444
Interest received	1,967	1,528
Interest paid	($ 12,094)	($ 10,752)
Income tax paid	(136,649)	(108,029)
Net cash generated from operating activities	121,081	765,191
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through profit or loss	(65,360)	-
Purchase of financial assets at amortized cost	(64,361)	(152,550)
Net cash used in business development (Note 24)	(61,454)	-
Payments for property, plant and equipment	(158,051)	(166,028)
Proceeds from disposal of property, plant and equipment	1,557	1,237
Decrease (increase) in refundable deposits	806	(3,933)
Payments for intangible assets	-	(75)
Decrease in restricted bank deposits	10,782	16,672
Decrease in other non-current assets	714	1,099
Net cash used in investing activities	(335,367)	(303,578)

(Continued)

VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	391,563	120,281
Proceeds from long-term borrowings	924	975
Repayments of long-term borrowings	(16,906)	(17,133)
Increase in guarantee deposits received	195	685
Repayments of the principal portion of lease liabilities	(43,268)	(36,557)
Decrease in other non-current liabilities	(151)	(159)
Dividends paid to owners of the Company	(228,654)	(353,272)
Net cash generated from (used in) financing activities	103,703	(285,180)
Effects of exchange rate changes on the balance of cash held in foreign currencies	48,996	(61,752)
Net (decrease) increase in cash and cash equivalents	(61,587)	114,681
Cash and cash equivalents at the beginning of the year	553,225	438,544
Cash and cash equivalents at the end of the year	$ 491,638	$ 553,225

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

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Ventec International Group Co., Ltd. (the "Company"), a holding company of all the merged entities, was incorporated in the Cayman Islands in October 2012. The Company's ordinary shares have been listed on Taiwan Stock Exchange since April 2019.

The Company and its subsidiaries, collectively referred to as the "Group", mainly engaged in the research and development, production and sale of copper clad laminate (CCL), aluminum-backed laminate (IMS) and prepreg.

The functional currency of the Company is U.S. dollars. For greater comparability and consistency of financial reporting, the consolidated financial statements are presented in the New Taiwan dollar.

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on March 4, 2022.

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

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC).
The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have a material impact on the Group's accounting policies.

b. The IFRSs endorsed by the Financial Supervisory Commission (FSC) for application starting from 2022

New IFRSs	Effective Date Announced by IASB
Annual Improvements to IFRS Standards 2018 - 2020 Cycle	January 1, 2022 (Note 1)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 2)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 3)
Amendments to IAS 37 "Onerous Contracts-Cost of Fulfilling a Contract"	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and concluded that the adoption of the amendments would have no material impact on the Group.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
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 Non-current"	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 New IFRSs 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 beginning on or after January 1, 2023.

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: The amendments apply to transactions that occur on or after January 1, 2022, except for the deferred tax recognized on temporary differences associated with lease liabilities and decommissioning obligations as of January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
2) Level 2 inputs are 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 are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;
2) Liabilities due to be settled within 12 months after the reporting period; and
3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

d. 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). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. 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 intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

See Note 11 and Tables 5 and 6 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

e. Business combinations

All business combinations shall be accounted for by applying the acquisition method. All acquisition-related costs are to be recognized as expenses of the period in which the costs are incurred and the services are rendered.

Goodwill is determined as the excess of the fair value of the consideration transferred over the acquisition-date fair value of the acquiree's identifiable net assets.

f. Foreign currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.
Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period.
Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purpose of presenting consolidated financial statements, the functional currencies of the Company and its foreign operations (including subsidiaries in other countries that use currencies that are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate). The exchange differences accumulated in equity, which resulted from the translation of the assets and liabilities of the entities in the Group into the presentation currency, are not subsequently reclassified to profit or loss.

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an association that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation which is attributable to the owners of the Company are reclassified to profit or loss.
In relation to partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified as profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

g. Inventories

Inventories consist of raw materials, finished goods and work in progress. and are stated at the lower cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

h. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are carried at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified into the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. If a lease term is shorter than the assets' useful lives, such assets are depreciated over the lease term. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period , with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

j. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each year, with the effects of any changes in the estimates accounted for on a prospective basis.
Intangible assets acquired in a business combination are recognized at fair value at the date of acquisition and separately from goodwill, and are subsequently measured in the same manner as intangible assets acquired separately.
On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

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

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

l. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL and financial assets at amortized cost.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments that are not designated as at FVTOCI and derivative instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends, interest earned and remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 26.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalent, notes receivable, trade receivables, other receivables, restricted bank deposit and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying

the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;
ii) Breach of contract, such as a default;
iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
iv) The disappearance of an active market for that financial asset because of financial difficulties.

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

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

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

For internal credit risk management purposes, the Group determines that internal or external information showing that the debtor is unlikely to pay its creditors serves as an indication that a financial asset is in default (without taking into account any collateral held by the Group).

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

3) Financial liabilities

a) Subsequent measurement
Except for the derivative instruments, all financial liabilities are measured at amortized cost using the effective interest method.

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

4) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.
Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.
Derivatives embedded in hybrid contracts that contain financial asset hosts that are within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that are within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

m. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

• Revenue from the sale of goods

Revenue from the sale of goods comes from the sale of CCL, IMS and prepreg. The sale of goods above is recognized as revenue when the goods are delivered to a customer because it is the time when the customer has full discretion over the manner of distribution and the price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently.

n. Leasing (the Group as lessee)

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

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

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

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

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

o. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

p. Government grants

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

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

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

2) Retirement benefits

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

   Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost as well as past service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expenses in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities represent the actual deficit in the Group's defined benefit plans.

q. Share-based payment arrangements

Restricted shares for employees granted to employees and others providing similar services.
The fair value at the grant date of the restricted shares for employees is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in other equity - unearned employee benefits. The expense is recognized in full at the grant date if the grants are vested immediately.

When restricted shares for employees are issued, other equity - unearned employee benefits are recognized on the grant date, with a corresponding increase in capital surplus - restricted shares for employees. Dividends paid to employees on restricted shares that do not need to be returned if employees resign in the vesting period are recognized as expenses when the dividends are declared with a corresponding adjustment in retained earnings and capital surplus - restricted shares for employees.

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

r. Taxation

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

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

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

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized.

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

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

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

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

The Group assumes there is no critical accounting judgment and estimation uncertainty involved.

6. CASH AND CASH EQUIVALENTS

	December 31 2021	December 31 2020
	$ 158	$ 289
Cash on hand and petty cash	479,324	535,913
Checking accounts and demand deposits		
Cash equivalents	12,156	17,023
Time deposits	$ 491,638	$ 553,225

The interest rate of time deposits was 1.76% per annum as of December 31, 2021 and 2020.

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS – CURRENT

	December 31 2021	December 31 2020
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts	$ -	$ 20,923
Hybrid financial assets		
Structured deposits	65,123	-
	$ 65,123	$ 20,923
Financial liabilities held for trading		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts	$ -	$ 173

At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows (December 31, 2021: none):

December 31, 2020	Currency	Maturity Date	Notional Amount (In Thousands)
Sell	USD/RMB	2021.03.30-2021.03.31	USD 13,000/RMB 89,617
Sell	USD/GBP	2021.01.25-2021.04.26	USD 540/GBP 400

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. These contracts did not meet the criteria for hedge accounting. Therefore, the Group did not apply a hedge accounting treatment for these contracts.

The group entered into a 3-month structured time deposit contract with a bank. The structured time deposit contract includes an embedded derivative instrument that is not closely related to the host contract. The entire contract is assessed and classified mandatorily at FVTPL since it contains a host that is an asset within the scope of IFRS 9. The revenue range as of December 31, 2021 was 1.30% to 3.65%.

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2021	2020
Current		
Restricted bank deposits (Note 28)	$ 28,691	$ 40,517
Time deposits	151,953	-
	$ 180,644	$ 40,517
Non-current		
Time deposits	$ 65,123	$ 152,770

As of December 31, 2021 and 2020, the maturity periods of time deposits are from October 29, 2022 to March 11, 2024 and October 29, 2022, respectively, with interest rates ranging from 3.15% to 3.99% and 3.15% per annum, respectively.

9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2021	2020
Notes receivable		
Notes receivable - operating	$ 84,351	$ 37,262
Trade receivables		
At amortized cost		
Gross carrying amount	$ 2,411,693	$ 1,430,288
Less: Allowance for impairment loss	(28,803)	(26,542)
	$ 2,382,890	$ 1,403,746
Other receivables		
Tax refund receivable	$ 1,538	$ 1,040
Others	11,457	6,373
	$ 12,995	$ 7,413

a. Trade receivables

The Group's credit period for sales of goods ranges from 120 days to 150 days. No interest was charged on trade receivables due to the short period of credit grant. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the 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 Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables 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 and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

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

December 31, 2021

	Not Past Due	Less than 90 Days	91 to 180 Days	Over 181 Days	Total
Gross carrying amount	$ 2,373,441	$ 15,924	$ 2,779	$ 19,549	$ 2,411,693
Loss allowance (Lifetime ECLs)	(7,660)	(1,148)	(834)	(19,161)	(28,803)
Amortized cost	$ 2,365,781	$ 14,776	$ 1,945	$ 388	$ 2,382,890

December 31, 2020

	Not Past Due	Less than 90 Days	91 to 180 Days	Over 181 Days	Total
Gross carrying amount	$ 1,380,284	$ 30,780	$ 276	$ 18,948	$ 1,430,288
Loss allowance (Lifetime ECLs)	(7,090)	(773)	(83)	(18,596)	(26,542)
Amortized cost	$ 1,373,194	$ 30,007	$ 193	$ 352	$ 1,403,746

The movements of the loss allowance of trade receivables were as follows:

	For the Year Ended December 31	
	2021	2020
Balance at January 1	$ 26,542	$ 20,399
Add: Net remeasurement of loss allowance	3,225	8,357
Less: Amounts written off	-	(2,170)
Foreign exchange gains and losses	(964)	(44)
Balance at December 31	$ 28,803	$ 26,542

Refer to Note 26 for details of the factoring agreements for trade receivables.
Refer to Note 28 for the amount of notes receivable pledged as collateral for loans.

b. Other receivables

Upon assessment, the Group's other receivables as of December 31, 2021 and 2020 do not require allowance for expected credit losses.

10. INVENTORIES

	December 31	
	2021	2020
Finished goods	$ 633,327	$ 364,941
Work in progress	145,346	69,698
Raw materials	642,193	388,021
	$ 1,420,866	$ 822,660

The cost of inventories recognized as the cost of goods sold for the years ended December 31, 2021 and 2020 was $5,342,878 thousand and $3,406,860 thousand, respectively.

The cost of goods sold for the years ended December 31, 2021 and 2020 included inventory write-downs of $4,609 thousand and reversals of inventory write-downs of $815 thousand, respectively. Previous write-downs were reversed as a result of increased selling prices in certain markets.

11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

Investor	Subsidiary	Nature of Activities	Proportion of Ownership (%) December 31 2021	2020
Ventec International Group Co., Ltd. ("VIG CAYMAN")	Ventec International Group Company Limited (SAMOA) ("VIG SAMOA")	General investment	100.00%	100.00%
VIG SAMOA	Ventec International Group Limited (HK) ("VIG HK") (Note 2)	General investment	100.00%	100.00%
〃	Ventec Logistics Limited ("VLL")	General investment	100.00%	100.00%
〃	Ventec Electronics (HK) Co., Ltd. ("VT HK")	International trade	100.00%	100.00%
〃	Ventec Electronics Corporation ("VT TW") (Note 1)	Manufacture and sell of CCL, IMS and prepreg	100.00%	100.00%
〃	Ventec Europe Ltd. ("VT UK")	Sell of CCL, IMS and prepreg	100.00%	100.00%
〃	Ventec Central Europe GmbH. ("VT DE")	Sell of CCL, IMS and prepreg	100.00%	100.00%
VIG HK	Ventec Electronics (Suzhou) Co., Ltd. ("VT SZ")	Research and development, manufacture and sell of CCL, IMS and prepreg	100.00%	100.00%
〃	Ventec Electronics (Jiangyin) Co., Ltd. ("VT JY")	Manufacture and sell of CCL, IMS and prepreg	100.00%	100.00%
VT SZ	Ventec Electronics (Shenzhen) Co., Ltd. ("VT SZWT")	Manufacture and sell of CCL, and sell of IMS and prepreg	100.00%	100.00%
VLL	Ventec USA LLC ("VT USA")	Sell of CCL, IMS and prepreg	100.00%	100.00%

a. On March 13, 2020, the board of directors of VT TW (which represents shareholders and supervises the Company) passed a resolution for capital reduction by cash of $50,000 thousand, and the capital reduction base date was on May 20, 2020. Moreover, on March 12, 2021, the board of directors of VT TW passed a resolution to reduce capital by cash of $75,000 thousand, and the capital reduction base date was on April 28, 2021.

b. In order to improve the capital structure of subsidiaries, the board of directors of VIG HK determined to reduce their cash capital by US$7,900 thousand on March 26, 2020.

12. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Office Equipment	Leasehold Improvements	Other Equipment	Construction in Progress and Machinery in Transit	Total
Cost								
Balance at January 1, 2021	$ 118,840	$ 512,255	$ 1,866,728	$ 34,952	$ 24,403	$ 118,688	$ 55,260	$ 2,731,126
Additions	-	-	19,014	5,959	11,242	12,344	115,542	164,101
Reclassification	-	-	118,752	1,802	18,690	16,747	(155,217)	774
Disposals	-	(6,632)	(95,022)	(1,643)	(153)	(6,986)	-	(110,436)
Acquired from business combination (Note 24)	-	-	10,505	-	404	49	-	10,958
Effect of foreign currency exchange differences	-	(1,969)	(52,930)	(1,150)	(1,268)	(2,185)	(568)	(60,070)
BALANCE AT DECEMBER 31, 2021	118,840	503,654	1,867,047	39,920	53,318	138,657	15,017	2,736,453
Accumulated depreciation								
Balance at January 1, 2021	-	184,849	1,401,885	21,814	12,312	85,509	-	1,706,369
Depreciation expenses	-	22,221	85,215	4,548	8,305	11,241	-	131,530
Disposals	-	(6,535)	(91,971)	(1,523)	(118)	(6,450)	-	(106,597)
Effect of foreign currency exchange differences	-	(790)	(48,469)	(944)	(502)	(2,294)	-	(52,999)
BALANCE AT DECEMBER 31, 2021	-	199,745	1,346,660	23,895	19,997	88,006	-	1,678,303
Carrying amounts at December 31, 2021	$ 118,840	$ 303,909	$ 520,387	$ 16,025	$ 33,321	$ 50,651	$ 15,017	$ 1,058,150
Cost								
BALANCE AT JANUARY 1, 2020	$ 118,840	$ 506,282	$ 1,726,368	$ 29,540	$ 24,218	$ 107,038	$ 12,171	$ 2,524,457
Additions	-	350	29,060	3,233	708	13,189	131,339	177,879
Reclassification	-	-	91,830	3,398	-	1,078	(90,213)	6,093
Disposals	-	(119)	(3,898)	(991)	-	(4,201)	-	(9,209)
Effect of foreign currency exchange differences	-	5,742	23,368	(228)	(523)	1,584	1,963	31,906
BALANCE AT DECEMBER 31, 2020	118,840	512,255	1,866,728	34,952	24,403	118,688	55,260	2,731,126
Accumulated depreciation								
BALANCE AT JANUARY 1, 2020	-	159,220	1,300,236	19,063	10,948	79,455	-	1,568,922
Depreciation expenses	-	23,352	86,265	3,838	1,671	8,830	-	123,956
Disposals	-	(119)	(3,320)	(911)	-	(3,991)	-	(8,341)
Effect of foreign currency exchange differences	-	2,396	18,704	(176)	(307)	1,215	-	21,832
BALANCE AT DECEMBER 31, 2020	-	184,849	1,401,885	21,814	12,312	85,509	-	1,706,369
Carrying amounts at December 31, 2020	$ 118,840	$ 327,406	$ 464,843	$ 13,138	$ 12,091	$ 33,179	$ 55,260	$ 1,024,757

The Group assessed that there was no indication of impairment of property, plant and equipment as of December 31, 2021 and 2020.

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

Buildings	
Main buildings	10 to 35 years
Engineering system	2 to 8 years
Machinery and Equipment	
Electromechanical power equipment	4 to 15 years
Repair project	2 to 5 years
Office Equipment	
Computer equipment	3 to 10 years
Office furniture	3 to 5 years
Leasehold Improvements	3 to 9 years
Other Equipment	
R&D equipment	3 to 12 years
Transportation equipment	5 to 8 years
Miscellaneous equipment	3 to 12 years

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

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2021	2020
Carrying amounts		
Land	$ 71,085	$ 74,046
Buildings	128,507	120,137
Office equipment	128	262
Transportation equipment	12,466	12,962
	$ 212,186	$ 207,407

	For the Year Ended December 31	
	2021	2020
Addition to right-of-use assets	$ 60,976	$ 94,028
Depreciation charge for right-of-use assets		
Land	$ 2,568	$ 2,541
Buildings	34,983	29,163
Office equipment	131	137
Transportation equipment	7,417	7,033
	$ 45,099	$ 38,874

Except for the addition and depreciation expense, right-of-use assets of the Group were not significantly subleased or impaired during 2021 and 2020.

b. Lease liabilities

	December 31	
	2021	2020
Carrying amounts		
Current	$ 42,520	$ 38,366
Non-current	$ 99,376	$ 96,332

Range of discount rate for lease liabilities was as follows:

	December 31	
	2021	2021
Land	1.60%	1.60%
Buildings	1.60%	1.60%
Office equipment	1.60%	1.60%
Transportation equipment	0.43%～1.60%	0.21%～1.60%

c. Material lease-in activities and terms

The Group leases certain land and buildings for the use of product manufacturing and office with lease terms of 2 to 50 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

d. Other lease information

	For the Year Ended December 31	
	2021	2020
Expenses relating to low-value asset leases	$ 59	$ 58
Total cash outflow for leases	$ 44,174	$ 37,685

The Group leases certain buildings, machinery, and transportation equipment which qualify as short-term leases and other equipment, which qualify as low-value asset leases. The Group has elected to apply for the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. GOODWILL

	For the Year Ended December 31	
	2021	2020
Cost		
Balance at January 1	$ 64,627	$ 68,030
Net exchange differences	(1,815)	(3,403)
Balance at December 31	$ 62,812	$ 64,627

The Consolidated Company acquired the assets and operations of the printed circuit board business unit of Holders Technology Plc. in September 2021 and continued to operate the business. The Group assessed that the acquired business and the amortized goodwill in the accounts belong to the same cash-generating unit. Therefore, from the acquisition date, the assets acquired were incorporated into the cash-generating unit of the amortized goodwill.

The Group assesses the recoverable amount of goodwill at the end of the annual reporting period based on the value in use approach. The calculation of value in use on December 31, 2021 and 2020 included cash flow projections in the financial budgets covering a 5-year period and the discount rates were 14.90% and 13.60%, respectively, which reflected the specific risk of the relevant cash-generating unit. Based on the assessment on December 31, 2021 and 2020, the recoverable amounts of goodwill amounted to $258,861 thousand and $105,937 thousand, respectively, which were still higher than the related carrying amounts, so no impairment loss was recognized.

15. BORROWINGS

a. Short-term borrowings

	December 31	
	2021	2020
Secured borrowings		
Bank loans	$ 319,265	$ 138,922
Notes receivable financing	15,390	-
Unsecured borrowings		
Bank loans	294,619	109,122
	$ 629,274	$ 248,044

The range of interest rate on short-term borrowings was 0.64%-4.80% and 0.75%-4.80% per annum as of December 31, 2021 and 2020, respectively.

b. Long-term borrowings

Taiwan Cooperative Bank	December 31 2021	December 31 2020
Secured borrowings: From 2019/07/31 to 2034/07/31 and will be repaid in 180 periods.	$ 112,751	$ 120,170
Secured borrowings: From 2019/08/12 to 2024/08/12 and will be repaid in 60 periods.	24,398	33,318

	December 31 2021	December 31 2020
Nissan Motor Acceptance Corporatic		
Secured borrowings: From 2017/06/01 to 2021/05/01 and will be repaid in 47 periods.	$ -	$ 163
Secured borrowings: From 2020/02/12 to 2025/01/12 and will be repaid in 59 periods.	498	764
Toyota Forklift		
Secured borrowings: From 2021/02/05 to 2026/02/05 and will be repaid in 60 periods.	744	-
	138,391	154,415
Less: Current portions	(18,254)	(17,358)
	$ 120,137	$ 137,057

The range of interest rate on long-term borrowings was 1.35%-4.21% and 1.40%-4.21% per annum as of December 31, 2021 and 2020, respectively.

Refer to Note 28 for details of borrowings secured by guarantee.

16. OTHER PAYABLES

	December 31 2021	December 31 2020
Payables for salaries or bonuses	$ 356,910	$ 168,835
Payables for taxes	40,529	71,596
Payables for social security or provident fund	28,091	26,911
Payables for construction and equipment	31,436	13,005
Others	189,212	143,707
	$ 646,178	$ 424,054

17. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

The employees of the Group's subsidiary in mainland China, the United Kingdom, the United States and Germany are members of a state-managed retirement benefit plan operated by the local government. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

b. Defined benefit plans

The pension plan "Salary and Welfare Measures for Employees in Taiwan and Hong Kong" set by the Company of the Group is a defined benefit plan. Pension benefits are calculated on the basis of the terms set out in the regulation and average monthly salaries for the 6 months before retirement.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2021	2020
Net defined benefit liabilities	$ 47,757	$ 40,418

Movements in net defined benefit liabilities were as follows:

	December 31	
	2021	2020
Balance at January 1	$ 40,418	$ 34,737
Service cost		
Current service cost	4,471	4,045
Interests expense	202	261
Recognized in profit or loss	4,673	4,306
Remeasurement		
Actuarial loss - changes in financial assumptions	670	663
Actuarial gain - experience adjustments	1,996	712
Recognized in other comprehensive income	2,666	1,375
Balance at December 31	$ 47,757	$ 40,418

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2021	2020
General and administrative expenses	$ 4,673	$ 4,306

Through the defined benefit plans under "Salary and Welfare Measures for Employees in Taiwan and Hong Kong", the Group is exposed to the following risks:

1) Interest risk: A decrease in the interest rate of government bonds will increase the present value of the defined benefit obligation
2) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2021	2020
Discount rates	0.500%	0.500%
Expected rates of salary increase	2.000%	2.000%

If possible reasonable changes in each of the significant actuarial assumptions will occur and all other assumptions will remain constant. The present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2021	2020
Discount rates		
0.25% increase	$ (751)	$ (664)
0.25% decrease	$ 772	$ 682
Expected rates of salary increase		
0.25% increase	$ 749	$ 663
0.25% decrease	$ (733)	$ (648)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation.
as it is unlikely that changes in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2021	2020
Average duration of the defined benefit obligation	9.1 years	10.0 years

18. EQUITY

a. Ordinary shares

	December 31	
	2021	2020
Number of shares authorized (in thousands)	90,000	90,000
Shares authorized	$ 900,000	$ 900,000
Number of shares issued and fully paid (in thousands)	71,454	71,454
Shares issued	$ 714,543	$ 714,543

The holders of issued ordinary shares with a par value of $10 are entitled to the right to vote and to receive dividends.

In order to increase staff motivation and encourage collaboration, achieve the goals of attracting and maintaining a team of motivated employees and to create a win-win situation between the Company and its shareholders, the board of directors of the Company passed a resolution to issue restricted share awards up to a maximum of 800 thousand shares on March 13, 2020, which were approved by the FSC on July 24, 2020.

The board of directors of the Company passed a resolution to issue 800 thousand restricted shares on August 6, 2020 and the base date of capital increase was September 23, 2020.

b. Capital surplus

	December 31	
	2021	2020
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital</u>		
Issuance of ordinary shares	$ 835,071	$ 835,071
<u>May not be used for any purpose</u>		
Employee restricted shares	51,040	51,040
	$ 886,111	$ 886,111

1) Unless otherwise provided under the laws and the applicable listing rules, neither the statutory reserve nor the capital reserve shall be used except for offsetting the losses of the Company. The Company shall not use the capital reserve to offset its capital losses unless the statutory reserve and special reserve set aside for purposes of loss offset are insufficient to offset such losses.

2) Subject to the laws, where the Company incurs no loss, it may, by a special resolution, distribute its Statutory reserve, the share premium account and/or the income from endowments received by the Company, which are in the capital reserve which are available for distribution, in whole or in part, by issuing new, fully paid shares and/or by cash to its members.

c. Retained earnings and dividends policy

The shareholders' meeting on June 11, 2020 passed a resolution to amend the Company's Articles of Incorporation (the "Articles"). The amendments explicitly stipulate that the proposal for profit distribution or offsetting of losses should be made at the end of each half fiscal year, the board may, by a resolution passed by a majority of the directors present at a meeting of the board attended by two-thirds or more of the total number of directors, distribute dividends to the shareholders and in addition, thereto a report of such distribution shall be submitted to the general meeting.
Under the dividends policy as set forth in the amended Articles, as the Company is in the growing stage, the dividend of the Company may be distributed in the form of cash dividends and/or share dividends. The Company shall take into consideration the Company's capital expenditures, future expansion plans, and financial structure, funds requirements and other plans for sustainable development needs in assessing the amount of dividends distributed by the Company.

Subject to the laws, the applicable listing rules and the Articles and except as otherwise provided by the rights attaching to any shares, where the Company still has annual net profit for the year, after paying all relevant taxes, offsetting losses (including losses of previous years and adjusted undistributed profits, if any), setting aside the statutory reserve of the remaining profits in accordance with the applicable listing rules (provided that the setting aside of the statutory reserve does not apply if the aggregate amount of the statutory reserve amounts to the Company's total paid-in capital), and setting aside the special reserve (if any), the board may, by a resolution passed by a majority of the directors present at a meeting of the board attended by two-thirds or more of the total number of directors, distribute not less than ten percent (10%) of the remaining balance (including the amounts reversed from the special reserve), plus accumulated undistributed profits of previous years (including adjusted undistributed profits) in part or in whole to the members as dividends/bonuses in proportion to the number of shares held by them respectively pursuant to the Articles; and in addition thereto a report of such distribution shall be submitted to the general meeting, provided that, cash dividends/bonuses shall not be less than ten percent (10%) of the total amount of dividends/bonuses to members.

The Company may resolve to distribute net profit or offset losses at the end of each half fiscal year. Whenever the Company still has net profit at the end of the first half fiscal year, the Company shall first estimate and reserve the amount of compensation of employees, remuneration of directors and then payment of tax from the said profits; and after offsetting losses (including losses as at the beginning of the first half fiscal year and adjusted undistributed profits, if any), setting aside the statutory reserve of the remaining profits in accordance with the applicable listing rules (provided that the setting aside of the statutory reserve does not apply if the aggregate amount of the statutory reserve equals the Company's total paid-in capital), and setting aside the special reserve (if any), the board may, subject to the compliance with the percentage of distribution as set forth, resolve to distribute the remaining balance (including the amounts reversed from the special reserve), plus accumulated undistributed profits as at the beginning of the first half fiscal year (including adjusted undistributed profits) in whole or in part as dividends/bonuses in proportion to the number of shares held by them respectively pursuant to the Articles; and in addition, thereto a report of such distribution shall be submitted to the general meeting.

Under the dividends policy as set forth in the Articles before the amendments, as the Company is in the growing stage, the dividend of the Company may be distributed in the form of cash dividends and/or share dividends. The Company shall take into consideration the Company's capital expenditures, future expansion plans, and financial structure, funds requirements and other plans for sustainable development needs in assessing the amount of dividends distributed by the Company.

Subject to the laws, the applicable listing rules and the Articles and except as otherwise provided by the rights attaching to any shares, where the Company still has annual net profit for the year, after paying all relevant taxes, offsetting losses (including losses of previous years and adjusted undistributed profits, if any), setting aside the statutory reserve of the remaining profits in accordance with the applicable listing rules (provided that the setting aside of the statutory reserve does not apply if the aggregate amount of the statutory reserve equals the Company's total issued capital), and setting aside the special reserve (if any), the Company may distribute not less than 10% of the remaining balance (including the amounts reversed from the special reserve), plus undistributed profits of previous years (including adjusted undistributed profits) in part or in whole as determined by an ordinary resolution passed at an annual general meeting of the Company duly convened and held in accordance with the Articles to the members as dividends/bonuses in proportion to the number of shares held by them pursuant to the Articles, provided that, cash dividends shall not be less than 10% of the total amount of dividends distributed to members. plus accumulated undistributed profits as at the beginning of the first half fiscal year (including adjusted undistributed profits) in whole or in part as dividends/bonuses in proportion to the number of shares held by them respectively pursuant to the Articles; and in addition, thereto a report of such distribution shall be submitted to the general meeting.

For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 20-e.

Unless resolved by the general meeting of the Company, the dividends, bonuses or other forms of distributions payable to the members shall be calculated in NTD.

The appropriations of earnings for 2020 and 2019 were as follows:

	Appropriation of Earnings For the Year Ended December 31		**Dividends Per Share For the Year Ended December 31**	
	2020	**2019**	**2020 (NT$)**	**2019 (NT$)**
Legal reserve	$ 37,188	$ 47,174		
Special reserve	($ 72,016)	$ 85,759		
Cash dividends	$ 228,654	$ 353,272	$ 3.20	$ 5.00

The above appropriation of earnings for 2019 was approved in the shareholders' meetings on June 11, 2020. The appropriation of earnings for 2020 has been approved by the Company's board of directors on May 7, 2021 and is subject to the resolution of the shareholders in their meeting to be held on July 30, 2021.

The appropriation of earnings for 2021 approved in the board meeting on March 4, 2022 was as follows:

	Appropriation of Earnings For the Year Ended December 31	**Dividends Per Share For the Year Ended December 31**
	2021	**2020(NT$)**
Legal reserve	$ 82,515	
Special reserve	$ 20,162	
Cash dividends	$ 471,599	$ 6.60

The above cash dividends have been approved by the board of directors and are subject to the resolution of the shareholders in their meeting to be held on June 17, 2022.

d. Other equity

Unearned employee benefits

In the meeting, the shareholders approved a restricted share plan for employees (see Note 23).

	For the Year Ended December 31	
	2021	**2020**
Balance at January 1	($ 53,436)	$ -
Issuance of shares	-	(59,040)
Share-based payment expenses recognized	20,660	5,604
Balance at December 31	($ 32,776)	($ 53,436)

19. REVENUE

a. Revenue from contracts with customers
For contract information, refer to Notes 4 and 32.

b. Contract balances
For notes receivable and trade receivables, refer to Note 9.

	December 31, 2021	**December 31, 2020**	**January 1, 2020**
Contract liabilities (included in other current liabilities)	$ 3,227	$ 2,205	$ 5,771

The changes in the balance of contract liabilities primarily result from the timing difference between the Group's performance and the respective customer's payment.

20. NET PROFIT FROM CONTINUING OPERATIONS

a. Other gains and losses

	For the Year Ended December 31	
	2021	**2020**
Loss on foreign currency exchange, net	($ 23,270)	($ 85,711)
Financial assets mandatorily classified as at FVTPL (Note 7)	(3,388)	25,043
(Loss) gain on disposal of property, plant and equipment, net	(2,282)	370
Others	(5,520)	(1,599)
	($ 34,460)	($ 61,897)

b. Interests expense

	For the Year Ended December 31	
	2021	2020
Interest on bank loans	$ 11,526	$ 8,205
Interest on lease liabilities	847	1,070
	$ 12,373	$ 9,275

c. Depreciation and amortization

	For the Year Ended December 31	
	2021	2020
Property, plant and equipment	$ 131,530	$ 123,956
Right-of-use assets	45,099	38,874
Intangible assets	747	668
	$ 177,376	$ 163,498
An analysis of depreciation by function		
Operating costs	$ 109,897	$ 101,242
Operating expenses	66,732	61,588
	$ 176,629	$ 162,830
An analysis of amortization by function		
Operating costs	$ -	$ 354
Selling and marketing expenses	688	91
General and administrative expenses	59	223
	$ 747	$ 668

d. Employee benefits expense

	For the Year Ended December 31	
	2021	2020
Retirement benefits		
Defined contribution plans	$ 3,915	$ 4,712
Defined benefit plans	4,673	4,306
	8,588	9,018
Share-based payments		
Equity-settled	20,660	5,604
Other employee benefits	974,938	670,259
Total employee benefits expense	$ 1,004,186	$ 684,881
An analysis of employee benefits expense by function		
Operating costs	$ 468,212	$ 340,544
Operating expenses	535,974	344,337
	$ 1,004,186	$ 684,881

e. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of no less than 5-10% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors.

The compensation of employees and the remuneration of directors and supervisors for the years ended December 31, 2021 and 2020, which were approved by the Company's board of directors on March 4, 2022 and March 12, 2021, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2021	2020
Compensation of employees	10.0%	5.6%
Remuneration of directors	2.0%	2.0%

Amount

	For the Year Ended December 31			
	2021		2020	
	Cash (In Thousands of NT$)	Cash (In Thousands of US$)	Cash (In Thousands of NT$)	Cash (In Thousands of US$)
Compensation of employees	$ 94,005	$ 3,355	$ 22,812	$ 762
Remuneration of directors	18,701	668	8,006	270

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

There is no difference between the actual amounts of compensation of employees and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2020 and 2019.

Information on the compensation of employees and remuneration of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

21. INCOME TAX

a. Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2021	2020
Current tax		
In respect of the current year	$ 143,381	$ 60,022
Income tax on unappropriated earnings	2,866	2,046
Adjustments for prior years	(18,822)	(16,057)
	127,425	46,011
Deferred tax		
In respect of the current year	70,963	42,716
Adjustments for prior years	22,102	8,960
	93,065	51,676
Income tax expense recognized in profit or loss	$ 220,490	$ 97,687

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2021	2020
PROFIT BEFORE INCOME TAX	$ 1,048,302	$ 470,940
Income tax expense calculated at the statutory rate	$ 166,959	$ 75,538
Deferred tax effect of earnings of subsidiaries	73,543	40,364
Income tax on unappropriated earnings	2,866	2,046
Unrecognized loss carryforwards and deductible temporary differences	(28,196)	(18,832)
Adjustments for prior years' tax	3,280	(7,097)
Others	2,038	5,668
Income tax expense recognized in profit or loss	$ 220,490	$ 97,687

The applicable tax rate used by the entity which applied corporate income tax in the Republic of China is 20%. The applicable tax rate used by subsidiaries in China is 25%; however, VT SZ has applied to the local tax bureau for the preferential income tax for "high-tech enterprises", with the applicable tax rate decreasing to 15%. Tax rates used by entities in the Group that operate in other jurisdictions are based on the tax laws in those jurisdictions.

b. Current tax assets and liabilities

	December 31	
	2021	2020
Current tax assets		
Tax refund receivable	$ 3,648	$ -
Current tax liabilities		
Income tax payable	$ 39,396	$ 16,917

c. Deferred tax assets and liabilities

For the year ended December 31, 2021

Deferred tax assets	Balance at January 1	Recognized in Profit or Loss	Exchange Differences	Others	Closing Balance
Temporary differences					
Allowance for inventory valuation	$ 4,418	$ 300	($ 58)	$ -	$ 4,660
Others	8,963	3,781	(243)	-	12,501
	13,381	4,081	(301)	-	17,161
Loss carryforwards	37,178	(22,952)	(757)	-	13,469
	$ 50,559	($ 18,871)	($ 1,058)	$ -	$ 30,630
Deferred tax liabilities					
Temporary differences					
Unappropriated earnings of subsidiaries	$ 103,888	$ 73,543	($ 3,469)	($ 29,794)	$ 144,168
Others	7,873	651	(270)	-	8,254
	$ 111,761	$ 74,194	($ 3,739)	($ 29,794)	$ 152,422

For the year ended December 31, 2020

Deferred tax assets	Balance at January 1	Recognized in Profit or Loss	Exchange Differences	Others	Closing Balance
Temporary differences					
Allowance for inventory valuation	$ 4,805	($ 435)	$ 48	$ -	$ 4,418
Others	10,323	(1,530)	170	-	8,963
	15,128	(1,965)	218	-	13,381
Loss carryforwards	48,129	(8,915)	(2,036)	-	37,178
	$ 63,257	($ 10,880)	($ 1,818)	$ -	$ 50,559
Deferred tax liabilities					
Temporary differences					
Unappropriated earnings of subsidiaries	$ 117,444	$ 40,364	($ 5,540)	($ 48,380)	$ 103,888
Others	7,667	432	(226)	-	7,873
	$ 125,111	$ 40,796	($ 5,766)	($ 48,380)	$ 111,761

d. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets were $50,949 thousand and $140,746 thousand as of December 31, 2021 and 2020, respectively.

e. Income tax assessments

The income tax returns of VT TW through 2019 have been assessed by the tax authorities.

22. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2021	**2020**
Basic earnings per share	$ 11.72	$ 5.28
Diluted earnings per share	$ 11.51	$ 5.25

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

Net Profit For The Year

	For the Year Ended December 31	
	2021	**2020**
Net Profit For The Year	$ 827,812	$ 373,253

The weighted average number of ordinary shares outstanding (in thousands of shares) is as follows:

	For the Year Ended December 31	
	2021	**2020**
Weighted average number of ordinary shares used in the computation of basic earnings per share	70,654	70,654
Effect of potentially dilutive ordinary shares:		
Employee restricted shares	530	38
Compensation of employees	753	433
Weighted average number of ordinary shares used in the computation of diluted earnings per share	71,937	71,125

If the Group offered to settle compensation paid to employees in cash or shares, the Group assumed the entire amount of the compensation would 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.

23. SHARE-BASED PAYMENT ARRANGEMENTS

a. Employee restricted shares

In the shareholders’ meeting on June 11, 2020, the shareholders approved a restricted share plan for employees with a total amount of 800 thousand, and issued all of these shares on September 23, 2020.

The restrictions on the rights of the employees who acquire the restricted shares issued by the Company in September 2020 but have not met the vesting conditions included that the employees cannot sell, pledge, transfer, donate or, in any other way, dispose of these shares. However, the shares entitled to allotment, dividends and share options of increased the share capital.

If an employee fails to meet the vesting conditions, the Company will recall and cancel the employee’s restricted shares.

The information about employee restricted shares are as follows:

Employee restricted shares	For the Year Ended December 31 2021 Share (In Thousands)	2020 Share (In Thousands)
Beginning at January 1	800	-
Issuance of shares	-	800
Balance at December 31	800	800

The information about employee restricted shares of the Company for the year ended December 31, 2020 is as follows:

Vest Date	Fair Value Per Share at Vesting Date (In Dollars)	Number of Payments (In Thousands)	Vesting Period
September 23, 2020	73.8	800	2 to 4 years

Compensation costs recognized for the years ended December 31, 2021 and 2020 was $20,660 thousand and $5,604 thousand, respectively.

24. BUSINESS COMBINATION

The Group entered into a purchase agreement with Holders Technology Plc. to acquire the assets and operations of its printed circuit board business unit and continue to operate the business, with September 30, 2021 as the acquisition date.

(1) Consideration transfer

	September 30, 2021
Cash	$ 61,454

(2) Assets acquired at the date of acquisition

	September 30, 2021
Current assets	
Inventories	$ 37,214
NON-CURRENT ASSETS	
Property, plant and equipment	10,958
Intangible assets	13,282
	$ 61,454

(3) Effect of business combination on operating results

The operating results of the acquired PCB business unit from the beginning of the fiscal year in which the acquisition occurred to the acquisition date are not available. Therefore, the pro forma information for the Year 2021 is not disclosed.

25. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

26. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The management of the Group believes that the book value of financial assets and liabilities, which are not measured by fair value approaches its fair value cannot be reliably measured.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Structured deposits	$	$ 65,123	$ -	$ 65,123

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial instruments	$ -	$ 20,923	$ -	$ 20,923
Financial liabilities classified at fair value through profit or loss				
Derivative financial instruments	$ -	$ 173	$ -	$ 173

There were no transfers between Level 1 and 2 for the years ended December 31, 2021 and 2020.

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

Financial Instrument	Valuation Technique and Inputs
Derivatives - foreign exchange forward contracts	Discounted cash flow Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Structured deposits	Discounted cash flow: Future cash flows are estimated based on observable interest rates at the end of the period and are discounted at market interest rates.

c. Categories of financial instruments

	December 31 2021	2020
Financial assets		
FVTPL		
Mandatorily classified as at FVTPL	$ 65,123	$ 20,923
Financial assets at amortized cost (1)	3,225,136	2,203,864
Financial liabilities		
FVTPL		
Mandatorily classified as at FVTPL	-	173
Financial liabilities at amortized cost (2)	2,341,543	1,458,820

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables, other receivables, and financial assets carried at amortized and refundable deposits.
2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, trade payables, other payables, long-term borrowings (including the current portion) and guarantee deposits.

d. Financial risk management objectives and policies

The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports, which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the board of directors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Group's operating activities exposed itself primarily to the market risks of changes in foreign currency exchange rates and interest rates.

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

a) Foreign currency risk

Several subsidiaries of the Company have foreign currency sales and purchases, which exposes the Group to foreign currency risk. Exchange rate exposures are managed within approved policy parameters utilizing foreign exchange derivatives.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 30.

Sensitivity analysis

The Group's sensitivity analysis mainly focuses on the foreign currency risk of U.S. dollars at the end of the reporting period. Assuming a 1% strengthening/weakening of the functional currency against U.S. dollars, the Group's net income before tax for the years ended December 31, 2021 and 2020 would have decreased/increased by $7,245 thousand and $10,765 thousand, respectively.

In management's opinion, the sensitivity analysis was unrepresentative of the inherent foreign currency risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.
The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2021	**2020**
Fair value interest rate risk		
— Financial assets	$ 217,076	$ 152,770
— Financial liabilities	737,022	358,667
Cash flow interest rate risk		
— Financial assets	520,171	593,453
— Financial liabilities	172,539	178,490

Sensitivity analysis
The sensitivity analysis was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate financial assets and liabilities, the analysis was prepared to assume the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If interest rates had been 25 points higher and all other variables were held constant, the Group's net income before tax for the years ended December 31, 2021 and 2020 would have increased/decreased by $869 thousand and $1,037 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank deposits and borrowings.

2) Credit risk
Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be equal to the total of the following:

a) The carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets; and
b) The amount of contingent liabilities in relation to financial guarantees issued by the Group.

The Group adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored. The Group also checks between transaction amount and credit limit periodically and adjusts the limit in time to control credit risk.
The counterparties of the Group's trade receivables included numerous clients distributed over a variety of areas, and were not centered on a single client or location. Furthermore, the Group continuously assesses the financial condition of its clients, and the Group's credit risk is limited. At the end of the reporting period, the Group's largest exposure to credit risk approximates the carrying amounts of its financial assets.

3. Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and financing facilities deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2021 and 2020, the Group had available unutilized short-term bank loan facilities set out in (b) below.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table was drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

December 31, 2021

	On Demand or Less than 1 Year	**1-5 Years**	**5+ Years**
Non-derivative financial liabilities			
Non-interest bearing	$ 1,577,328	$ 5,192	$ 3,901
Lease liabilities	40,757	101,017	-
Variable interest rate assets	53,325	49,294	69,920
Fixed interest rate assets	594,203	923	-
	$ 2,265,613	$ 156,426	$ 73,821

December 31, 2020

	On Demand or Less than 1 Year	**1-5 Years**	**5+ Years**
Non-derivative financial liabilities			
Non-interest bearing	$ 1,058,973	$ 7,034	$ 3,903
Lease liabilities	39,137	97,597	-
Variable interest rate assets	42,000	66,543	69,947
Fixed interest rate assets	223,402	567	-
	$ 1,363,512	$ 171,741	$ 73,850

b) Financing facilities

	December 31	
	2021	**2020**
Bank loan facilities		
Amount unused	$ 764,402	$ 1,142,635

e. Transfers of financial assets

Factored trade receivables for the years ended December 31, 2021 and 2020 were as follows:

2021

Subsidiaries	Counterparties	Receivables Sold	Amounts Collected	Effect of foreign currency exchange differences	Advances Received at Year-End	Interest Rates on Advances Received (%)	Credit Line
VT DE	Targo Factoring USD	$ 7,619	$ 13,475	($ 183)	$ -	-	$ -
VT DE	Targo Factoring EUR	61,710	65,377	114	-	-	-
		$ 69,329	$ 78,852	($ 69)	$ -		

2020

Subsidiaries	Counterparties	Receivables Sold	Amounts Collected	Effect of foreign currency exchange differences	Advances Received at Year-End	Interest Rates on Advances Received (%)	Credit Line
VT DE	Targo Factoring USD	$ 40,319	$ 35,295	$ 341	$ 6,039	3.70%	$ 87,551
VT DE	Targo Factoring EUR	181,717	181,480	154	3,781	1.95%	87,551
VT UK	HSBC Bank plc	-	12,818	(481)	-	-	-
		$ 222,036	$ 229,593	$ 14	$ 9,820		

The above credit lines may be used on a revolving basis.

Pursuant to the Group's factoring agreements, losses from commercial disputes (such as sales returns and discounts) are borne by the Group, while losses from credit risk are borne by the banks.

The financial assets that have been sold but not yet used by the subsidiaries VT DE and VT UK have been reclassified from accounts receivable to other receivables.

27. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in other notes, details of transactions between the Group and other related parties are disclosed below.

Remuneration of key management personnel

	For the Year Ended December 31	
	2021	2020
Short-term employee benefits	$ 80,580	$ 41,270
Retirement benefits	1,568	1,564
Share-based payments	3,125	870
	$ 85,273	$ 43,704

The remuneration of directors and key executives of the Company was determined based on the performance of individuals and market trends.

28. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets of the Group are provided as collateral for bank borrowings:

	December 31	
	2021	2020
Notes receivable	$ 15,390	$ -
Restricted bank deposits	28,691	40,517
Property, plant and equipment, net	220,809	224,621
	$ 264,890	$ 265,138

29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

As of December 31, 2021 and 2020, the Group's unused letters of credit amounted to $96,652 thousand and $26,864 thousand, respectively.

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant financial assets and liabilities of the entities in the Group are 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:

December 31, 2021

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 6,390	6.376 (USD:RMB)	$ 176,888
USD	57,235	7.799 (USD:HKD)	1,584,269
USD	3,715	27.680 (USD:NTD)	102,820
			$ 1,863,977
Financial liabilities			
Monetary items			
USD	7,607	6.376 (USD:RMB)	$ 210,549
USD	31,507	7.799 (USD:HKD)	872,114
USD	2,052	27.680 (USD:NTD)	56,804
			$ 1,139,467

December 31, 2020

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 31,791	6.525 (USD:RMB)	$ 905,426
USD	37,043	7.754 (USD:HKD)	1,055,004
USD	4,703	28.480 (USD:NTD)	133,956
			$ 2,094,386
Financial liabilities			
Monetary items			
USD	4,649	6.525 (USD:RMB)	$ 132,411
USD	29,140	7.754 (USD:HKD)	829,908
USD	1,950	28.480 (USD:NTD)	55,540
			$ 1,017,859

For the years ended December 31, 2021 and 2020, net losses on foreign exchange were $23,270 thousand and $85,711 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

31. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and (2) information about investees

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

b. 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, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 6)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Tables 2, 3, 4 and 7):

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
c) The amount of property transactions and the amount of the resultant gains or losses.
d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

c. Information of major shareholders: List all shareholders with ownership of 5% or greater, showing the name of the shareholder, the number of shares owned, and the percentage of ownership of each shareholder. (Table 8)

32. SEGMENT INFORMATION

The Group mainly engages in the production and sale of CCL, IMS and prepreg. The chief operating decision maker uses company-wide financial information to allocate resources and measure performance. In accordance with the requirements of IFRS 8 “Operating Segments”, the Group provides information to the chief operating decision-maker to allocate resources and assess the performance of the segments by focusing on the location of operations. The reportable segments should include “Asia” and “Europe and America”.

a. Segment revenue and results

The following was an analysis of the Group’s revenue and results from continuing operations by reportable segments.

For the year ended December 31, 2021

	Asia	Europe and America	Elimination of inter-segment revenue	Total
Revenue from external customers	$6,316,675	$1,350,544	$ -	$7,667,219
Inter-segment revenue	4,886,893	29,244	(4,916,137)	-
Consolidated revenue	$11,203,568	$1,379,788	($4,916,137)	$7,667,219
Segment income	$ 996,767	$ 79,699	$ -	$1,076,466
Interest income				1,967
Other income				16,702
Other gains and losses				(34,460)
Interests expense				(12,373)
PROFIT BEFORE INCOME TAX				$1,048,302

For the year ended December 31, 2020

	Asia	Europe and America	Elimination of inter-segment revenue	Total
Revenue from external customers	$3,879,496	$ 950,687	$ -	$4,830,183
Inter-segment revenue	2,838,493	27,349	(2,865,842)	-
Consolidated revenue	$6,717,989	$ 978,036	($2,865,842)	$4,830,183
Segment income	$ 475,026	$ 56,980	$ -	$ 532,006
Interest income				1,528
Other income				8,578
Other gains and losses				(61,897)
Interests expense				(9,275)
PROFIT BEFORE INCOME TAX				$ 470,940

Segment income represented the profit before tax earned by each segment without interest income, other income, other gains and losses and interest expense. This was the measure reported to the chief operating decision-maker for the purpose of resource allocation and assessment of segment performance.

However, the measure of segment assets and liabilities was not provided to the chief operating decision-maker.

b. Product information

The Group mainly engages in the production and sale of CCL, IMS and prepreg, which all belong to one single product category. As a result, there is no need to disclose product information.

c. Geographical information

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue from External Customers		**NON-CURRENT ASSETS**	
	For the Year Ended December 31		**December 31**	
	2021	**2020**	**2021**	**2020**
China	$ 5,779,010	$ 3,556,060	$ 883,105	$ 851,334
United Kingdom	362,406	291,353	37,741	26,295
United States	405,133	355,813	36,543	38,800
Germany	583,304	303,521	74,776	41,374
Taiwan	537,366	323,436	266,753	279,080
	$ 7,667,219	$ 4,830,183	$ 1,298,918	$ 1,236,883

Non-current assets exclude financial instruments and deferred tax assets.

d. Information about major customers

Single customer contributing 10% or more to the Group's revenue of 2021 and 2020 was as follows:

	For the Year Ended December 31	
	2021	**2020**
Customer A	$ 553,589	$ 821,321

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period (Note 4)	Ending Balance (Note 4)	Actual Borrowing Amount (Note 4)	Interest Rate	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for uncollectible accounts	Collateral		Financing Limit for Each Borrower (Notes 3 and 4)	Aggregate Financing Limits (Notes 3 and 4)	Note
													Item	Value			
2	VT HK	VIG SAMOA	Other receivables	Yes	$ 1,384,000 (USD 50,000)	$ 1,384,000 (USD 50,000)	$ 384,780 (USD 13,901)	-	2	$	Operating capital needed	$ -	-	$ -	$ 3,655,120 (USD 132,050)	$ 7,310,240 (USD 264,100)	
2	VT HK	VLL	Other receivables	Yes	276,800 (USD 10,000)	276,800 (USD 10,000)	50,959 (USD 1,841)	-	2		Operating capital needed	-	-	-	3,655,120 (USD 132,050)	7,310,240 (USD 264,100)	
2	VT HK	VT UK	Other receivables	Yes	96,880 (USD 3,500)	96,880 (USD 3,500)	42,904 (USD 1,550)	1.67%	2		Operating capital needed	-	-	-	3,655,120 (USD 132,050)	7,310,240 (USD 264,100)	
2	VT HK	VT USA	Other receivables	Yes	110,720 (USD 4,000)	110,720 (USD 4,000)	96,880 (USD 3,500)	1.67%	2		Operating capital needed	-	-	-	3,655,120 (USD 132,050)	7,310,240 (USD 264,100)	
2	VT HK	VT DE	Other receivables	Yes	55,360 (USD 2,000)	55,360 (USD 2,000)	55,360 (USD 2,000)	1.67%	2		Operating capital needed	-	-	-	3,655,120 (USD 132,050)	7,310,240 (USD 264,100)	

Note 1: The parent company is indicated by “0”, while all other numbers indicate subsidiaries.

Note 2: Types of financing were as follows:
a. Business and trade.
b. Short-term financing.

Note 3: The limits of financing amounts were as follows:
a. Financing received from the Company cannot exceed 50% of the Company’s net asset value.
b. The financing limits where the Company directly and indirectly holds voting right shares of subsidiaries at 100% are as follows: The total and individual financing amount cannot exceed 20 times and 10 times of the Company’s net asset value, respectively. The calculation of net asset value was based on the lender’s net asset value as of December 31, 2021.

Note 4: The calculation was based on the spot exchange rate as of December 31, 2021.

Note 5: All intercompany transactions have been eliminated on consolidation.

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/Guarantee Given on Behalf of Each Party (Notes 2 and 3)	Maximum Amount Endorsed/Guaranteed During the Period (Note 3)	Outstanding Endorsement/Guarantee at the End of the Period (Note 3)	Actual Borrowing Amount (Note 3)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/Guarantee Limit (Notes 2 and 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 4)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 4)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 4)	Note
		Name	Relationship											
0	VIG CAYMAN	VT HK	SUBSIDIARIES	$ 6,101,150 (USD 220,416)	$ 429,040 (USD 15,500)	$ 429,040 (USD 15,500)	$ 275,748 (USD 9,962)	$	14.06%	$ 12,202,300 (USD 440,832)	Y	N	N	
0	VIG CAYMAN	VT TW	SUBSIDIARIES	6,101,150 (USD 220,416)	1,017,794 (USD 36,770)	895,199 (USD 32,341)	210,506 (USD 7,605)		29.35%	12,202,300 (USD 440,832)	Y	N	N	
0	VIG CAYMAN	VT SZ	SUBSIDIARIES	6,101,150 (USD 220,416)	138,400 (USD 5,000)	138,400 (USD 5,000)	-		4.54%	12,202,300 (USD 440,832)	Y	N	Y	
1	VIG HK	VT UK	Fellow subsidiary	264,649 (USD 9,561)	8,138 (USD 294)	8,138 (USD 294)	-		0.31%	529,297 (USD 19,122)	N	N	N	
2	VT TW	VT HK	Fellow subsidiary	1,928,775 (USD 69,680)	415,200 (USD 15,000)	415,200 (USD 15,000)	273,312 (USD 9,874)		107.63%	2,314,530 (USD 83,616)	N	N	N	

Note 1: The parent company is indicated by “0”, while all other numbers indicate subsidiaries.

Note 2: The limits of endorsements/guarantees amounts were as follows (the calculation of net asset value was based on the endorser’s or guarantor’s net asset value as of December 31, 2021):

a. For VIG CAYMAN, the total amount of endorsement/guarantee provided and the limit on endorsement/guarantee amounts provided to each guaranteed party cannot exceed 400% and 200% of the Company’s net asset value, respectively.

b. For VIG HK, the total amount of endorsement/guarantee provided and the limit on endorsement/guarantee amounts provided to each guaranteed party cannot exceed 20% and 10% of the Company’s net asset value, respectively.

c. For VT TW, the total amount of endorsement/guarantee provided and the limit on endorsement/guarantee amounts provided to each guaranteed party cannot exceed 600% and 500% of the Company’s net asset value, respectively.

Note 3: The calculation was based on the spot exchange rate as of December 31, 2021.

Note 4: Endorsement/guarantee given by parent which is listed company on behalf of subsidiaries, endorsement/guarantee given by subsidiaries on behalf of parent which is listed company and endorsement/guarantee given on behalf of companies in mainland China: Must fill in Y.

VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES **TABLE 3**

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Trade Receivables (Payables)		Note
			Purchase/ Sale	Amount (Note 1)	% of Total	Payment Terms	Unit Price	Payment Terms	Balance (Note 2)	% of Total	
VT HK	VT SZ	The same ultimate parent	Purchase	$ 1,725,466 (USD 61,677)	71.87%	150 days	No major difference	No major difference	($ 540,552) (USD 19,529)	77.88%	
VT HK	VT SZ	The same ultimate parent	Sale	(590,511) (USD 21,112)	22.11%	150 days	No major difference	No major difference	182,716 (USD 6,601)	21.47%	
VT HK	VT TW	The same ultimate parent	Sale	(221,279) (USD 7,896)	8.26%	150 days	No major difference	No major difference	45,671 (USD 1,650)	5.37%	
VT HK	VT DE	The same ultimate parent	Sale	(338,091) (USD 12,077)	12.69%	150 days	No major difference	No major difference	107,503 (USD 3,884)	12.63%	
VT HK	VT UK	The same ultimate parent	Sale	(244,367) (USD 8,734)	9.42%	150 days	No major difference	No major difference	90,382 (USD 3,265)	10.62%	
VT HK	VT USA	The same ultimate parent	Sale	(101,307) (USD 3,619)	4.59%	150 days	No major difference	No major difference	40,098 (USD 1,449)	4.71%	
VT TW	VT HK	The same ultimate parent	Purchase	221,279 (USD 7,896)	44.37%	150 days	No major difference	No major difference	(45,671) (USD 1,650)	43.72%	
VT TW	VT USA	The same ultimate parent	Sale	(174,027) (USD 6,229)	23.01%	150 days	No major difference	No major difference	66,621 (USD 2,407)	27.67%	
VT JY	VT SZ	The same ultimate parent	Sale	(502,722) (USD 17,888)	85.98%	150 days	No major difference	No major difference	39,831 (USD 1,439)	100.00%	
VT SZ	VT JY	The same ultimate parent	Purchase	502,722 (USD 17,888)	10.28%	150 days	No major difference	No major difference	(39,831) (USD 1,439)	3.19%	
VT SZ	VT HK	The same ultimate parent	Sale	(1,725,466) (USD 61,677)	26.91%	150 days	No major difference	No major difference	540,552 (USD 19,529)	24.94%	
VT SZ	VT HK	The same ultimate parent	Purchase	590,511 (USD 21,112)	12.09%	150 days	No major difference	No major difference	(182,716) (USD 6,601)	14.63%	
VT DE	VT HK	The same ultimate parent	Purchase	338,091 (USD 12,077)	88.07%	150 days	No major difference	No major difference	(107,503) (USD 3,884)	75.00%	
VT UK	VT HK	The same ultimate parent	Purchase	244,367 (USD 8,734)	93.07%	150 days	No major difference	No major difference	(90,382) (USD 3,265)	87.61%	
VT USA	VT TW	The same ultimate parent	Purchase	174,027 (USD 6,229)	56.81%	150 days	No major difference	No major difference	(66,621) (USD 2,407)	58.32%	
VT USA	VT HK	The same ultimate parent	Purchase	101,307 (USD 3,619)	39.96%	150 days	No major difference	No major difference	(40,098) (USD 1,449)	35.10%	

Note 1: The calculation was based on the average exchange rate from January 1, 2021 to December 31, 2021.
Note 2: The calculation was based on the spot exchange rate as of December 31, 2021.
Note 3: All intercompany transactions have been eliminated on consolidation.

VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES **TABLE 4**

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance (Note 2)	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Notes 1 and 2)	Allowance for uncollectible accounts
					Amount (Note 2)	Actions Taken		
VT SZ	VT HK	The same ultimate parent	$ 540,552 (USD 19,529)	2.89	$ 94,666 (USD 3,420)	Improve collection efforts	$ 173,388 (USD 6,264)	$ -
VT HK	VT SZ	The same ultimate parent	182,716 (USD 6,601)	6.46	-	Improve collection efforts	-	-
VT HK	VT DE	The same ultimate parent	107,503 (USD 3,884)	4.64	-	Improve collection efforts	57,298 (USD 2,070)	-

Note 1: Subsequent period as of February 28, 2022.
Note 2: The calculation was based on the spot exchange rate as of December 31, 2021.
Note 3: All intercompany transactions have been eliminated on consolidation.

TABLE 5

VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee Company	Location	Business Content	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of Investee (Note 2)	Share of Profit (Loss) (Notes 2 and 3)	Note
				December 31, 2021 (Note 1)	December 31, 2020 (Note 1)	Number of Shares	%	Carrying Amount (Notes 1 and 3)			
VIG CAYMAN	VIG SAMOA	SAMOA	General investment	$ 1,289,894	$ 1,289,894	46,600,000	100%	$ 3,206,413	$ 986,688	$ 986,688	SUBSIDIARIES
				(USD 46,600)	(USD 46,600)			(USD 115,838)	(USD 35,222)	(USD 35,222)	
VIG SAMOA	VIG HK	HK	General investment	860,888	860,888	31,110,000	100%	2,646,485	638,399	638,399	SUBSIDIARIES
				(USD 31,101)	(USD 31,101)			(USD 95,610)	(USD 22,791)	(USD 22,791)	
	VLL	British Virgin Islands	General investment	221,739	221,739	8,010,000	100%	32,798	(385)	(385)	SUBSIDIARIES
				(USD 8,011)	(USD 8,011)			(USD 1,184)	(USD -15)	(USD -15)	
	VT HK	HK	International trade	66,468	66,468	10,000	100%	365,512	179,703	179,703	SUBSIDIARIES
				(USD 2,401)	(USD 2,401)			(HKD 102,990)	(HKD 49,922)	(HKD 49,922)	
	VT TW	Taiwan	Manufacture and sell of CCL, IMS and prepreg	315,795	390,116	10,000,000	100%	385,755	147,854	147,854	SUBSIDIARIES
				(USD 11,409)	(USD 14,094)						
	VT UK	United Kingdom	Sell of CCL, IMS and prepreg	36,673	36,673	807,334	100%	77,909	21,982	21,982	SUBSIDIARIES
				(USD 1,325)	(USD 1,325)			(GBP 2,089)	(GBP 568)	(GBP 568)	
	VT DE	Germany	Sell of CCL, IMS and prepreg	191,086	191,086	400,000	100%	85,811	9,316	9,316	SUBSIDIARIES
				(USD 6,903)	(USD 6,903)			(EUR 2,740)	(EUR 220)	(EUR 220)	
VLL	VT USA	United States	Sell of CCL, IMS and prepreg	205,519	205,519	-	100%	83,749	(385)	(385)	SUBSIDIARIES
				(USD 7,425)	(USD 7,425)			(USD 3,026)	(USD -15)	(USD -15)	

Note 1: The calculation was based on the spot exchange rate of each foreign currency on December 31, 2021.
Note 2: The calculation was based on the average exchange rate of each foreign currency from January 1, 2021 to December 31, 2021.
Note 3: All intercompany transactions have been eliminated on consolidation.
Note 4: For information on the invested company in mainland China, refer to Table 6.

VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES **TABLE 6**

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company in mainland China	Business Content	Paid-in Capital (Notes 1 and 3)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Net Income (Loss) of Investee (Note 2)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 2 and 4)	Carrying Amount as of December 31, 2021 (Notes 3 and 4)	Accumulated Repatriation of Investment Income as of December 31, 2021
					Outflow	Inflow						
VT SZ	Research and development, manufacture and sell of CCL, IMS and prepreg	$ 1,237,086 (USD 35,100) (RMB 284,943)	Indirect investment	$ -	$	$	$ -	$ 705,918 (RMB 162,800)	100%	$ 705,918 (RMB 162,800)	$ 2,678,777 (RMB 617,014)	$ -
VT JY	Manufacture and sell of CCL, IMS and prepreg	123,969 (USD 3,000) (RMB 28,554)	Indirect investment	-			-	6,604 (RMB 1,492)	100%	6,604 (RMB 1,492)	111,876 (RMB 25,769)	-
VT SZWT	Manufacture and sell of CCL, and sell of IMS and prepreg	86,830 (RMB 20,000)	Indirect investment	-			-	(5,957) (RMB -1,378)	100%	(5,957) (RMB -1,378)	(3,613) (RMB -832)	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$ -	$ -	$ -

Note 1: It is calculated based on historical cost.
Note 2: The calculation was based on the average exchange rate of each foreign currency from January 1, 2021 to December 31, 2021.
Note 3: The calculation was based on the spot exchange rate of each foreign currency on December 31, 2021.
Note 4: All intercompany transactions have been eliminated on consolidation.

VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES **TABLE 7**

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transactions Details				
				Financial Statement Accounts	Amount	Amount (USD)	Transaction Terms	% of Total Sales or Assets
3	VT HK	VT DE	3	Trade receivables	$ 107,503	$ 3,884	No major difference	1.74%
3	VT HK	VT TW	3	Trade receivables	45,671	1,650	No major difference	0.74%
3	VT HK	VT SZ	3	Trade payables	540,552	19,529	No major difference	8.74%
3	VT HK	VT SZ	3	Trade receivables	182,716	6,601	No major difference	2.96%
3	VT HK	VT US	3	Trade receivables	40,098	1,449	No major difference	0.65%
3	VT HK	VT UK	3	Trade receivables	90,382	3,265	No major difference	1.46%
3	VT HK	VT US	3	Other receivables	99,664	3,601	No major difference	1.61%
3	VT HK	VT UK	3	Other receivables	44,611	1,612	No major difference	0.72%
3	VT HK	VLL	2	Other receivables	50,951	1,841	No major difference	0.82%
3	VT HK	VIG SAMOA	3	Other receivables	384,791	13,901	No major difference	6.22%
3	VT HK	VT DE	3	Other receivables	55,599	2,009	No major difference	0.90%
3	VT HK	VT US	3	Other payables	45,953	1,660	No major difference	0.74%
3	VT HK	VT DE	3	Sale	338,091	12,077	No major difference	4.41%
3	VT HK	VT UK	3	Sale	244,367	8,734	No major difference	3.19%
3	VT HK	VT TW	3	Sale	221,279	7,896	No major difference	2.89%
3	VT HK	VT SZ	3	Sale	590,512	21,112	No major difference	7.70%
3	VT HK	VT SZ	3	Purchase	1,725,467	61,677	No major difference	22.50%
3	VT HK	VT SZWT	3	Purchase	43,641	1,539	No major difference	0.57%
3	VT HK	VT JY	3	Purchase	65,092	2,309	No major difference	0.85%
3	VT HK	VT US	3	Sale	101,307	3,619	No major difference	1.32%
4	VT SZ	VT JY	3	Trade payables	39,831	1,439	No major difference	0.64%
4	VT SZ	VT SZWT	3	Sale	55,259	1,948	No major difference	0.72%
4	VT SZ	VT SZWT	3	Purchase	65,745	2,320	No major difference	0.86%
4	VT SZ	VT JY	3	Sale	61,828	2,189	No major difference	0.81%
4	VT SZ	VT JY	3	Purchase	502,722	17,888	No major difference	6.56%
6	VT TW	VT US	3	Trade receivables	66,621	2,407	No major difference	1.08%
6	VT TW	VT US	3	Sale	174,027	6,229	No major difference	2.27%
6	VT SZ	VT TW	3	Purchase	28,835	1,024	No major difference	0.38%

Note 1: The parent company is indicated by “1”, while all other numbers indicate subsidiaries.
Note 2: No. 1 represents the transactions from a parent company to subsidiary.
No. 2 represents the transactions from subsidiary to parent company.
No. 3 represents the transactions between subsidiaries.
Note 3: All intercompany transactions have been eliminated on consolidation.

TABLE 8

VENTEC INTERNATIONAL GROUP CO., LTD.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2021

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Top Master Limited	4,713,307	6.59%
Alpha Victor Limited	4,090,908	5.72%

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference 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.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustee who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to the Market Observation Post System.