Stock Code: 6672

Ventec International Group Co., Ltd. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report
For the Three Months Ended June 30, 2022 and 2021

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Notice to Reader:
For the convenience of readers, this report has been translated into English from the original Chinese version, prepared and used in the Republic of China. The English version has not been audited or reviewed by independent auditors. If there are any discrepancies between the English version and the original Chinese version, or any difference in the interpretation of the two versions, the Chinese-language report shall prevail

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INDEPENDENT AUDITORS' REPORT

To Ventec International Group Co., Ltd.:

Qualified opinion

We have audited the accompanying balance sheets of Ventec International Group Co., Ltd. (the "Company") and its subsidiaries (collectively, the "Group") for the first half of 2021 and 2022. The statements of comprehensive income for the first quarter of 2021 and 2022 as well as the statement of changes in shareholders' equity and cash flow statements for the first half of 2021 and 2022 were audited. The statements included relevant notes, such as a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

Based on our opinion, except for the potential impact of the matters described in the paragraph "Basis for qualified conclusion", we have determined that the foregoing consolidated financial statements have been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC, with a fair presentation of the Group's consolidated financial position for the first half of 2021 and 2022. The consolidated financial performance for the second quarter ended on June 30, 2022 and on June 30, 2021. The consolidated cash flows for the first six months ended June 30, 2022 and on June 30, 2021.

Basis for qualified conclusion

As stated in Note 11 to the consolidated financial statements, the total assets of non-material subsidiaries included in the above consolidated financial statements, as of June 30, 2022 and June 30, 2021, were NT$808,509 thousand and NT$697,321 thousand, respectively, accounting for 14% and 12% of the total consolidated assets, respectively. Their total liabilities were NT$178,963 thousand and NT$109,131 thousand, respectively, accounting for 7% and 3% of the total consolidated liabilities, respectively. For the first and second quarter of 2022 and 2021, the total comprehensive income was NT$(6,038) thousand, NT$$31,107 thousand, NT$1,924 thousand, and NT$44,247 thousand, respectively, accounting for 6%, 11%, 1%, and 10% of the total consolidated comprehensive income, respectively. We were unable to access the financial information and the management of these non-material subsidiaries. We also were unable to obtain sufficient and appropriate audit evidence for these monetary amounts. Therefore, we were unable to judge whether necessary adjustments should be made to these amounts.

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibility under those standards is further described in the paragraph "Auditor's responsibilities for the audit of the consolidated financial statements". We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We are convinced that we have acquired sufficient and appropriate audit evidence to serve as the basis for our qualified 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 second quarter of 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Except for the matters described in the paragraph “Basis for qualified opinion”, we have determined the matters below to be the key audit matters:

Key audit matter of the Group’s consolidated financial statements for the second quarter of 2022 is stated as follows:

Existence of specific revenue

The ratio of the Group’s subsidiary sales to specific customers in the second quarter of 2022 was higher than average compared to the previous period. Therefore, we considered the authenticity of revenue from specific customers as a key audit matter.

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

The main audit procedures performed for the authenticity 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 transaction documents related to revenue derived from specific customers, including sales order, 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 authenticity of revenue.

Responsibilities of management and those charged with governance for the consolidated financial statements

The management team 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 IAS 34 “Interim Financial Reporting”, endorsed and issued into effect by the FSC. The management team determines such internal control and it 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, the management team is responsible for assessing the Group’s ability to continue as a going concern, disclosing of relevant matters, and adoption of going-concern accounting basis unless the team 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.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it does not 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. Whether 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 in response to those risks, and obtain audit evidence that is sufficient and appropriate to form a basis for our audit 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 rationality of accounting estimates and related disclosures made by the management team.

4. Conclude on the appropriateness of the management team's use of the going-concern basis of accounting which is determined on evidence obtained and whether there is uncertainty related to events or circumstances that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that an event or circumstance holds considerable uncertainty, 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 circumstances 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 appropriate audit evidence regarding the financial information of the 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 the planned scope and timing of the audit, significant audit findings, and other matters, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance a statement that we follow relevant ethical requirements regarding independence, and we communicate with them all relationships that may affect our independence or other matters (including related safeguards).

From these communicated matters, we determine which of those are most significant in the audit of the consolidated financial statements for the second quarter of 2022 and therefore become key audit matters. We describe these matters in our auditor's report unless law or regulation preludes 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 it promotes.

Deloitte & Touche

CPA, Yi-Ching Liu

Securities and Futures Commission

Approval Document No.
Jin-Guan-Zheng-Shen No. 1100356048

CPA, Chun-Hung Chen

Securities and Futures Commission

Approval Document No.
Jin-Guan-Zheng-Shen No. 0990031652

August 10, 2022

Ventec International Group Co., Ltd.

Ventec International Group Co., Ltd. and Subsidiaries

CONSOLIDATED BALANCE SHEETS

As of June 30, 2022, December 31, 2021, and June 30, 2021

Unit: In NT$ thousands

		June 30, 2022		December 31, 2021		June 30, 2021	
Code	Assets	Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Note 6)	$ 740,722	13	$ 491,638	8	$ 689,144	11
1110	Financial assets at fair value through profit or loss - current (Note 7)	-	-	65,123	1	831	-
1136	Financial assets at amortized cost - current (Notes 8, 16, and 29)	201,015	4	180,644	3	42,430	1
1150	Notes receivable (Notes 9, 16, and 29)	61,445	1	84,351	1	64,972	1
1170	Trade receivables (Notes 9 and 27)	1,886,616	34	2,382,890	39	2,506,162	42
1200	Other receivables (Note 9)	16,691	-	12,995	-	4,275	-
1220	Current tax assets (Note 4)	3,721	-	3,648	-	-	-
1310	Inventories (Notes 10 and 25)	1,192,814	21	1,420,866	23	1,168,568	19
1410	Prepayments	53,335	1	83,979	1	69,326	1
1479	Other current assets	24	-	-	-	4	-
11XX	Total current assets	4,156,383	74	4,726,134	76	4,545,712	75
	Non-current assets						
1535	Financial assets at amortized cost - non-current (Note 8)	66,425	1	65,123	1	150,941	3
1600	Property, plants, and equipment (Notes 12, 16, 25, and 29)	1,051,922	19	1,058,150	17	1,041,170	17
1755	Right-of-use assets (Note 13)	198,810	4	212,186	4	188,444	3
1805	Goodwill (Note 14)	67,441	1	62,812	1	63,219	1
1801	Intangible assets (Notes 15 and 25)	10,852	-	12,319	-	38	-
1840	Deferred tax assets (Note 4)	28,029	1	30,630	1	25,134	1
1920	Refundable deposits	9,483	-	9,033	-	9,228	-
1990	Other non-current assets	16,923	-	16,263	-	5,475	-
15XX	Total non-current assets	1,449,885	26	1,466,516	24	1,483,649	25
1XXX	Total	$ 5,606,268	100	$ 6,192,650	100	$ 6,029,361	100
Code	LIABILITIES AND EQUITY						
	Current liabilities						
2100	Short-term borrowings (Notes 8, 9, 16, and 29)	$ 574,016	10	$ 629,274	10	$ 722,868	12
2170	Trade payables	670,589	12	1,317,430	21	1,364,672	23
2200	Other payables (Note 17)	985,395	18	646,178	11	724,174	12
2280	Lease liabilities - current (Note 13)	45,239	1	42,520	1	34,861	-
2230	Current tax liabilities (Note 4)	47,193	1	39,396	1	61,981	1
2320	Current portion of long-term borrowings (Notes 12, 16, and 29)	17,647	-	18,254	-	18,105	-
2399	Other current liabilities (Note 20)	3,553	-	3,901	-	5,657	-
21XX	Total current liabilities	2,343,632	42	2,696,953	44	2,932,318	48
	Non-current liabilities						
2540	Long-term borrowings (Notes 12, 16, and 29)	112,069	2	120,137	2	129,001	2
2570	Deferred tax liabilities (Note 4)	110,645	2	152,422	2	131,711	2
2580	Lease liabilities - non-current (Note 13)	83,053	2	99,376	2	82,713	1
2640	Net defined benefit liabilities - non-current (Notes 4 and 18)	54,131	1	47,757	1	41,711	1
2670	Other non-current liabilities	22,570	-	25,430	-	25,791	1
25XX	Total non-current liabilities	382,468	7	445,122	7	410,927	7
2XXX	Total liabilities	2,726,100	49	3,142,075	51	3,343,245	55
	EQUITY (Notes 4, 19, and 24)						
3100	Ordinary shares	714,543	13	714,543	12	714,543	12
3200	Capital surplus	886,111	16	886,111	14	886,111	15
	Retained earnings						
3310	Legal reserve	237,252	4	154,737	2	117,549	2
3320	Special reserve	343,852	6	323,690	5	395,706	6
3350	Unappropriated earnings	831,122	15	1,148,122	19	769,045	13
3300	Total retained earnings	1,412,226	25	1,626,549	26	1,282,300	21
	Other equity						
3410	Exchange differences on translating the financial statements of foreign operations	(110,181)	(2)	(143,852)	(2)	(153,647)	(2)
3490	Unearned employee benefits	(22,531)	(1)	(32,776)	(1)	(43,191)	(1)
3400	Total other equity	(132,712)	(3)	(176,628)	(3)	(196,838)	(3)
3XXX	Total equity	2,880,168	51	3,050,575	49	2,686,116	45
	Total	$ 5,606,268	100	$ 6,192,650	100	$ 6,029,361	100

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

(Please refer to the audit report issued by Deloitte & Touche on August 10, 2022)

Chairman: Kai-Lu Lao Manager: Chien-Jen Chung Chief Accounting Officer: Chiao-Wei Tu

Ventec International Group Co., Ltd.

Ventec International Group Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS AND THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021

Unit: (In Thousands of NTD, except earnings per share, which is in NTD)

		April 1, 2022 to June 30, 2022		April 1, 2021 to June 30, 2021		January 1, 2022 to June 30, 2022		January 1, 2021 to June 30, 2021	
Code		Amount	%	Amount	%	Amount	%	Amount	%
4100	Sales (Note 20 and 33)	$ 1,455,559	100	$ 2,112,060	100	$ 3,175,252	100	$ 3,721,760	100
5110	Cost of sales (Notes 10 and 21)	1,055,299	73	1,398,563	66	2,328,930	73	2,476,826	66
5900	Gross profit	400,260	27	713,497	34	846,322	27	1,244,934	34
	Operating expenses (Note 21)								
6100	Sales and marketing expenses	159,464	11	193,507	9	318,870	10	342,867	9
6200	General and administrative expenses	60,584	4	72,428	4	121,554	4	152,074	4
6300	Research and development expenses	61,254	4	51,010	2	126,253	4	98,404	3
6450	Expected credit loss recognized on trade receivables (gain on reversal)	915	-	(3,910)	-	226	-	336	-
6000	Total operating expenses	282,217	19	313,035	15	566,903	18	593,681	16
6900	Net operating income	118,043	8	400,462	19	279,419	9	651,253	18
	Non-operating income and expenses (Notes 7 and 21)								
7100	Interest income	1,783	-	367	-	2,742	-	617	-
7010	Other income	3,973	1	280	-	9,882	-	1,632	-
7020	Other gains and losses	18,120	1	(16,405)	(1)	16,365	-	(20,220)	(1)
7510	Interest expense	(4,101)	-	(2,720)	-	(7,381)	-	(5,199)	-
7000	Total non-operating income and expenses	19,775	2	(18,478)	(1)	21,608	-	(23,170)	(1)
7900	Net income before tax	137,818	10	381,984	18	301,027	9	628,083	17
7950	Income tax expense (Notes 4 and 22)	380	-	93,124	4	43,751	1	147,186	4
8200	Net income for this period	137,438	10	288,860	14	257,276	8	480,897	13
	Other comprehensive income								
8310	Items that will not be reclassified subsequently to profit or loss:								
8341	Exchange differences arising in translation to the presentation currency	19,688	1	(64,170)	(3)	126,738	4	(58,479)	(2)
8360	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences on translating the financial statements of foreign operations	(88,765)	(6)	52,869	2	(93,067)	(3)	28,522	1
8300	Other comprehensive income for this period	(69,077)	(5)	(11,301)	(1)	33,671	1	(29,957)	(1)
8500	Total comprehensive income for this period	$ 68,361	5	$ 277,559	13	$ 290,947	9	$ 450,940	12
	Earnings per share (Note 23)								
9750	Basic	$ 1.95		$ 4.09		$ 3.64		$ 6.81	
9850	Diluted	$ 1.92		$ 4.05		$ 3.58		$ 6.73	

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

(Please refer to the audit report issued by Deloitte & Touche on August 10, 2022)

Chairman: Kai-Lu Lao　　Manager: Chien-Jen Chung　　Chief Accounting Officer: Chiao-Wei Tu

Ventec International Group Co., Ltd.

Ventec International Group Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021

Unit: In NT$ thousands

		Ordinary shares (Note 19)			Retained earnings (Note 19)			Other equity items (Notes 11, 19, and 24)		
Code		Shares (in thousands)	Amount	Capital surplus (Note 19)	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on Translating the financial statement of foreign operations	Unearned employee benefits	Total equity
A1	Balance at January 1, 2021	71,454	$ 714,543	$ 886,111	$ 117,549	$ 395,706	$ 516,802	($ 123,690)	($ 53,436)	$ 2,453,585
	Appropriation of 2020 earnings									
B5	Cash dividends distributed by the Company to shareholders	-	-	-	-	-	(228,654)	-	-	(228,654)
D1	Net income for the six months ended June 30, 2021	-	-	-	-	-	480,897	-	-	480,897
D3	Other comprehensive income after tax for the six months ended June 30, 2021	-	-	-	-	-	-	(29,957)	-	(29,957)
D5	Total comprehensive income for the six months ended June 30, 2021	-	-	-	-	-	480,897	(29,957)	-	450,940
N1	Issuance of ordinary shares under employee restricted shares	-	-	-	-	-	-	-	10,245	10,245
Z1	Balance at June 30, 2021	71,454	$ 714,543	$ 886,111	$ 117,549	$ 395,706	$ 769,045	($ 153,647)	($ 43,191)	$ 2,686,116
A1	Balance at January 1, 2022	71,454	$ 714,543	$ 886,111	$ 154,737	$ 323,690	$ 1,148,122	($ 143,852)	($ 32,776)	$ 3,050,575
	Appropriation of 2021 earnings									
B1	Legal reserve	-	-	-	82,515	-	(82,515)	-	-	-
B3	Special reserve	-	-	-	-	20,162	(20,162)	-	-	-
B5	Cash dividends distributed by the Company to shareholders	-	-	-	-	-	(471,599)	-	-	(471,599)
D1	Net income for the six months ended June 30, 2022	-	-	-	-	-	257,276	-	-	257,276
D3	Other comprehensive income after tax for the six months ended June 30, 2022	-	-	-	-	-	-	33,671	-	33,671
D5	Total comprehensive income for the six months ended June 30, 2022	-	-	-	-	-	257,276	33,671	-	290,947
N1	Issuance of ordinary shares under employee restricted shares	-	-	-	-	-	-	-	10,245	10,245
Z1	Balance at June 30, 2022	71,454	$ 714,543	$ 886,111	$ 237,252	$ 343,852	$ 831,122	($ 110,181)	($ 22,531)	$ 2,880,168

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

(Please refer to the audit report issued by Deloitte & Touche on August 10, 2022)

Chairman: Kai-Lu Lao　　Manager: Chien-Jen Chung　　Chief Accounting Officer: Chiao-Wei Tu

Ventec International Group Co., Ltd.

Ventec International Group Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021

Unit: In NT$ thousands

Code		January 1, 2022 to June 30, 2022	January 1, 2021 to June 30, 2021
	Cash flows from operating activities		
A10000	Net income before tax for this period	$ 301,027	$ 628,083
A20010	Adjustments for		
A20100	Depreciation expenses	98,142	85,908
A20200	Amortization expenses	1,308	93
A20300	Expected credit loss recognized on trade receivables	226	336
A20400	Net gain on financial assets and liabilities at fair value through profit or loss (FVTPL)	(558)	-
A20900	Interest expense	7,381	5,199
A21200	Interest income	(2,742)	(617)
A21900	Compensation cost of employee restricted shares	10,245	10,245
A22500	Net loss on disposal of property, plants, and equipment	323	2,164
A22900	Gain on disposal of right-of-use assets	-	(19)
A23800	Inventory valuation and obsolescence losses (gain on value recovery)	14,760	(2,928)
A24100	Net gain on foreign currency exchange	(17,443)	(39,004)
A30000	Changes in operating assets and liabilities		
A31115	Financial assets at FVTPL	-	20,043
A31130	Notes receivable	24,291	(27,803)
A31150	Trade receivables	556,466	(1,132,153)
A31180	Other receivables	(3,464)	2,042
A31200	Inventories	232,586	(359,024)
A31230	Prepayments	32,455	(10,581)
A31240	Other current assets	(122)	21
A32110	Financial liabilities at FVTPL	-	(173)
A32150	Trade payables	(672,569)	511,482
A32180	Other payables	(151,993)	88,155

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Code		January 1, 2022 to June 30, 2022	January 1, 2021 to June 30, 2021
A32230	Other current liabilities	($ 372)	$ 2,547
A32240	Net defined benefit liabilities	2,758	2,197
A33000	Cash inflows (outflows) from operations	432,705	(213,787)
A33100	Interest received	2,742	617
A33300	Interest paid	(7,010)	(4,947)
A33500	Income tax paid	(85,410)	(53,959)
AAAA	Net cash inflow (outflow) from operating activities	343,027	(272,076)
	Cash flows from investing activities		
B00200	Disposal of financial assets at FVTPL	67,780	-
B02700	Payments for property, plants, and equipment	(52,971)	(81,828)
B02800	Proceeds from disposal of property, plants, and equipment	209	1,384
B03700	(Increase) decrease in refundable deposits	(251)	600
B06500	Increase in restricted bank deposits	(15,460)	(2,598)
B06800	Decrease in other non-current assets	53	110
BBBB	Net cash outflow from investing activities	(640)	(82,332)
	Cash flows from financing activities		
C00100	Increase (decrease) in short-term borrowings	(91,914)	480,327
C01600	Proceeds from long-term borrowings	-	924
C01700	Repayments of long-term borrowings	(8,760)	(8,199)
C03100	Increase (decrease) in guarantee deposits received	(113)	216
C04020	Repayments of the principal portion of lease liabilities	(23,826)	(21,682)
C04300	Decrease in other non-current liabilities	(44)	(76)
CCCC	Net cash inflow (outflow) from financing activities	(124,657)	451,510
DDDD	Effects of exchange rate changes on cash and cash equivalents	31,354	38,817
EEEE	Net increase in cash and cash equivalents	249,084	135,919
E00100	Opening balance of cash and cash equivalents	491,638	553,225
E00200	Ending balance of cash and cash equivalents	$ 740,722	$ 689,144

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the audit report issued by Deloitte & Touche on August 10, 2022)

Chairman: Kai-Lu Lao　　Manager: Chien-Jen Chung　　Chief Accounting Officer: Chiao-Wei Tu

Ventec International Group Co., Ltd.

Ventec International Group Co., Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021

(In thousands of NTD, 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 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 August 10, 2022.

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

a. The 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 FSC will not result in a material change in the Group's accounting policies.

b. The IFRSs endorsed by the Financial Supervisory Commission (FSC) for application starting from 2023

New, Amended, and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2023 (Note 3)

Note 1: The amendments will be applied for annual reporting periods beginning on January 1, 2023.

Note 2: The amendments are applicable to changes in accounting estimates, and changes in accounting policies that occur during annual reporting periods beginning on January 1, 2023.

Note 3: The amendments apply to transactions occurring on or after January 1, 2022, except for the temporary differences between leases and decommissioning obligations recognized in deferred income tax on 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. The Group will disclose relevant impacts when the assessment is completed.

c. New IFRSs is issued but not yet endorsed and issued by the FSC

New, Amended, and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Amendments to IFRS 10 and IAS 28 "Sales or Contributions of Assets between an Investor and its Associate or Joint Venture"	To be determined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9—Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023

Note: Unless stated otherwise, the afore mentioned new IFRSs are effective for annual reporting periods at the beginning of or after their respective effective dates.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impacts the application of other standards and interpretations will have on the Group's financial position and financial performance. The results will be disclosed when the assessment is completed.

4. A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statements of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. The consolidated financial statements do not contain all the data to be disclosed in the annual financial statements as required by the IFRSs.

b. Basis of preparation

The consolidated financial statements have been prepared based on past costs 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 which are less than the fair value of plan assets.

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

1) Level 1 inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs: Undetectable inputs for an asset or liability.

c. 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. The 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).

d. Other significant accounting policies

In addition to the description below, please refer to the summary of significant accounting policies in the 2021 consolidated financial statements.

1) Defined post-retirement benefits

The interim pension cost is calculated based on the accurately calculated pension cost rate at the end date of the previous financial year for the period from the beginning of the year to the end of the period. It is subject to major market fluctuations, major plan revisions, liability settlement, or other major one-off events during this period.

2) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Income tax for the interim period is calculated on an annual basis based on the income before tax for the interim period at the tax rate that applies to the estimated total annual earnings.

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND MAJOR SOURCES OF ESTIMATING UNCERTAINTY

Please refer to the consolidated financial statements in 2021 for significant accounting judgments and major sources of estimating uncertainty adopted for these consolidated financial statements.

6. Cash and cash equivalents

	June 30, 2022	December 31, 2021	June 30, 2021
Cash on hand and petty cash	$ 174	$ 158	$ 254
Checking accounts and demand deposits	640,025	479,324	656,546
Cash equivalents			
Time deposits	100,523	12,156	32,344
	$ 740,722	$ 491,638	$ 689,144

The interest rate of time deposits was 1.76% per annum as of June 30, 2022, December 31, 2021, and June 30, 2021.

7. Financial instruments at FVTPL - current (June 30, 2022: None)

	December 31, 2021	June 30, 2021
Financial assets mandatorily classified as at FVTPL		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts	$ -	$ 831
Hybrid financial assets		
- structured time deposits	65,123	-
	$ 65,123	$ 831

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

June 30, 2021

	Currency	Duration	Notional amount (in NT$ thousands)
Sell	USD/RMB	August 17, 2021 - December 31, 2021	USD 4,000/RMB 26,033

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 signed a three-month structured time deposit contract with a bank. The structured time deposit includes an embedded derivative that is not closely associated with the host contract. As the host contract contained in a hybrid contract is an asset within the scope of IFRS 9, the hybrid contract as a whole is mandatorily classified as at FVTPL. The earning yields as of December 31, 2021 ranged from 1.30% to 3.65%.

8. Financial assets at amortized cost

	June 30, 2022	December 31, 2021	June 30, 2021
Current			
Restricted bank deposits (Note 29)	$ 46,023	$ 28,691	$ 42,430
Time deposits	154,992	151,953	-
	$ 201,015	$ 180,644	$ 42,430
Non-current			
Time deposits	$ 66,425	$ 65,123	$ 150,941

As of June 30, 2022, December 31, 2021, and June 30, 2021, the information on bank time deposit durations and interest rate range are as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Due date	October 2022 to March 2024	October 2022 to March 2024	October 2022
Annual rate of interest	3.15%～3.99%	3.15%～3.99%	3.15%

9. Notes receivable, trade receivables, and other receivables

	June 30, 2022	December 31, 2021	June 30, 2021
Notes receivable			
Notes receivable - operating	$ 61,445	$ 84,351	$ 64,972
Trade receivables			
At amortized cost			
Gross carrying amount	$ 1,914,505	$ 2,411,693	$ 2,532,599
Less: Allowance for impairment loss	(27,889)	(28,803)	(26,437)
	$ 1,886,616	$ 2,382,890	$ 2,506,162
Other receivables			
Tax refund receivables	$ 1,188	$ 1,538	$ 1,606
OTHER MATTERS	15,503	11,457	2,669
	$ 16,691	$ 12,995	$ 4,275

a. Trade receivables

The Group’s credit period of sales of goods ranges from 120 days to 150 days. No interest was charged on trade receivables due to a short period of credit grant. In order to minimize credit risk, the management team 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 past default experience of the debtor and an analysis of the debtor's current financial position. It takes into account the general economic conditions of the industry in which the debtors operate and considers the assessment of both the current and forecasted 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. The Group still continues to engage in enforcement activities 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.

June 30, 2022

	Not Past Due	Less than 90 Days	91 to 180 Days	Over 181 Days	Total
Gross carrying amount	$ 1,859,714	$ 33,632	$ 89	$ 21,070	$ 1,914,505
Allowance for losses (lifetime ECLs)	(6,198)	(2,476)	(21)	(19,194)	(27,889)
Amortized cost	$ 1,853,516	$ 31,156	$ 68	$ 1,876	$ 1,886,616

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
Allowance for losses (lifetime expected credit losses (ECLs))	(7,660)	(1,148)	(834)	(19,161)	(28,803)
Amortized cost	$ 2,365,781	$ 14,776	$ 1,945	$ 388	$ 2,382,890

June 30, 2021

	Not Past Due	Less than 90 Days	91 to 180 Days	Over 181 Days	Total
Gross carrying amount	$ 2,511,415	$ 2,368	$ 11	$ 18,805	$ 2,532,599
Allowance for losses (lifetime expected credit losses (ECLs))	(7,978)	(177)	(3)	(18,279)	(26,437)
Amortized cost	$ 2,503,437	$ 2,191	$ 8	$ 526	$ 2,506,162

The movements of the allowance for losses of trade receivables were as follows:

	January 1, 2022 to June 30, 2022	January 1, 2021 to June 30, 2021
Opening balance	$ 28,803	$ 26,542
Add: Allowance for impairment losses for this period	226	336
Less: Amounts written off for this period	(1,334)	-
Foreign exchange gains and losses	194	(441)
Ending balance	$ 27,889	$ 26,437

Refer to Note 27 for details on the factoring agreements for trade receivables.

Notes receivable that are pledged as collateral for bank borrowings are set out in Note 29.

b. Other receivables

For other receivables as of June 30, 2022, December 31, 2021, and June 30, 2021, ECLs did not need to be recognized after the Group's assessment.

10. Inventories

	June 30, 2022	December 31, 2021	June 30, 2021
Finished goods	$ 588,693	$ 633,327	$ 471,884
Work in progress	75,530	145,346	109,392
Raw materials	528,591	642,193	587,292
	$ 1,192,814	$ 1,420,866	$ 1,168,568

The costs of sales related to inventories for the three months and the six months ended June 30, 2022 and 2021were NT$1,055,299 thousand, NT$1,398,563 thousand, NT$2,328,930 thousand, and NT$2,476,826 thousand, respectively. The cost of sales for the three months and the six months ended June 30, 2022 and 2021 included an inventory valuation and obsolescence losses (gain on value recovery) of NT$9,472 thousand, NT$499 thousand, NT$14,760 thousand, and NT$(2,928) thousand, respectively. The recovery in the net realizable value of inventories was attributable to the increase in the selling prices of inventories in specific markets.

11. Subsidiaries:

Subsidiaries included in the consolidated financial statements:

			Proportion of ownership (%)		
Investor	Subsidiary	Nature of business activities	June 30, 2022	December 31, 2021	June 30, 2021
Ventec International Group Co., Ltd. ("VIG CAYMAN")	Ventec International Group Company Limited (SAMOA) ("VIG SAMOA")	General investment	100.00%	100.00%	100.00%
VIG SAMOA	Ventec International Group Limited (HK) ("VIG HK")	General investment	100.00%	100.00%	100.00%
〃	Ventec Logistics Limited ("VLL")	General investment	100.00%	100.00%	100.00%
〃	Ventec Electronics (HK) Co., Ltd. ("VT HK")	International trade	100.00%	100.00%	100.00%
〃	Ventec Electronics Corporation ("VT TW") (Note)	Manufacturing and sale of CCL, IMS, and prepreg	100.00%	100.00%	100.00%
〃	Ventec Europe Ltd. ("VT UK")	Sale of CCL, IMS, and prepreg	100.00%	100.00%	100.00%
〃	Ventec Central Europe GmbH. ("VT DE")	Sale of CCL, IMS, and prepreg	100.00%	100.00%	100.00%
VIG HK	Ventec Electronics (Suzhou) Co., Ltd. ("VT SZ")	Research and development, manufacturing, and sale of CCL, IMS, and prepreg	100.00%	100.00%	100.00%
〃	Ventec Electronics (Jiangyin) Co., Ltd. ("VT JY")	Manufacturing and sale of CCL, IMS, and prepreg	100.00%	100.00%	100.00%
VT SZ	Ventec Electronics (Shenzhen) Co., Ltd. ("VT SZWT")	Manufacturing and sale of CCL, IMS, and prepreg	100.00%	100.00%	100.00%
VLL	Ventec USA LLC ("VT USA")	Sale of CCL, IMS, and prepreg	100.00%	100.00%	100.00%

Note: On March 12, 2021, the board of directors of VT TW (who represent shareholders and supervise the Company) passed a resolution for capital reduction and return of capital in the amount of NT$75,000 thousand. The recording date of capital reduction was on April 28, 2021.

VT UK, VT DE, and VT USA are non-material subsidiaries, and their financial statements for the six months ended June 30, 2022 and 2021 were not audited by CPAs.

12. Property, plants, and equipment

	Land	Buildings	Machinery and equipment	Office equipment	Leasehold improvements	Other equipment	Construction in progress and machinery in transit	Total
Cost								
Balance on January 1, 2022	$ 118,840	$ 503,654	$ 1,867,047	$ 39,920	$ 53,318	$ 138,657	$ 15,017	$ 2,736,453
Additions	-	223	6,348	1,180	293	2,648	41,602	52,294
Reclassification	-	-	36,408	-	800	3,824	(41,032)	-
Disposals	-	(450)	(2,195)	(350)	-	(2,658)	-	(5,653)
Foreign exchange gains and losses	-	7,271	31,617	927	774	2,607	2,234	45,430
Balance on June 30, 2022	118,840	510,698	1,939,225	41,677	55,185	145,078	17,821	2,828,524
Accumulated depreciation								
Balance on January 1, 2022	-	199,745	1,346,660	23,895	19,997	88,006	-	1,678,303
Depreciation expenses	-	11,277	46,416	2,660	5,880	6,896	-	73,129
Disposals	-	(450)	(2,086)	(319)	-	(2,266)	-	(5,121)
Foreign exchange gains and losses	-	3,237	24,378	574	359	1,743	-	30,291
Balance on June 30, 2022	-	213,809	1,415,368	26,810	26,236	94,379	-	1,776,602
Net amount on June 30, 2022	$ 118,840	$ 296,889	$ 523,857	$ 14,867	$ 28,949	$ 50,699	$ 17,821	$ 1,051,922
Net amount on December 31, 2021 and January 1, 2022	$ 118,840	$ 303,909	$ 520,387	$ 16,025	$ 33,321	$ 50,651	$ 15,017	$ 1,058,150
Cost								
Balance on January 1, 2021	$ 118,840	$ 512,255	$ 1,866,728	$ 34,952	$ 24,403	$ 118,688	$ 55,260	$ 2,731,126
Additions	-	-	10,602	2,127	10,268	4,438	64,955	92,390
Reclassification	-	-	43,923	440	1,591	6,480	(51,660)	774
Disposals	-	(6,632)	(44,683)	(1,171)	-	(5,903)	-	(58,389)
Foreign exchange gains and losses	-	(4,392)	(60,071)	(977)	(546)	(3,126)	(922)	(70,034)
Balance on June 30, 2021	118,840	501,231	1,816,499	35,371	35,716	120,577	67,633	2,695,867
Accumulated depreciation								
Balance on January 1, 2021	-	184,849	1,401,885	21,814	12,312	85,509	-	1,706,369
Depreciation expenses	-	11,163	42,074	2,132	2,485	5,361	-	63,215
Disposals	-	(6,534)	(41,655)	(1,089)	-	(5,562)	-	(54,840)
Foreign exchange gains and losses	-	(1,838)	(54,440)	(797)	(229)	(2,743)	-	(60,047)
Balance on June 30, 2021	-	187,640	1,347,864	22,060	14,568	82,565	-	1,654,697
Net amount on June 30, 2021	$ 118,840	$ 313,591	$ 468,635	$ 13,311	$ 21,148	$ 38,012	$ 67,633	$ 1,041,170

According to the Group’s assessment, there was no sign of impairment for property, plants, and equipment on June 30, 2022, December 31, 2021, and June 30, 2021.

The above items of property, plants, and equipment are depreciated on a straight-line basis over their estimated useful lives and detailed 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, plants, and equipment pledged as collateral for bank borrowings are set out in Note 29.

13. Lease arrangements

a. Right-of-use assets

	June 30, 2022	December 31, 2021	June 30, 2021
Carrying amounts of right-of-use assets			
Land	$ 74,140	$ 71,085	$ 71,888
Buildings	114,856	128,507	104,119
Office equipment	167	128	192
Transportation equipment	9,647	12,466	12,245
	$ 198,810	$ 212,186	$ 188,444

	April 1, 2022 to June 30, 2022	April 1, 2021 to June 30, 2021	January 1, 2022 to June 30, 2022	January 1, 2021 to June 30, 2021
Addition to right-of-use assets			$ 8,748	$ 8,559
Depreciation charge for right-of-use assets				
Land	$ 666	$ 641	$ 1,328	$ 1,287
Buildings	9,920	8,767	19,440	17,557
Office equipment	33	33	66	66
Transportation equipment	2,221	1,903	4,179	3,783
	$ 12,840	$ 11,344	$ 25,013	$ 22,693

Except for the additional and depreciation expenses, the right-of-use assets of the Group were not significantly subleased or impaired during the six months ended June 30, 2022 and 2021.

b. Lease liabilities

	June 30, 2022	December 31, 2021	June 30, 2021
Carrying amounts			
Current	$ 45,239	$ 42,520	$ 34,861
Non-current	$ 83,053	$ 99,376	$ 82,713

Range of discount rates for lease liabilities was as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Land	1.43%	1.60%	1.60%
Buildings	1.60%	1.60%	1.60%
Office equipment	1.60%	1.60%	1.60%
Transportation equipment	0.43%～1.60%	0.43%～1.60%	0.43%～1.60%

c. Material lease-in activities and terms

The Group leases certain land and buildings for the use of product manufacturing and office space 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

	April 1, 2022 to June 30, 2022	April 1, 2021 to June 30, 2021	January 1, 2022 to June 30, 2022	January 1, 2021 to June 30, 2021
Expenses relating to low-value asset leases	$ -	$ 16	$ -	$ 30
Total cash outflow for leases			$ 24,533	$ 22,140

The Group has concluded to recognize an exemption of other equipment leases that qualify as low-value asset leases but they do not recognize right-of-use assets and lease liabilities for these leases.

14. Goodwill

	January 1, 2022 to June 30, 2022	January 1, 2021 to June 30, 2021
Cost		
Opening balance	$ 62,812	$ 64,627
Net exchange difference	4,629	(1,408)
Ending balance	$ 67,441	$ 63,219

In September 2021, the Group acquired the assets and operations of the printed circuit board business of Holders Technology Plc., and continued to run the business. According to the Group's assessment, the acquired business and the recognized amortized goodwill belong to the same cash-generating unit. Therefore, the assets acquired on the acquisition date were included in the cash-generating unit of the amortized goodwill from the acquisition date. Please refer to Note 25 for the information on business combinations.

The Group assesses the recoverable amount of goodwill at the end of the annual reporting period and uses the value in use as the basis for calculating the recoverable amount. The calculation of value in use at the end of 2021 and 2020 is based on projected cash flow of each cash-generating unit over the next five years and is calculated using discount rates of 14.90% and 13.60%, respectively, to reflect specific risks of the relevant cash-generating unit. The recoverable amount of goodwill at the end of 2021 and 2020 was estimated to be NT$258,861 thousand and NT$105,937 thousand, respectively, which were still greater than the carrying amounts. Therefore, no impairment loss was recognized. Moreover, as of 2021 until June 30, 2022, there was no sign of impairment loss.

15. Intangible assets

	Computer software	Customer relationship	Total
Cost			
Balance at January 1, 2022	$ 1,944	$ 12,939	$ 14,883
Net exchange difference	(17)	(190)	(207)
Balance at June 30, 2022	$ 1,927	$ 12,749	$ 14,676
Accumulated amortization			
Balance on January 1, 2022	$ 1,917	$ 647	$ 2,564
Amortization expenses	12	1,296	1,308
Net exchange difference	(17)	(31)	(48)
Balance on June 30, 2022	$ 1,912	$ 1,912	$ 3,824
Net amount on June 30, 2022	$ 15	$ 10,837	$ 10,852
Net amounts on January 1, 2022 and December 31, 2021	$ 27	$ 12,292	$ 12,319
Cost			
Balance on January 1, 2021	$ 3,066	$ -	$ 3,066
Net exchange difference	(128)	-	(128)
Balance on June 30, 2021	$ 2,938	$ -	$ 2,938
Accumulated amortization			
Balance on January 1, 2021	$ 2,936	$ -	$ 2,936
Amortization expenses	93	-	93
Net exchange difference	(129)	-	(129)
Balance on June 30, 2021	$ 2,900	$ -	$ 2,900
Net amount on June 30, 2021	$ 38	$ -	$ 38

Amortization expenses are calculated on a straight-line basis over the following years in service:

Computer software	3 to 5 years
Customer relationship	5 years

16. Borrowings

a. Short-term borrowings

	June 30, 2022	December 31, 2021	June 30, 2021
Secured borrowings			
Bank loans	$ 344,895	$ 319,265	$ 559,334
Notes receivable financing	15,291	15,390	-
Unsecured borrowings			
Bank loans	213,830	294,619	163,534
	$ 574,016	$ 629,274	$ 722,868

As of June 30, 2022, December 31, 2021, and June 30, 2021, the ranges of interest rates on short-term borrowings were 0.65% - 4.80%, 0.64% - 4.80%, and 0.66% - 4.80%, respectively.

b. Long-term borrowings

	June 30, 2022	December 31, 2021	June 30, 2021
Taiwan Cooperative Bank			
Secured borrowings: From 2019/07/31 to 2034/07/31, each month is considered 1 period, divided into 180 installments	$ 108,669	$ 112,751	$ 116,813
Secured borrowings: From 2019/08/12 to 2024/08/12, each month is considered 1 period, divided into 60 installments	19,894	24,398	28,875
Nissan Motor Acceptance Corporatic			
Secured borrowings: From 2020/02/12 to 2025/01/12, each month is considered 1 period, divided into 59 installments	448	498	583
Toyota Forklift			
Secured borrowings: From 2021/02/05 to 2026/02/05, each month is considered 1 period, divided into 60 installments	705	744	835
	129,716	138,391	147,106
Less: Current portion	(17,647)	(18,254)	(18,105)
	$ 112,069	$ 120,137	$ 129,001

As of June 30, 2022, December 31, 2021, and June 30, 2021, the ranges of interest rate on long-term borrowings were 1.50% - 4.21%, 1.35% - 4.21%, and 1.40% - 4.21%, respectively.

Refer to Note 29 for details of borrowings secured by guarantee.

17. Other payables

	June 30, 2022	December 31, 2021	June 30, 2021
Dividends payable	$ 471,599	$ -	$ 228,654
Payables for salaries or bonuses	232,284	356,910	221,343
Payables for taxes	39,705	40,529	60,089
Payables for construction and equipment	31,647	31,436	24,415
Payables for social security or provident funds	30,353	28,091	28,466
OTHER MATTERS	179,807	189,212	161,207
	$ 985,395	$ 646,178	$ 724,174

18. Post-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 their monthly salaries and wages.

The employees of the Group's subsidiary in mainland China, United Kingdom, 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 benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make specific 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 the average monthly salaries of the 6 months before retirement. The pension expenses related to the defined benefit plans for the three months and the six months ended June 30, 2022 and 2021 were calculated at the pension cost rate actuarially determined on December 31, 2021 and 2020 were NT$1,414 thousand, NT$1,091 thousand, NT$2,758 thousand and NT$2,197 thousand, respectively.

19. Equity

a. Ordinary shares

	June 30, 2022	December 31, 2021	June 30, 2021
Number of shares authorized (in thousands)	90,000	90,000	90,000
Shares authorized	$ 900,000	$ 900,000	$ 900,000
Number of shares issued and fully paid (in thousands)	71,454	71,454	71,454
Shares issued	$ 714,543	$ 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.

b. Capital surplus

	June 30, 2022	December 31, 2021	June 30, 2021
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital			
Issuance of ordinary shares	$ 835,071	$ 835,071	$ 835,071
May not be used for any purpose			
Employee restricted shares	51,040	51,040	51,040

$ 886,111	$ 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) Being subjected 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 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

Under the dividends policy as set forth in the Articles of Incorporation, the Company is in the growing stage where 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, financial structure, funds requirements, and other plans for sustainable development needs in assessing the amount of dividends distributed by the Company. Being subjected to the laws, applicable listing rules and the Articles, and otherwise provided by the rights attached to any shares, if the Company still has a surplus at the end of the fiscal year, it will pay all relevant taxes, offset any losses (including losses of previous years and adjusted undistributed profits), set aside the statutory reserves of the remaining profits (provided that setting aside the statutory reserve does not apply if the aggregate amount of the statutory reserve amounts to the Company’s total paid-in capital), and set aside any special reserve. The board may, by a resolution passed by a majority of the directors, of which two-thirds or more of the board are present, 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. In addition, a report of such distribution shall be submitted to the general meeting, provided that, cash dividends shall not be lower than ten percent (10%) of the total amount of dividends to be paid out. The Company may resolve to distribute net profits or offset losses at the end of each half of the fiscal year. When the Company still has a net profit at the end of the first half of the fiscal year, the Company shall first estimate and reserve the amount of compensation of employees, including the remuneration of directors, and then pay tax from the said profits. After offsetting losses (including losses as at the beginning of the first half of the fiscal year and any adjusted undistributed profits), the statutory reserve of the remaining profits will be set aside in accordance with the applicable listing rules (provided that the statutory reserve does not apply if the aggregate amount of the statutory reserve equals the Company’s total paid-in capital). Any other special reserve will also be set aside. 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) in addition to the accumulated undistributed profits at the beginning of the first half of the fiscal year (including adjusted undistributed profits). This may be in whole or in part as dividends/bonuses that are proportional to the number of shares held by them respectively pursuant to the Articles. In addition, a report of such distribution shall be submitted to the general meeting. Being subjected to the laws, the applicable listing rules and the Articles, the Company may distribute any part or all of the dividends or bonuses to the members in accordance with the preceding Articles. The Company may do so by applying the payment in full unissued shares for allocation and distribution to the members. For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, please refer to compensation of employees and remuneration of directors in Note 21-(5).

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 Company's earnings distribution proposals for 2021 and 2020 are as follows:

	2021	2020
Legal reserve	$ 82,515	$ 37,188
Special reserve	($ 20,162)	($ 72,016)
Cash dividends	$ 471,599	$ 228,654
Cash dividends per share	$ 6.60	$ 3.20

The above cash dividends have been approved by the resolution of the board of directors on March 4, 2022 and May 7, 2021, respectively, and the remaining earnings distribution items for 2021 and 2020 have been approved by the resolution of the general shareholders' meeting on June 17, 2022 and July 30, 2021, respectively.

d. Other equity

Unearned employee benefits

In the meeting, the shareholders approved a restricted share plan for employees (see Note 24).

	January 1, 2022 to June 30, 2022	January 1, 2021 to June 30, 2021
Opening balance	($ 32,776)	($ 53,436)
Recognized share-based payment expenses	10,245	10,245
Ending balance	($ 22,531)	($ 43,191)

20. Revenue

a. Revenue from contracts with customers

Please refer to Note 33 for information on contracts.

b. Contract balance

Please refer to Note 9 for information on notes receivables and trade receivables.

	June 30, 2022	December 31, 2021	June 30, 2021	January 1, 2021
Contract liabilities (included in other current liabilities)	$ 1,251	$ 3,227	$ 4,631	$ 2,205

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.

21. Net profit from continuing operations

a. Other gains and losses

	April 1, 2022 to June 30, 2022	April 1, 2021 to June 30, 2021	January 1, 2022 to June 30, 2022	January 1, 2021 to June 30, 2021
Net gain (loss) on foreign currency exchange	$ 21,331	($ 11,861)	$ 20,456	($ 11,961)
Net gain (loss) on financial assets at FVTPL (Note 7)	-	(1,028)	558	(3,928)
Net loss on disposal of property, plants, and equipment	(333)	(2,000)	(323)	(2,164)
OTHER MATTERS	(2,878)	(1,516)	(4,326)	(2,167)
	$ 18,120	($ 16,405)	$ 16,365	($ 20,220)

b. Interest expenses

	April 1, 2022 to June 30, 2022	April 1, 2021 to June 30, 2021	January 1, 2022 to June 30, 2022	January 1, 2021 to June 30, 2021
Interest on bank loans	$ 3,735	$ 2,500	$ 6,674	$ 4,771
Interest on lease liabilities	366	220	707	428
	$ 4,101	$ 2,720	$ 7,381	$ 5,199

c. Depreciation and amortization

	April 1, 2022 to June 30, 2022	April 1, 2021 to June 30, 2021	January 1, 2022 to June 30, 2022	January 1, 2021 to June 30, 2021
Property, plants, and equipment	$ 36,572	$ 32,163	$ 73,129	$ 63,215
Right-of-use assets	12,840	11,344	25,013	22,693
Intangible assets	652	29	1,308	93
	$ 50,064	$ 43,536	$ 99,450	$ 86,001
An analysis of depreciation by function				
Operating costs	$ 29,953	$ 28,268	$ 59,478	$ 53,930
Operating expenses	19,459	15,239	38,664	31,978
	$ 49,412	$ 43,507	$ 98,142	$ 85,908
An analysis of amortization by function				
Sales and marketing expenses	$ 652	$ 14	$ 1,308	$ 33
General and administrative expenses	-	15	-	60
	$ 652	$ 29	$ 1,308	$ 93

d. Employee benefits expenses

	April 1, 2022 to June 30, 2022	April 1, 2021 to June 30, 2021	January 1, 2022 to June 30, 2022	January 1, 2021 to June 30, 2021
Post-employment benefits				
Defined contribution plans	$ 1,021	$ 1,047	$ 2,082	$ 1,997
Defined benefit plans	1,414	1,091	2,758	2,197
	2,435	2,138	4,840	4,194
Share-based payments				
Equity-settled	5,151	5,151	10,245	10,245
Other employee benefits	231,142	235,634	451,450	462,417
Total employee benefits expense	$ 238,728	$ 242,923	$ 466,535	$ 476,856
An analysis of employee benefits expense by function				
Operating costs	$ 115,989	$ 106,771	$ 232,039	$ 210,535
Operating expenses	122,739	136,152	234,496	266,321
	$ 238,728	$ 242,923	$ 466,535	$ 476,856

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 estimated employee compensation and directors' remuneration for the three months and the six months ended June 30, 2022 and 2021 are as follows:

Percentage for estimation

	January 1, 2022 to June 30, 2022	January 1, 2021 to June 30, 2021
Employee compensation	8.0%	8.7%
Directors' remuneration	2.0%	2.0%

Amount

	April 1, 2022 to June 30, 2022	April 1, 2021 to June 30, 2021	January 1, 2022 to June 30, 2022	January 1, 2021 to June 30, 2021
Employee compensation	$ 16,597	$ 25,217	$ 23,030	$ 47,030
Directors' remuneration	3,145	6,391	5,722	10,754

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.

The compensation of employees and the remuneration of directors and supervisors at the end of 2021 and 2020 resolved by the Company's board of directors on March 4, 2022 and March 12, 2021, respectively, are as follows:

	2021		2020	
	Cash (in NT$ thousands)	Cash (in US$ thousands)	Cash (in NT$ thousands)	Cash (in US$ thousands)
Employee compensation	$ 94,005	$ 3,355	$ 22,812	$ 762
Directors' remuneration	$ 18,701	$ 668	$ 8,006	$ 270

There is no difference between the actual amounts of 2021 and 2020 employee compensation and directors' remuneration. The amounts were recognized in the consolidated financial statements in 2021 and 2020.

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

22. Income tax

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

	April 1, 2022 to June 30, 2022	April 1, 2021 to June 30, 2021	January 1, 2022 to June 30, 2022	January 1, 2021 to June 30, 2021
Current tax				
Current period	$ 19,451	$ 86,675	$ 45,721	$ 117,767
Income tax on unappropriated earnings	6,653	2,866	6,653	2,866
Adjustments for prior years	(32,870)	(18,822)	(32,870)	(18,822)
	(6,766)	70,719	19,504	101,811
Deferred tax				
Current period	7,146	22,405	24,247	45,375
Income tax expense recognized in profit or loss	$ 380	$ 93,124	$ 43,751	$ 147,186

b. Income tax assessments

The income tax returns filed by the Company until 2020 have been approved by the tax authorities.

23. Earnings per share

Unit: NT$ per share

	April 1, 2022 to June 30, 2022	April 1, 2021 to June 30, 2021	January 1, 2022 to June 30, 2022	January 1, 2021 to June 30, 2021
Basic earnings per share	$ 1.95	$ 4.09	$ 3.64	$ 6.81
Diluted earnings per share	$ 1.92	$ 4.05	$ 3.58	$ 6.73

The earnings and weighted average of ordinary shares used to estimate earnings per share were as follows:

Net income for this period

	April 1, 2022 to June 30, 2022	April 1, 2021 to June 30, 2021	January 1, 2022 to June 30, 2022	January 1, 2021 to June 30, 2021
Net income for this period	$ 137,438	$ 288,860	$ 257,276	$ 480,897

Number of shares

Unit: Shares (in thousands)

	April 1, 2022 to June 30, 2022	April 1, 2021 to June 30, 2021	January 1, 2022 to June 30, 2022	January 1, 2021 to June 30, 2021
The weighted average of ordinary shares was used in to estimate basic earnings per share	70,654	70,654	70,654	70,654
Effect of potentially dilutive ordinary shares:				
Employee restricted shares	585	349	585	349
Employee compensation	327	328	607	427
The weighted average of ordinary shares was used to estimate diluted earnings per share	71,566	71,331	71,846	71,430

If the Group offers to settle compensation payment to employees in cash or shares, the Group will assume the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average of outstanding shares used to estimate diluted earnings per share, as the effect is dilutive. Such dilutive effect of potential shares is included in the estimation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

24. Share-based payment arrangements

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 stocks 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 are those that have not met the vesting conditions, which include restrictions to sell, pledge, transfer, donate or, in any other way, dispose of these shares. However, the shares are entitled to allotment, dividends, and share options of increased share capital.

If an employee fails to meet the vesting conditions, the Company will take back and cancel the employee's restricted shares.

Information about employee restricted shares is as follows:

	January 1, 2022 to June 30, 2021	January 1, 2021 to June 30, 2021
Employee restricted shares	Shares (in thousands)	Shares (in thousands)
Outstanding amount in circulation at the beginning and end of the period	800	800

Information about the Company's employee restricted shares is as follows:

Grant date	Fair value per share at the grant date (NTD)	Number of shares granted (in thousands of shares)	Vesting period
September 23, 2020	73.8	800	2 to 4 years

Recognized remuneration costs for the three months and the six months ended June 30, 2022 and 2021 recognized were NT$5,151 thousand, NT$5,151 thousand, NT$10,245 thousand, and NT$10,245 thousand, respectively.

25. Business combination

The Group signed a procurement agreement with Holders Technology Plc. on the acquisition date of September 30, 2021 to acquire the assets and operations of the printed circuit board business with which business continued to run.

a. Transfer consideration

	September 30, 2021
Cash	$ 61,454

b. Assets acquired on the acquisition date

	September 30, 2021
Current assets	
Inventories	$ 37,214
Non-current Assets	
Property, plants, and equipment	10,958
Intangible assets	13,282
	$ 61,454

c. The effect of business combinations on the operating performance

The operating performance of the printed circuit board business acquired from the beginning of the fiscal year to the acquisition date could not be obtained, and therefore acquisition date, the pro forma for the first half of 2021 is not disclosed.

26. Capital risk 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.

27. Financial instruments

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

The management team of the Group believes that the carrying amounts of financial assets and liabilities which are not measured by fair value are close to fair value or cannot be reliably measured.

b. Fair value of financial instruments measured at fair value on a recurring basis (June 30, 2022: None)

1) Fair value hierarchy

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial instruments	$ -	$ 65,123	$ -	65,123

June 30, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial instruments	$ -	$ 831	$ -	$ 831

There were no transfers between Level 1 and 2 during the six months ended June 30, 2022 and 2021.

2) Valuation techniques and inputs for Level 2 fair value measurements

Financial Instrument	Valuation Techniques 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. Contract forward rates are discounted at a rate that reflects the credit risk of various counterparties.
Structured time deposits	Discounted cash flow: Future cash flows are estimated at an observable interest rate at the end of the period and discounted at market interest rates.

c. Types of financial instruments

	June 30, 2022	December 31, 2021	June 30, 2021
Financial assets			
Mandatory FVTPL	$ -	$ 65,123	$ 831
Financial assets at amortized costs (1)	2,981,209	3,225,136	3,465,546
Financial liabilities			
Financial liabilities at amortized costs (2)	1,620,209	2,341,543	2,452,844

Note 1: The balances include financial assets at amortized costs, which comprise cash and cash equivalents, notes receivable, trade receivables, other receivables, financial assets at amortized costs, and refundable deposits.

Note 2: The balances include financial liabilities at amortized costs, which consist of short-term loans, trade payables, other payables, long-term loans (including due within one year), and guarantee deposits.

d. Financial risk management objectives and policies

The Group's corporate department provides services for each business unit, coordinates access to domestic and international financial markets, and monitors and manages financial risks related to the operations of the Group through internal risk reports by analyzing exposures according to the 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 which are approved by the board of directors who 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 engage in nor trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Group's operating activities main market risks are those 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 31.

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 six months ended June 30, 2021 and 2020 would have decreased/increased by NT$11,043 thousand and NT$8,475 thousand, respectively.

In the management team'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 was as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Fair value interest rate risk			
Financial assets	$ 221,417	$ 217,076	$ 150,941
Financial liabilities	678,172	737,022	811,859
Cash flow interest rate risk			
Financial assets	786,571	520,171	731,320
Financial liabilities	153,852	172,539	175,689

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 conducted with the assumption that 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 internally reporting interest rate risk to key management personnel. This represents the management team's assessment of the reasonably 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 six months ended June 30, 2022 and 2021 would have increased/decreased by NT$791 thousand and NT$695 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. Through the end of the reporting period, the Group's maximum exposure to credit risk, which would have caused 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.

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 the 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 was limited. At the end of the reporting period, the Group's largest exposure on 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 whilst mitigating the effects of fluctuations in cash flows.

The Group relies on bank borrowings as a significant source of liquidity. As of June 30, 2022, December 31, 2021, and June 30, 2021, the Group's undrawn available short-term bank loan facilities are set out in (2) 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.

June 30, 2022

	On demand or less than one year	1-5 Years	5+ Years
Non-derivative financial liabilities			
Non-interest bearing	$ 1,888,492	$ 5,732	$ 4,137
Lease liabilities	46,599	84,048	-
Variable interest rate assets	42,595	44,645	66,612
Fixed interest rate assets	549,068	812	-
	$ 2,526,754	$ 135,237	$ 70,749

December 31, 2021

	On demand or less than one year	1-5 Years	5+ Years
Non-derivative financial liabilities			
Non-interest bearing	$ 1,577,328	$ 5,192	$ 3,901
Lease liabilities	46,142	101,017	-
Variable interest rate assets	53,325	49,294	69,920
Fixed interest rate assets	594,203	923	-
	$ 2,270,998	$ 156,426	$ 73,821

June 30, 2021

	On demand or less than one year	1-5 Years	5+ Years
Non-derivative financial liabilities			
Non-interest bearing	$ 2,041,346	$ 5,565	$ 4,421
Lease liabilities	35,537	83,679	-
Variable interest rate assets	47,784	53,608	74,297
Fixed interest rate assets	693,189	1,096	-
	$ 2,817,856	$ 143,948	$ 78,718

b) Financing facilities

	June 30, 2022	December 31, 2021	June 30, 2021
Bank loan facilities			
-Amount undrawn	$ 1,006,238	$ 764,402	$ 645,468

e. Transfers of financial assets

Factored trade receivables for the three months ended June 30, 2022 were as follows: None):

January 1, 2021 to June 30, 2021

Subsidiaries:	Counterparties	Receivables factored	Amounts collected	Foreign exchange gains and losses	Advances received at the end of this period	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)	$ -		

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.

28. 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 the information disclosed elsewhere in other notes, details on transactions between the Group and other related parties are disclosed below.

Remuneration of key management personnel

	April 1, 2022 to June 30, 2022	April 1, 2021 to June 30, 2021	January 1, 2022 to June 30, 2022	January 1, 2021 to June 30, 2021
Short-term employee benefits	$ 14,326	$ 20,023	$ 25,191	$ 36,739
Post-employment benefits	407	393	815	786
Share-based payments	779	779	1,549	1,534
	$ 15,512	$ 21,195	$ 27,555	$ 39,059

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

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	June 30, 2022	December 31, 2021	June 30, 2021
Notes receivable	$ -	$ 15,390	$ -
Restricted bank deposits	46,023	28,691	42,430
Property, plants, and equipment - net	218,903	220,809	222,715
	$ 264,926	$ 264,890	$ 265,145

30. SIGNIFICANT OR CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

As of June 30, 2022, December 31, 2021, and June 30, 2021, the Group’s unused letters of credit amounted to NT$63,907 thousand, NT$96,652 thousand, and NT$101,507 thousand, respectively.

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant financial assets and liabilities of the entities in the Group are aggregated and expressed in foreign currencies other than functional currencies. The related exchange rates between foreign currencies and respective functional currencies were disclosed as follows:

June 30, 2022

	Foreign currencies (in thousands)	Exchange rate	Carrying amount
Financial assets			
Monetary items			
USD	$ 18,122	6.711 (USD:RMB)	$ 538,587
USD	54,018	7.846 (USD:HKD)	1,605,417
USD	6,957	29.720 (USD:NTD)	206,753
			$ 2,350,757
Financial liabilities			
Monetary items			
USD	13,093	6.711 (USD:RMB)	$ 389,129
USD	26,206	7.846 (USD:HKD)	778,854
USD	2,640	29.720 (USD:NTD)	78,467
USD	4,784	0.957 (USD:EUR)	142,180
USD	3,858	0.824 (USD:GBP)	114,656
			$ 1,503,286

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

June 30, 2021

	Foreign currencies (in thousands)	Exchange rate	Carrying amount
Financial assets			
Monetary items			
USD	$ 15,971	6.640 (USD:RMB)	$ 444,940
USD	51,490	7.767 (USD:HKD)	1,434,503
USD	4,496	27.860 (USD:NTD)	125,261
			$ 2,004,704
Financial liabilities			
Monetary items			
USD	6,793	6.640 (USD:RMB)	$ 189,257
USD	32,101	7.767 (USD:HKD)	894,327
USD	3,884	27.860 (USD:NTD)	108,220
			$ 1,191,804

The net gains/losses on foreign exchange for the three months and six months ended June 30, 2022 and 2021, were a net gain of NT$21,331 thousand, a net loss of NT$11,861 thousand, a net gain of NT$20,456 thousand, and a net loss of NT$11,961 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.

32. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and 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 were of at least NT$300 million or 20% of the paid-in capital. (None)

6) Disposals of individual real estate at prices were of at least NT$300 million or 20% of the paid-in capital. (None)

7) Total purchases from or sales to related parties amounted to at least NT$100 million or 20% of the paid-in capital. (Table 3)

8) Receivables from related parties amounted to at least NT$100 million or 20% of the paid-in capital. (Table 4)

9) Trading in derivative instruments. (Note 7)

10) Others 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, displayed 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 limits on the amount of investment in mainland China. (Table 6)

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

a) The amount and percentage of purchases as well as the balance and percentage of the related payables at the end of the period.

b) The amount and percentage of sales as well as 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, guarantees, or pledges of collateral at the end of the period and their purposes.

e) The highest balance, balance at the end of period, the interest rate range, and the interest in the total current period 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 displaying the shareholder’s name, the number of shares owned, and percentage of ownership of each shareholder. (Table 8)

33. SEGMENT INFORMATION

The Group mainly engages in the production and sales 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”.

Segment revenue and results

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

	January 1, 2022 to June 30, 2022			
	Asia	Europe and America	Elimination of inter-segment revenue	Total
Revenue from external customers	$ 2,451,562	$ 723,690	$ -	$ 3,175,252
Inter-segment revenue	1,845,442	13,635	(1,859,077)	-
Consolidated revenue	$ 4,297,004	$ 737,325	($ 1,859,077)	$ 3,175,252
Segment income	$ 254,166	$ 25,253	$ -	$ 279,419
Interest income				2,742
Other income				9,882
Other gains and losses				16,365
Interest expense				(7,381)
Net income before tax				$ 301,027

	January 1, 2021 to June 30, 2021			
	Asia	Europe and America	Elimination of inter-segment revenue	Total
Revenue from external customers	$ 3,088,929	$ 632,831	$ -	$ 3,721,760
Inter-segment revenue	2,401,735	12,956	(2,414,691)	-
Consolidated revenue	$ 5,490,664	$ 645,787	($ 2,414,691)	$ 3,721,760
Segment income	$ 568,110	$ 83,143	$ -	$ 651,253
Interest income				617
Other income				1,632
Other gains and losses				(20,220)
Interest expense				(5,199)
Net income before tax				$ 628,083

Segment income represents 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.

Ventec International Group Co., Ltd.

Ventec International Group Co., Ltd. and Subsidiaries

Financing Provided to Others

For the six months ended June 30, 2022 and 2021

Table 1

Unit: (In NT$ thousands, unless stated otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	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	$ 1,486,000 (USD 50,000)	$ 416,080 (USD 14,000)	$ 392,690 (USD 13,213)	-	2	$ -	Operating capital needed	$ -	(None)	$ -	$ 3,709,860 (USD 124,830)	$ 7,419,720 (USD 249,660)	
2	VT HK	VLL	Other receivables	Yes	297,200 (USD 10,000)	59,440 (USD 2,000)	54,715 (USD 1,841)	-	2	-	Operating capital needed	-	(None)	-	3,709,860 (USD 124,830)	7,419,720 (USD 249,660)	
2	VT HK	VT UK	Other receivables	Yes	104,020 (USD 3,500)	104,020 (USD 3,500)	46,066 (USD 1,550)	1.67%	2	-	Operating capital needed	-	(None)	-	3,709,860 (USD 124,830)	7,419,720 (USD 249,660)	
2	VT HK	VT USA	Other receivables	Yes	118,880 (USD 4,000)	118,880 (USD 4,000)	- (USD -)	-	2	-	Operating capital needed	-	(None)	-	3,709,860 (USD 124,830)	7,419,720 (USD 249,660)	
2	VT HK	VT DE	Other receivables	Yes	118,880 (USD 4,000)	118,880 (USD 4,000)	90,497 (USD 3,045)	2.28%	2	-	Operating capital needed	-	(None)	-	3,709,860 (USD 124,830)	7,419,720 (USD 249,660)	

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

Note 2: Types of financing were as follows:

1. In the event of business dealings, please fill in 1.
2. In the event of a need for short-term financing, please fill in 2.

Note 3: The limitations of financing amounts were as follows:

1. Financing received from the Company cannot exceed 50% of the Company’s net asset value.
2. The financing limitations where the Company directly and indirectly holds 100% of voting right shares of subsidiaries 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 the net asset value was based on the lender’s net asset value on June 30, 2022.

Note 4: The calculation was based on the spot exchange rate of USD to NTD on June 30, 2022.

Note 5: All inter-company transactions have been eliminated on consolidation.

Ventec International Group Co., Ltd.

Ventec International Group Co., Ltd. and Subsidiaries

Endorsements/Guarantees Provided

For the six months ended June 30, 2022 and 2021

Table 2

Unit: (In NT$ thousands, 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 (N	Amount Endorsed/Guaranteed by Collateral	Ratio of Accumulated Endorsement/Guarantee to Net Equity in the Latest Financial Statements (%)	Aggregate Endorsement/Guarantee Limit (Notes 2 and 3)	Endorsement /Guarantee Given by the 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
		Company Name	Relationship											
0	VIG CAYMAN	VT HK	Subsidiaries:	$ 5,760,336 (USD 194,040)	$ 668,700 (USD 22,500)	$ 668,700 (USD 22,500)	$ 124,973 (USD 4,205)	$ -	23%	$ 11,520,672 (USD 388,080)	Y	N	N	
0	VIG CAYMAN	VT TW	Subsidiaries:	5,760,336 (USD 194,040)	936,953 (USD 31,526)	905,806 (USD 30,478)	195,914 (USD 6,592)	-	31%	11,520,672 (USD 388,080)	Y	N	N	
0	VIG CAYMAN	VT SZ	Subsidiaries:	5,760,336 (USD 194,040)	148,600 (USD 5,000)	59,440 (USD 2,000)	-	-	2%	11,520,672 (USD 388,080)	Y	N	Y	
1	VIG HK	VT UK	Fellow subsidiary	238,437 (USD 8,023)	8,470 (USD 285)	8,470 (USD 285)	-	-	-	476,873 (USD 16,045)	N	N	N	
2	VT TW	VT HK	Fellow subsidiary	2,067,115 (USD 69,550)	445,800 (USD 15,000)	445,800 (USD 15,000)	334,885 (USD 11,268)	-	108%	2,480,538 (USD 83,460)	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 on June 30, 2022):

1. 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.
2. 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.
3. 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 of USD to NTD on June 30, 2022.

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

Ventec International Group Co., Ltd.

Ventec International Group Co., Ltd. and Subsidiaries

Total Purchases from or Sales to Related Parties Amounting to at Least NT$100 Million or 20% of the Paid-in Capital

For the six months ended June 30, 2022 and 2021

Table 3

Unit: In NT$ thousands, unless stated otherwise

Buyer/Seller	Related Party	Relations	Transaction Details				Circumstances and Reasons for the Differences of the Trading Terms from the General Ones		Notes/Trade Receivables (Payables)		Note
			Purchase/ Sale	Amount (Note 1)	% of Total	Payment Terms	Unit Price	Payment Terms	Financial Statement Account and Ending Balance (Note 2)	% of Total	
VT HK	VT SZ	The same ultimate parent	Purchase	$ 824,997 (USD 28,904)	82%	150 days after the end of each month	No major difference	No major difference	($ 691,866) (USD 23,279)	92%	
VT HK	VT SZ	The same ultimate parent	Sales	(180,785) (USD 6,322)	17%	150 days after the end of each month	No major difference	No major difference	360,406 (USD 12,127)	36%	
VT HK	VT DE	The same ultimate parent	Sales	(126,556) (USD 4,439)	12%	150 days after the end of each month	No major difference	No major difference	102,075 (USD 3,435)	10%	
VT HK	VT UK	The same ultimate parent	Sales	(100,719) (USD 3,525)	10%	150 days after the end of each month	No major difference	No major difference	55,556 (USD 1,869)	6%	
VT SZ	VT HK	The same ultimate parent	Sales	(824,997) (USD 28,904)	32%	150 days after the end of each month	No major difference	No major difference	691,866 (USD 23,279)	37%	
VT SZ	VT HK	The same ultimate parent	Purchase	180,785 (USD 6,322)	13%	150 days after the end of each month	No major difference	No major difference	(360,406) (USD 12,127)	42%	
VT DE	VT HK	The same ultimate parent	Purchase	126,556 (USD 4,439)	96%	150 days after the end of each month	No major difference	No major difference	(102,075) (USD 3,435)	69%	
VT UK	VT HK	The same ultimate parent	Purchase	100,719 (USD 3,525)	97%	150 days after the end of each month	No major difference	No major difference	(55,556) (USD 1,889)	80%	

Note 1: The calculation was based on the average exchange rate of USD to NTD from January 1, 2022 to June 30, 2022.

Note 2: The calculation was based on the spot exchange rate of USD to NTD as of June 30, 2022.

Note 3: All inter company transactions have been eliminated on consolidation.

Ventec International Group Co., Ltd.

Ventec International Group Co., Ltd. and Subsidiaries

Receivables from Related Parties Amounting to at Least NT$100 Million or 20% of the Paid-in Capital

June 30, 2022

Table 4

Unit: In NT$ thousands, unless stated otherwise

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance (Note 2)	Turnover Rate	Overdue Receivables from Related Parties		Amounts Received from Related Parties After the Balance Sheet Date (Notes 1 and 2)	Allowance for Bad Debts
					Amount (Note 2)	Actions Taken		
VT SZ	VT HK	The same ultimate parent	$ 691,866 (USD 23,279)	2.68	$ 262,401 (USD 8,829)	Enhanced collection of overdue receivables	$ 122,894 (USD 4,135)	$ -
VT HK	VT SZ	The same ultimate parent	360,406 (USD 12,127)	1.33	265,610 (USD 8,937)	Enhanced collection of overdue receivables	-	-
VT HK	VT DE	The same ultimate parent	102,075 (USD 3,435)	2.42	-	Enhanced collection of overdue receivables	9,540 (USD 321)	-
VT HK	VT USA	The same ultimate parent	102,915 (USD 3,463)	1.69	26,662 (USD 897)	Enhanced collection of overdue receivables	9,540 (USD 321)	-
VT TW	VT USA	The same ultimate parent	121,061 (USD 4,073)	1.40	48,848 (USD 1,644)	Enhanced collection of overdue receivables	-	-

Note 1: The amounts received from related parties after the balance sheet date refer to those recovered on July 21, 2022.

Note 2: The calculation was based on the spot exchange rate of USD to NTD on June 30, 2022.

Note 3: All inter company transactions have been eliminated on consolidation.

Ventec International Group Co., Ltd.

Ventec International Group Co., Ltd. and Subsidiaries

Information on Investees

For the six months ended June 30, 2022 and 2021

Table 5

Unit: In NT$ thousands, unless stated otherwise

Investor	Investee Company	Location	Business Content	Original Investment Amount		As of December 31, 2020			Investee Profits or losses for this period (Note 2)	Investment income or losses recognized in this period (Notes 2 and 3)	Note
				End of this period (Note 1)	End of last year (Note 1)	Number of shares	%	Amount (Note 1)			
VIG CAYMAN	VIG SAMOA	SAMOA	General investment	$ 1,384,967	$ 1,384,967	46,600,000	100	$ 2,959,286	$ 315,109	$ 315,109	Subsidiary
				(USD 46,600)	(USD 46,600)			(USD 99,571)	(USD 10,948)	(USD 10,948)	
VIG SAMOA	VIG HK	HK	General investment	924,341	924,341	31,110,000	100	2,384,366	248,196	248,196	Subsidiary
				(USD 31,101)	(USD 31,101)			(USD 80,227)	(USD 8,623)	(USD 8,623)	
	VLL	British Virgin Islands	General investment	238,082	238,082	8,010,000	100	35,089	(79)	(79)	Subsidiary
				(USD 8,011)	(USD 8,011)			(USD 1,181)	(USD -4)	(USD -4)	
	VT HK	HK	International trade	71,367	71,367	10,000	100	370,986	36,807	36,807	Subsidiary
				(USD 2,401)	(USD 2,401)			(HKD 97,936)	(HKD 9,946)	(HKD 9,946)	
	VT TW	Taiwan	Manufacturing and sales of CCL, IMS, and prepreg	339,071	339,071	10,000,000	100	413,423	27,668	27,668	Subsidiary
				(USD 11,409)	(USD 11,409)						
	VT UK	UK	Sale of CCL, IMS, and prepreg	39,376	39,376	807,334	100	77,965	2,752	2,752	Subsidiary
				(USD 1,325)	(USD 1,325)			(GBP 2,161)	(GBP 73)	(GBP 73)	
	VT DE	Germany	Sale of CCL, IMS, and prepreg	205,170	205,170	400,000	100	84,315	(749)	(749)	Subsidiary
				(USD 6,903)	(USD 6,903)			(EUR 2,715)	(EUR -24)	(EUR -24)	
VLL	VT USA	USA	Sale of CCL, IMS, and prepreg	220,668	220,668	-	100	89,795	(79)	(79)	Subsidiary
				(USD 7,425)	(USD 7,425)			(USD 3,021)	(USD -4)	(USD -4)	

Note 1: The calculation was based on the spot exchange rate of each foreign currency to NTD on June 30, 2022.

Note 2: The calculation was based on the average exchange rate of each foreign currency to NTD for the six months ended June 30, 2022.

Note 3: All inter-company transactions have been eliminated on consolidation.

Note 4: Please refer to Table 6 for information on investees in mainland China.

Ventec International Group Co., Ltd.

Ventec International Group Co., Ltd. and Subsidiaries

Information on Investments in Mainland China

For the six months ended June 30, 2022 and 2021

Table 6

Unit: In NT$ thousands, unless stated otherwise

Investee Company	Business Content	Paid-in Capital (Notes 1 and 3)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan from the Beginning of This Period	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan from the End of This Period	Net Income (Loss) of Investee (Note 2)	% Ownership of Direct or Indirect Investment	Investment Income (Loss) for This Period (Notes 2 and 4)	Carrying Amount of Investments from the End of This Period (Notes 3 and 4)	Accumulated Repatriation of Investment Income from the End of This Period
					Outward Remittance	Inward Remittance						
VT SZ	Research and development, manufacturing, and sales of CCL, IMS, and prepreg	$ 1,303,994 (USD 36,600) (RMB 294,466)	Indirect investment	$ -	$ -	$ -	$ -	$ 265,793 (RMB 59,915)	100%	$ 265,793 (RMB 59,915)	$ 2,377,945 (RMB 536,985)	$ -
VT JY	Manufacturing and sales of CCL, IMS, and prepreg	126,448 (USD 3,000) (RMB 28,554)	Indirect investment	-	-	-	-	(151) (RMB -67)	100%	(151) (RMB -67)	113,815 (RMB 25,702)	-
VT SZWT	Manufacturing and sales of CCL, and sell of IMS, and prepreg	83,253 (RMB 18,800)	Indirect investment	-	-	-	-	(290) (RMB -66)	100%	(290) (RMB -66)	(9,289) (RMB -2,098)	-

Accumulated Outward Remittance for Investment in Mainland China from the End of This Period	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of the 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 to NTD for the six months ended June 30, 2022.

Note 3: The calculation was based on the spot exchange rate of each foreign currency to NTD on June 30, 2022.

Note 4: All intercompany transactions have been eliminated upon consolidation.

Ventec International Group Co., Ltd.

Ventec International Group Co., Ltd. and Subsidiaries

Inter-company Relationships and Significant Inter-company Transactions and Amounts

For the six months ended June 30, 2022 and 2021

Table 7

Unit: In NT$ thousands, unless stated otherwise

No. (Note 1)	Investee Company	Counterparty	Relationship	Transactions Details				
				Financial Statement Accounts	Amount	Amount (USD)	Transaction Terms	% of Total Sales or Assets
3	VT HK	VT SZ	3	Trade receivables	$ 360,406	$ 12,127	No major difference	6%
3	VT HK	VT DE	3	Trade receivables	102,075	3,435	No major difference	2%
3	VT HK	VT UK	3	Trade receivables	55,556	1,869	No major difference	1%
3	VT HK	VT TW	3	Trade receivables	61,648	2,074	No major difference	1%
3	VT HK	VT USA	3	Trade receivables	102,915	3,463	No major difference	2%
3	VT HK	VIG SAMOA	3	Other receivables	392,702	13,213	No major difference	1%
3	VT HK	VLL	3	Other receivables	54,706	1,841	No major difference	7%
3	VT HK	VT UK	3	Other receivables	48,351	1,627	No major difference	1%
3	VT HK	VT DE	3	Other receivables	91,332	3,073	No major difference	2%
3	VT HK	VT SZ	3	Trade payables	691,866	23,279	No major difference	12%
3	VT HK	VT USA	3	Other trade payables	49,340	1,660	No major difference	1%
3	VT HK	VT USA	3	Sales	60,480	2,121	No major difference	2%
3	VT HK	VT DE	3	Sales	126,556	4,439	No major difference	4%
3	VT HK	VT UK	3	Sales	100,719	3,525	No major difference	3%
3	VT HK	VT TW	3	Sales	84,073	2,928	No major difference	3%
3	VT HK	VT SZ	3	Sales	180,785	6,322	No major difference	6%
3	VT HK	VT SZ	3	Purchase	824,997	28,904	No major difference	26%
4	VT SZ	VT JY	3	Purchase	74,245	2,589	No major difference	2%
6	VT TW	VT USA	3	Trade receivables	121,061	4,073	No major difference	2%
6	VT TW	VT USA	3	Sales	65,876	2,285	No major difference	2%

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

Note 2: No. 1 represents the transactions from the parent company to the subsidiary. No. 2 represents the transactions from the subsidiary to the parent company. No. 3 represents the transactions between subsidiaries.

Note 3: All intercompany transactions have been eliminated on consolidation.

Ventec International Group Co., Ltd.

Ventec International Group Co., Ltd. and Subsidiaries

INFORMATION ON MAJOR SHAREHOLDERS

June 30, 2022

TABLE 8

Name of major shareholder	Shares	
	Number of shares held	Percentage of ownership (%)
Top Master Limited	4,713,307	6.59%
Alpha Victor Limited	4,090,908	5.72%

Note 1: The information on major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation, which is based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater and that have been issued without physical registration (including treasury shares) by the Company as of the last business day of 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 Market Observation Post System.