Ventec International Group Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Quarter 3 of 2023 and 2022 and Independent Auditors' Review Report

Address: The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman Ky1-1208, Cayman Islands
Tel: 86-512-68091810

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.

§Table of Contents§

Independent Auditors' Review Report

To Ventec International Group Co., Ltd.:

Opinion

We have reviewed the accompanying consolidated financial statements of Ventec International Group Co., Ltd. (hereinafter referred to as the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as at September 30, 2023 and 2022 and for July 1 to September 30, 2023 and 2022, the consolidated statements of comprehensive income for January 1 to September 30, 2023 and 2022, consolidated statement of changes in equity and consolidated cash flow statement for January 1 to September 30, 2023 and 2022, and Notes to the Consolidated Financial Statement (including material accounting policies). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulation Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Statement 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission. Our responsibility is to come to a conclusion on the consolidated financial statements based on our reviews.

Scope

Except for those described in the paragraph of basis of qualified conclusion, we concluded our reviews in accordance with Standards on Review Engagements No. 2410 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries (primarily of persons responsible for financial and accounting matters) and conducting analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of a qualified conclusion

As stated in Note X to the consolidated financial statements, the total assets of non-material subsidiaries included in the above consolidated financial statements for the same periods not reviewed by us, as of September 30, 2023 and 2022, were $690,261 thousand and $776,716 thousand, respectively, accounting for 14% and 16% of the total consolidated assets, respectively. Their total liabilities were $182,738 thousand and $176,381 thousand, respectively, accounting for 11% and 10% of the total consolidated liabilities, respectively. For July 1 to September 30, 2023 and 2022 and January 1 to September 30, 2023 and 2022, the total comprehensive income was $(7,708) thousand, $995 thousand, $7,477 thousand, and $2,919 thousand, respectively, accounting for (3%), 1%, 2%, and 1% of the total consolidated comprehensive income, respectively.

Qualified conclusion

According to our review results, except that the financial statements of non-material subsidiaries described in the "Basis for a qualified conclusion" paragraph may result in adjustment to the consolidated financial statements if reviewed by us, 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 the 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 as at September 30, 2023 and 2022, consolidated financial performance for the three months from July 1 to September 30, 2023 and 2022, and consolidated financial performance and consolidated cash flows for the nine months ended September 30, 2023 and 2022.

Deloitte & Touche, Taiwan

CPA, Yi-Ching Liu

CPA, Chun-Hung Chen

Securities and Futures Commission Approval Document No.
Jin-Guan-Zheng-Shen No. 1100356048

Securities and Futures Commission Approval Document No.
Jin-Guan-Zheng-Shen No. 0990031652

November 10, 2023

Ventec International Group Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

September 30, 2023, December 31, 2022, and September 30, 2022

Unit: In Thousands of NTD

Code	Assets	September 30, 2023 Amount	%	December 31, 2022 (After restatement) Amount	%	September 30, 2022 (After restatement) Amount	%
	Current assets						
1100	Cash and Cash Equivalents (Note 6)	$ 575,102	12	$ 629,941	13	$ 538,277	11
1136	Financial assets at amortized cost - Current (Notes 7, 15, and 27)	186,828	4	169,141	3	228,273	5
1150	Notes receivable (Notes 8, 15, 19, and 27)	142,806	3	101,387	2	84,355	2
1170	Accounts receivable (Notes 8 and 19)	1,342,534	27	1,331,056	26	1,436,310	30
1200	Other receivables (Note 8)	37,370	1	30,251	1	17,743	-
1310	Inventories (Note 9)	885,059	18	934,910	19	984,640	21
1410	Prepayments	49,509	1	56,514	1	61,616	1
1479	Other current assets	25	-	631	-	670	-
11XX	Total current assets	3,219,233	66	3,253,831	65	3,351,884	70
	Non-current assets						
1535	Financial assets at amortized cost - Non-current (Note 7)	382,032	8	440,939	9	67,079	1
1600	Property, plant and equipment (Notes 11, 15, and 27)	996,604	20	999,796	20	1,037,627	22
1755	Right-of-use assets (Note 12)	149,834	3	177,613	4	189,350	4
1805	Goodwill (Note 13)	73,226	2	69,686	1	72,047	2
1801	Intangible assets (Note 14)	8,346	-	10,022	-	10,224	-
1840	Deferred tax assets (Notes 3 and 4)	42,672	1	44,125	1	45,136	1
1920	Refundable deposits	10,925	-	9,989	-	9,935	-
1990	Other non-current assets	2,042	-	17,031	-	11,540	-
15XX	Total non-current assets	1,665,681	34	1,769,201	35	1,442,938	30
1XXX	Total assets	$ 4,884,914	100	$ 5,023,032	100	$ 4,794,822	100
Code	Liabilities and equity						
	Current liabilities						
2100	Short-term borrowings (Notes 7, 8, 15, and 27)	$ -	-	$ 276,262	5	$ 320,471	7
2170	Accounts payable	663,277	14	645,680	13	462,567	10
2200	Other payables (Note 16 and 26)	510,811	10	495,385	10	494,521	10
2280	Lease liabilities - Current (Note 12)	41,526	1	43,830	1	45,366	1
2230	Current tax liabilities (Note 4)	37,975	1	46,040	1	35,570	1
2320	Current portion of long-term borrowings (Notes 11, 15, and 27)	17,114	-	18,481	-	17,798	-
2399	Other current liabilities (Note 19)	2,580	-	7,690	-	5,375	-
21XX	Total current liabilities	1,273,283	26	1,533,368	30	1,381,668	29
	Non-current liabilities						
2540	Long-term borrowings (Notes 11, 15, and 27)	90,632	2	102,461	2	107,598	2
2570	Deferred tax liabilities (Notes 3 and 4)	155,796	3	147,591	3	135,288	3
2580	Lease liabilities - Non-current (Note 12)	39,328	1	64,707	1	73,352	2
2640	Net defined benefit liabilities - Non-current (Notes 4 and 17)	59,595	1	52,154	1	59,351	1
2670	Other non-current liabilities	28,241	1	29,191	1	21,614	-
25XX	Total non-current liabilities	373,592	8	396,104	8	397,203	8
2XXX	Total liabilities	1,646,875	34	1,929,472	38	1,778,871	37
	Equity (Notes 10, 18, and 23)						
3100	Common stock	714,347	14	714,543	14	714,543	15
3200	Capital surplus	884,861	18	886,111	18	886,111	18
	Retained earnings						
3310	Legal reserve	283,957	6	237,252	5	237,252	5
3320	Special reserve	314,580	6	343,852	7	343,852	7
3350	Unappropriated earnings	1,107,248	23	1,040,900	20	945,864	20
3300	Total retained earnings	1,705,785	35	1,622,004	32	1,526,968	32
	Other equity						
3410	Exchange differences in translating the financial statements of foreign operations	(61,354)	(1)	(114,580)	(2)	(94,177)	(2)
3490	Unearned employee benefits	(5,600)	-	(14,518)	-	(17,494)	-
3400	Total other equity	(66,954)	(1)	(129,098)	(2)	(111,671)	(2)
3XXX	Total equity	3,238,039	66	3,093,560	62	3,015,951	63
	Total liabilities and equity	$ 4,884,914	100	$ 5,023,032	100	$ 4,794,822	100

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the review report issued by Deloitte & Touche on November 10, 2023)

Chairman: Wang, Yu-Tzu　　Manager: Chien-Jen Chung　　Chief Accounting Officer: Chiao-Wei Tu

Ventec International Group Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

From July 1 to September 30, 2023 and 2022, and from January 1 to September 30, 2023 and 2022

Unit: In Thousands of NTD, Except Earnings Per Share

Code		From July 1 to September 30, 2023		From July 1 to September 30, 2022		From January 1 to September 30, 2023		From January 1 to September 30, 2022	
		Amount	%	Amount	%	Amount	%	Amount	%
4100	Sales revenue (Notes 19 and 31)	$ 1,234,421	100	$ 1,211,181	100	$ 3,640,103	100	$ 4,386,433	100
5110	Cost of sales (Notes 9 and 20)	823,128	67	858,625	71	2,489,954	68	3,187,555	73
5900	Gross profit	411,293	33	352,556	29	1,150,149	32	1,198,878	27
	Operating expenses (Notes 8 and 20)								
6100	Sales and marketing expenses	140,749	11	138,866	11	445,976	12	457,736	10
6200	General and administrative expenses	49,655	4	49,703	4	170,444	5	171,257	4
6300	Research and development expenses	58,180	5	51,864	4	165,154	5	178,117	4
6450	Expected credit impairment loss (gain on reversal)	1,705	-	(3,222)	-	1,965	-	(2,996)	-
6000	Total operating expenses	250,289	20	237,211	19	783,539	22	804,114	18
6900	Net operating income	161,004	13	115,345	10	366,610	10	394,764	9
	Non-operating income and expenses (Note 20)								
7100	Interest income	5,905	1	1,272	-	16,908	-	4,014	-
7010	Other income	2,005	-	4,036	-	17,141	-	13,918	-
7020	Other gains and losses	(6,632)	(1)	16,134	1	24,517	1	32,499	1
7510	Interest expenses	(1,595)	-	(5,094)	-	(7,245)	-	(12,475)	-
7000	Total non-operating income and expenses	(317)	-	16,348	1	51,321	1	37,956	1
7900	Net income before tax	160,687	13	131,693	11	417,931	11	432,720	10
7950	Income tax expense (Notes 4 and 21)	42,900	4	16,951	1	76,985	2	60,702	1
8200	Net income for the period	117,787	9	114,742	10	340,946	9	372,018	9
	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	112,341	9	273,054	22	153,570	4	399,792	9
8360	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences in translating the financial statements of foreign operations	(6,701)	-	(257,050)	(21)	(100,344)	(2)	(350,117)	(8)
8300	Other comprehensive income for the period	105,640	9	16,004	1	53,226	2	49,675	1
8500	Total comprehensive income for the period	$ 223,427	18	$ 130,746	11	$ 394,172	11	$ 421,693	10
	Earnings Per Share (Note 22)								
9750	Basic	$ 1.66		$ 1.62		$ 4.81		$ 5.26	
9850	Diluted	$ 1.64		$ 1.60		$ 4.74		$ 5.16	

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

(Please refer to the review report issued by Deloitte & Touche on November 10, 2023)

Chairman: Wang, Yu-Tzu | Manager: Chien-Jen Chung | Chief Accounting Officer: Chiao-Wei Tu

Ventec International Group Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity

From January 1 to September 30, 2023 and 2022

Unit: In Thousands of NTD

Code		Common stock (Notes 18, and 23)		Capital surplus	Retained earnings (Note 18)			Other equity (Notes 10, 18, and 23)		
		Number of shares (in thousand shares)	Amount	(Note 18)	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences in translating the financial statements of foreign operations	Unearned employee benefits	Total equity
A1	Balance as of January 1, 2022	71,454	$ 714,543	$ 886,111	$ 154,737	$ 323,690	$ 1,148,122	($ 143,852)	($ 32,776)	$ 3,050,575
	Appropriation and distribution of 2021 earnings									
B1	Legal reserve	-	-	-	82,515	-	(82,515)	-	-	-
B3	Special reserve	-	-	-	-	20,162	(20,162)	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	(471,599)	-	-	(471,599)
D1	Net income from January 1 to September 30, 2022	-	-	-	-	-	372,018	-	-	372,018
D3	Other comprehensive income after tax from January 1 to September 30, 2022	-	-	-	-	-	-	49,675	-	49,675
D5	Total comprehensive income from January 1 to September 30, 2022	-	-	-	-	-	372,018	49,675	-	421,693
N1	Issuance of ordinary shares under employee restricted shares	-	-	-	-	-	-	-	15,282	15,282
Z1	Balance as of September 30, 2022	71,454	$ 714,543	$ 886,111	$ 237,252	$ 343,852	$ 945,864	($ 94,177)	($ 17,494)	$ 3,015,951
A1	Balance as of January 1, 2023	71,454	$ 714,543	$ 886,111	$ 237,252	$ 343,852	$ 1,040,900	($ 114,580)	($ 14,518)	$ 3,093,560
	Appropriation and distribution of 2022 earnings									
B1	Legal reserve	-	-	-	46,705	-	(46,705)	-	-	-
B3	Special reserve	-	-	-	-	(29,272)	29,272	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	(257,165)	-	-	(257,165)
D1	Net income from January 1 to September 30, 2023	-	-	-	-	-	340,946	-	-	340,946
D3	Other comprehensive income after tax from January 1 to September 30, 2023	-	-	-	-	-	-	53,226	-	53,226
D5	Total comprehensive income from January 1 to September 30, 2023	-	-	-	-	-	340,946	53,226	-	394,172
N1	Issuance of ordinary shares under employee restricted shares	-	-	-	-	-	-	-	7,472	7,472
T1	Cancellation of employee restricted shares	(19)	(196)	(1,250)	-	-	-	-	1,446	-
Z1	Balance as of September 30, 2023	71,435	$ 714,347	$ 884,861	$ 283,957	$ 314,580	$ 1,107,248	($ 61,354)	($ 5,600)	$ 3,238,039

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

(Please refer to the review report issued by Deloitte & Touche on November 10, 2023)

Chairman: Wang, Yu-Tzu Manager: Chien-Jen Chung Chief Accounting Officer: Chiao-Wei Tu

Ventec International Group Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

From January 1 to September 30, 2023 and 2022

Unit: In Thousands of NTD

Code		From January 1 to September 30, 2023	From January 1 to September 30, 2022
	Cash flows from operating activities		
A10000	Net income before tax for the period	$ 417,931	$ 432,720
A20010	Income and expense item		
A20100	Depreciation expenses	134,626	146,852
A20200	Amortization expenses	2,064	1,943
A20300	Expected credit impairment loss (gain on reversal)	1,965	(2,996)
A20400	Net gain on financial assets and liabilities at fair value through profit or loss	-	(558)
A20900	Interest expenses	7,245	12,475
A21200	Interest income	(16,908)	(4,014)
A21900	Compensation costs of employee restricted shares	7,472	15,282
A22500	Net loss (gain) on disposal of property, plant and equipment	(154)	141
A22900	Gain on disposal of right-of-use assets	(5)	(1)
A23800	Inventory valuation and obsolescence losses	7,172	13,448
A24100	Net gain on foreign currency exchange	(15,324)	(27,212)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	(41,202)	1,366
A31150	Accounts receivable	27,021	1,037,716
A31180	Other receivables	(6,281)	(4,361)
A31200	Inventories	62,281	450,995
A31230	Prepayments	8,598	24,973
A31240	Other current assets	(3)	65
A32150	Accounts payable	4,576	(885,818)
A32180	Other payables	845	(173,459)
A32230	Other current liabilities	(5,235)	1,397
A32240	Net defined benefit liabilities	4,593	4,217
A33000	Net cash inflow from operating activities	601,277	1,045,171
A33100	Interest received	16,908	4,014
A33300	Interest paid	(7,491)	(12,176)
A33500	Income tax paid	(82,131)	(109,291)
AAAA	Net cash inflow from operating activities	528,563	927,718

(Continued on next page)

(Continued from previous page)

Code		From January 1 to September 30, 2023	From January 1 to September 30, 2022
	Cash flows from investing activities		
B00200	Disposal of financial assets at fair value through profit or loss	$ -	$ 67,780
B00400	Decrease (increase) in financial assets at amortized cost	53,545	(38,034)
B02700	Acquisition of property, plants, and equipment	(66,055)	(70,304)
B02800	Proceeds from disposal of property, plants, and equipment	431	672
B03700	Increase in guarantee deposits paid	(693)	(560)
B06800	Decrease in other non-current assets	495	70
BBBB	Net cash used in investing activities	(12,277)	(40,376)
	Cash flows from financing activities		
C00100	Decrease in short-term borrowings	(276,855)	(372,462)
C01700	Repayments of long-term borrowings	(13,236)	(13,155)
C03100	Increase (decrease) in refundable deposits	1,107	(426)
C04020	Repayments of the principal portion of lease liabilities	(35,515)	(35,765)
C04300	Decrease in other non-current liabilities	(2,557)	(44)
C04500	Payment of dividends to shareholders	(256,827)	(470,903)
CCCC	Net cash outflow from financing activities	(583,883)	(892,755)
DDDD	Effects of exchange rate changes on cash and cash equivalents	12,758	52,052
EEEE	Net increase (decrease) in cash and cash equivalents	(54,839)	46,639
E00100	Opening balance of cash and cash equivalents	629,941	491,638
E00200	Ending balance of cash and cash equivalents	$ 575,102	$ 538,277

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

(Please refer to the review report issued by Deloitte & Touche on November 10, 2023)

Chairman: Wang, Yu-Tzu Manager: Chien-Jen Chung Chief Accounting Officer: Chiao-Wei Tu

Ventec International Group Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements

From January 1 to September 30, 2023 and 2022

(In Thousands of NTD, Unless Specified Otherwise)

1. Company History

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 shares have been listed on Taiwan Stock Exchange (TWSE) 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 dollars.

2. Date and Procedures of Approval of the Financial Statements

The consolidated financial statements were approved by the Company's board of directors on November 10, 2023.

3. Application of New, Amended, and Revised Standards and Interpretations

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

In addition to the description below, the initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12)

The amendment clarifies that exemptions originally recognized according to IAS 12 are not applicable if the recognition generates a taxable transaction of the same amount with a deductible temporary difference. The Group recognizes deferred income tax assets (if it is highly likely there is taxable income to use the deductible temporary difference) and deferred income tax liabilities according to the amendment for all deductible and taxable temporary difference related to lease and decommissioning obligations on January 1, 2022. For transactions other than lease and decommissioning obligations, the amendment is applied prospectively to transactions that occur after January 1, 2022. When applying the amendment to IAS 12, the Group made retrospective restatements of information during the comparable period.

If treated according to IAS 12 before the amendment, the adjustments that need to be made to the Group's line items and balance to comply with the amendment to IAS 12 in 2023 are as follows:

Impact on assets, liabilities, and equity in 2023

	September 30, 2023
Increase in deferred tax assets	$ 11,410
Increase in deferred tax liabilities	11,410

Impact on assets, liabilities, and equity in 2022

	Amount before restatement	Adjustment for first-time application	Amount after restatement
December 31, 2022			
Deferred tax assets	$ 28,575	$ 15,550	$ 44,125
Deferred tax liabilities	132,041	15,550	147,591
September 30, 2022			
Deferred tax assets	28,582	16,554	45,136
Deferred tax liabilities	118,734	16,554	135,288
January 1, 2022			
Deferred tax assets	30,630	20,168	50,798
Deferred tax liabilities	152,422	20,168	172,590

b. Applicable to the IFRSs as endorsed by the FSC in 2024

New, Amended, and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16, "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS7 and IFRS7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above new IFRSs are effective for annual reporting periods at the beginning of or after their respective effective dates.

Note 2: The seller and lessee shall apply the amendments to IFRS 16 retrospectively to the sale and leaseback carried out after the date of initial application of IFRS 16.

Note 3: A portion of provisions on disclosure are exempt when this amendment is applicable for the first time.

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

c. The IFRSs issued by International Accounting Standards Board (IASB) but not yet endorsed and issued by the FSC

New, Amended, and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sales or Contributions of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9—Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above new IFRSs are effective for annual reporting periods at the beginning of or after their respective effective dates.

Note 2: Applicable at the beginning of the annual reporting period after January 1, 2025. The effect when the amendment is applied for the first time will be recognized in retained earnings on the date the amendment becomes applicable. When the consolidated company uses a non-functional currency as the presentation currency, the effect will adjust the currency translation difference of foreign operations under equity on the date the amendment becomes applicable.

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

4. 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, 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).
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 (subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of 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 10 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 2022 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 expense

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 2022 for significant accounting judgments and major sources of estimating uncertainty adopted for these consolidated financial statements.

6. Cash and Cash Equivalents

	September 30, 2023	December 31, 2022	September 30, 2022
Cash on hand and working capital	$ 134	$ 165	$ 172
Checking accounts and demand deposits	574,968	485,745	257,714
Cash equivalents			
Time deposits (maturity date within 3 months)	-	144,031	280,391
	$ 575,102	$ 629,941	$ 538,277

The interest rate of time deposits was 1.49%~4.55%, and 1.75%~1.76% per annum as of December 31, 2022, and September 30, 2022, respectively.

7. Financial assets at amortized cost

	September 30, 2023	December 31, 2022	September 30, 2022
Current			
Restricted bank deposits	$ 13	$ 30,948	$ 71,754
Time deposits (maturity date over 3 months)	186,815	138,193	156,519
	$ 186,828	$ 169,141	$ 228,273
Non-current			
Time deposits (maturity date over 1 year)	$ 382,032	$ 440,939	$ 67,079

As of September 30, 2023, December 31, 2022, and September 30, 2022, the information on bank time deposit durations and interest rate range are as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Maturity date	October 2023 to November 2025	February 2023 to November 2025	October 2023 to March 2024
Annual interest rate	3.10%~5.00%	1.80%~5.50%	3.15%~3.99%

8. Notes Receivable, Accounts Receivable, and Other Receivables

	September 30, 2023	December 31, 2022	September 30, 2022
Notes receivable			
Arising from operations	$ 142,806	$ 101,387	$ 84,355
Accounts receivable			
At amortized cost			
Total carrying amount	$ 1,367,412	$ 1,353,486	$ 1,461,278
Less: Loss allowance	(24,878)	(22,430)	(24,968)
	$ 1,342,534	$ 1,331,056	$ 1,436,310
Other receivables			
Tax refund receivables	$ 1,839	$ 1,337	$ 656
Others	35,531	28,914	17,087
	$ 37,370	$ 30,251	$ 17,743

a. Accounts receivable

The Group’s credit period of sales of goods ranges from 120 days to 150 days. No interest was charged on accounts 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 loss 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 accounts receivables at an amount equal to lifetime expected credit losses (ECLs). The expected credit losses on accounts 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 forecast direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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, they are recognized in profit or loss.

The details of the loss allowance of accounts receivables based on the Group's provision matrix are as follows:

September 30, 2023

	Not past due	Past due 1 to 90 Days	Past due 91 to 180 Days	Pas due over 181 Days	Total
Total carrying amount	$ 1,336,267	$ 11,717	$ 1,199	$ 18,229	$ 1,367,412
Loss allowance (lifetime ECLs)	(5,849)	(932)	(360)	(17,737)	(24,878)
Amortized cost	$ 1,330,418	$ 10,785	$ 839	$ 492	$ 1,342,534

December 31, 2022

	Not past due	Past due 1 to 90 Days	Past due 91 to 180 Days	Pas due over 181 Days	Total
Total carrying amount	$ 1,323,366	$ 12,625	$ 213	$ 17,282	$ 1,353,486
Loss allowance (lifetime ECLs)	(4,026)	(1,058)	(64)	(17,282)	(22,430)
Amortized cost	$ 1,319,340	$ 11,567	$ 149	$ -	$ 1,331,056

September 30, 2022

	Not past due	Past due 1 to 90 Days	Past due 91 to 180 Days	Pas due over 181 Days	Total
Total carrying amount	$ 1,427,134	$ 13,763	$ 1,508	$ 18,873	$ 1,461,278
Loss allowance (lifetime ECLs)	(5,476)	(822)	(452)	(18,218)	(24,968)
Amortized cost	$ 1,421,658	$ 12,941	$ 1,056	$ 655	$ 1,436,310

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

	From January 1 to September 30, 2023	From January 1 to September 30, 2022
Opening balance	$ 22,430	$ 28,803
Add: Impairment loss for the period (reversal)	1,965	(2,996)
Less: Actual amount written off in the current period	(577)	(1,377)
Foreign exchange gains and losses	1,060	538
Ending balance	$ 24,878	$ 24,968

Please refer to Note 27 for details of notes receivable that are pledged as collateral for bank borrowings.

b. Other receivables

Upon assessment, the Group's other receivables as of September 30, 2023 and December 31, 2022 and September 30, 2022 do not require an allowance for expected credit losses.

9. Inventories

	September 30, 2023	December 31, 2022	September 30, 2022
Finished goods	$ 430,983	$ 528,203	$ 537,882
Work in process	67,730	79,142	70,514
Raw materials	386,346	327,565	376,244
	$ 885,059	$ 934,910	$ 984,640

The cost of goods sold from July 1 to September 30, 2023 and 2022, and January 1 to September 30, 2023 and 2022 was $823,128 thousand, $858,625 thousand, $2,489,954 thousand, and $3,187,555 thousand, respectively. The cost of goods sold includes loss on inventory devaluation and slow-moving inventory () in the amount of $1,661 thousand, $(1,312) thousand, $7,172 thousand, and $13,448 thousand. The reversal of net realizable value of inventories was due to the rise of sales prices in specific markets.

10. Subsidiary

Subsidiaries included in the consolidated financial statements are as follows:

Investor	Name of Subsidiary	Nature of business activities	Proportion of ownership (%) September 30, 2023	December 31, 2022	September 30, 2022
Ventec International Group Co., Ltd. (“VIG CAYMAN”)	Ventec International Group 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”)	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”) (Note)	Manufacturing and sales of CCL, and sales of 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: In order to adjust the subsidiary’s capital structure, the board of directors of VT SZWT passed a resolution to reduce their cash capital by 1,200 thousand RMB in April 2022 and completed the change registration procedure on June 8, 2022.

VT UK, VT DE, and VT USA are non-material subsidiaries, and their financial statements were not reviewed by a CPA.

11. Property, plant and equipment

	Land	Buildings	Machinery and equipment	Office equipment	Leasehold improvements	Other equipment	Construction in progress and equipment under installation	Total
Cost								
Balance as of January 1, 2023	$ 118,840	$ 509,112	$ 1,906,463	$ 42,255	$ 53,497	$ 148,915	$ 12,978	$ 2,792,060
Additions	-	-	11,924	2,113	316	18,136	20,103	52,592
Reclassification	-	-	14,253	-	-	8,120	5,094	27,467
Disposals	-	(1,211)	(25,411)	(474)	-	(734)	-	(27,830)
Foreign exchange gains and losses	-	7,128	38,994	1,518	1,952	2,839	246	52,677
Balance as of September 30, 2023	118,840	515,029	1,946,223	45,412	55,765	177,276	38,421	2,896,966
Accumulated depreciation								
Balance as of January 1, 2023	-	224,205	1,408,753	29,620	29,626	100,060	-	1,792,264
Depreciation expenses	-	16,595	58,333	3,708	8,182	10,917	-	97,735
Disposals	-	(1,211)	(25,203)	(428)	-	(711)	-	(27,553)
Foreign exchange gains and losses	-	3,779	29,540	1,209	1,285	2,103	-	37,916
Balance as of September 30, 2023	-	243,368	1,471,423	34,109	39,093	112,369	-	1,900,362
Net amount of September 30, 2023	$ 118,840	$ 271,661	$ 474,800	$ 11,303	$ 16,672	$ 64,907	$ 38,421	$ 996,604
Net amount as of December 31, 2022 and January 1, 2023	$ 118,840	$ 284,907	$ 497,710	$ 12,635	$ 23,871	$ 48,855	$ 12,978	$ 999,796
Cost								
Balance as of January 1, 2022	$ 118,840	$ 503,654	$ 1,867,047	$ 39,920	$ 53,318	$ 138,657	$ 15,017	$ 2,736,453
Additions	-	223	10,731	1,324	295	5,079	43,310	60,962
Reclassification	-	-	48,324	-	800	3,824	(47,840)	5,108
Disposals	-	(450)	(2,736)	(472)	-	(2,745)	-	(6,403)
Foreign exchange gains and losses	-	10,925	50,881	1,793	1,560	4,063	2,326	71,548
Balance as of September 30, 2022	118,840	514,352	1,974,247	42,565	55,973	148,878	12,813	2,867,668
Accumulated depreciation								
Balance as of January 1, 2022	-	199,745	1,346,660	23,895	19,997	88,006	-	1,678,303
Depreciation expenses	-	16,904	69,055	4,384	8,561	10,423	-	109,327
Disposals	-	(450)	(2,361)	(427)	-	(2,352)	-	(5,590)
Foreign exchange gains and losses	-	4,978	38,224	1,193	882	2,724	-	48,001
Balance as of September 30, 2022	-	221,177	1,451,578	29,045	29,440	98,801	-	1,830,041
Net amount as of September 30, 2022	$ 118,840	$ 293,175	$ 522,669	$ 13,520	$ 26,533	$ 50,077	$ 12,813	$ 1,037,627

According to the Group’s assessment, there was no sign of impairment for property, plant and equipment on September 30, 2023, December 31, 2022, and September 30, 2022.

The following items of property, plants, and equipment are depreciated on a straight-line basis over their estimated useful live:

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

Property, plants, and equipment pledged as collateral for bank borrowings are set out in Note 27.

12. Lease Arrangements

a. Right-of-use assets

	September 30, 2023	December 31, 2022	September 30, 2022
Carrying amount of right-of-use assets			
Land	$ 71,982	$ 72,512	$ 74,176
Buildings	72,316	97,198	106,115
Office equipment	64	102	132
Transportation equipment	5,472	7,801	8,927
	$ 149,834	$ 177,613	$ 189,350

	From July 1 to September 30, 2023	From July 1 to September 30, 2022	From January 1 to September 30, 2023	From January 1 to September 30, 2022
Addition to right-of-use assets			$ 5,422	$ 9,992
Depreciation for right-of-use assets				
Land	$ 672	$ 666	$ 2,015	$ 1,994
Buildings	10,498	9,915	30,736	29,355
Office equipment	11	34	34	100
Transportation equipment	904	1,897	4,106	6,076
	$ 12,085	$ 12,512	$ 36,891	$ 37,525

Except for the addition and depreciation, the right-of-use assets of the Group were not significantly subleased or impaired from January 1 to September 30, 2023 and 2022.

b. Lease liabilities

	September 30, 2023	December 31, 2022	September 30, 2022
Carrying amount of lease liabilities			
Current	$ 41,526	$ 43,830	$ 45,366
Non-current	$ 39,328	$ 64,707	$ 73,352

Range of discount rates for lease liabilities was as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Land	1.43%	1.43%	1.43%
Buildings	1.60%~4.35%	1.60%	1.60%
Office equipment	1.35%	1.35%~1.60%	1.35%~1.60%
Transportation equipment	0.68%~4.35%	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

	From July 1 to September 30, 2023	From July 1 to September 30, 2022	From January 1 to September 30, 2023	From January 1 to September 30, 2022
Short term lease expenses	$ 1,365	$ -	$ 1,405	$ -
Total cash outflow for leases			$ 37,815	$ 36,792

The Group chooses not to recognize right-of-use assets and lease liabilities from short-term leases and other equipment leases that the Group is exempted from recognizing.

13. Goodwill

	From January 1 to September 30, 2023	From January 1 to September 30, 2022
Cost		
Opening balance	$ 69,686	$ 62,812
Net exchange difference	3,540	9,235
Ending balance	$ 73,226	$ 72,047

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 2022 and 2021 is based on projected cash flow of each cash-generating unit over the next five years and is calculated using discount rates of 17.60% and 14.90%, respectively, to reflect specific risks of the relevant cash-generating unit. The recoverable amount of goodwill at the end of 2022 and 2021 was estimated to be $381,875 thousand and $258,861 thousand, respectively, which were still greater than the carrying amount. Therefore, no impairment loss was recognized. Moreover, as of September 30, 2023 and 2022, there was no sign of significant impairment loss.

14. Intangible assets

	Computer software	Customer relationship	Total
Cost			
Balance as of January 1, 2023	$ 2,031	$ 13,355	$ 15,386
Net exchange difference	74	554	628
Balance as of September 30, 2023	2,105	13,909	16,014
Accumulated amortization			
Balance as of January 1, 2023	2,025	3,339	5,364
Amortization expenses	6	2,058	2,064
Net exchange difference	74	166	240
Balance as of September 30, 2023	2,105	5,563	7,668
Net amount of September 30, 2023	$ -	$ 8,346	$ 8,346
Net amount as of January 1, 2023 and December 31, 2022	$ 6	$ 10,016	$ 10,022
Cost			
Balance as of January 1, 2022	$ 1,944	$ 12,939	$ 14,883
Net exchange difference	(4)	(171)	(175)
Balance as of September 30, 2022	1,940	12,768	14,708
Accumulated amortization			
Balance as of January 1, 2022	1,917	647	2,564
Amortization expenses	17	1,926	1,943
Net exchange difference	(3)	(20)	(23)
Balance as of September 30, 2022	1,931	2,553	4,484
Net amount as of September 30, 2022	$ 9	$ 10,215	$ 10,224

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

15. Borrowings

a. Short-term borrowings (September 30, 2023: None)

	December 31, 2022	September 30, 2022
Secured borrowings		
Bank loans	$ -	$ 56,718
Notes receivable financing	25,332	17,535
Unsecured borrowings		
Bank loans	250,930	246,218
	$ 276,262	$ 320,471

As of December 31, 2022, and September 30, 2022, the ranges of interest rates on short-term borrowings were 1.66%~4.80%, and 0.65%~4.80%, respectively.

b. Long-term borrowings

	September 30, 2023	December 31, 2022	September 30, 2022
Taiwan Cooperative Bank			
Secured borrowings - from July 31, 2019 to July 31, 2034, each month is considered 1 period, divided into 180 installments	$ 98,454	$ 104,578	$ 106,630
Secured borrowings - from August 12, 2019 to August 12, 2024, each month is considered 1 period, divided into 60 installments	8,501	15,358	17,629
Nissan Motor Acceptance Corporatic			
Secured borrowings - from February 12, 2020 to January 12, 2025, each month is considered 1 period, divided into 59 installments	282	373	432
Toyota Forklift			
Secured borrowings - from February 05, 2021 to February 05, 2026, each month is considered 1 period, divided into 60 installments	509	633	705
	107,746	120,942	125,396
Less: Current portion	(17,114)	(18,481)	(17,798)
	$ 90,632	$ 102,461	$ 107,598

As of September 30, 2023, December 31, 2022, and September 30, 2022, the ranges of interest rates on long-term borrowings were 1.75%~4.21%, 1.50%~4.21%, and 1.38%~4.21%, respectively.

Please refer to Note 27 for details of borrowings secured by guarantee.

16. Other payables

	September 30, 2023	December 31, 2022	September 30, 2022
Salaries and bonuses payable	$ 222,237	$ 258,000	$ 241,356
Taxes payable	33,488	35,373	33,217
Social security and provident funds payable	32,555	30,099	30,639
Construction and equipment payable	18,544	18,724	22,954
Dividends payable	1,034	696	696
Others	202,953	152,493	165,659
	$ 510,811	$ 495,385	$ 494,521

17. 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.

The employees of the Group's subsidiary in 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 from July 1 to September 30, 2023 and 2022, and January 1 to September 30, 2023 and 2022 calculated at the pension cost rate actuarially determined on December 31, 2022 and 2021 were $1,569 thousand, $1,459 thousand, $4,593 thousand and $4,217 thousand, respectively.

18. Equity

a. Capital stock

	September 30, 2023	December 31, 2022	September 30, 2022
Authorized shares (in thousand shares)	90,000	90,000	90,000
Authorized capital	$ 900,000	$ 900,000	$ 900,000
Shares issued and fully paid (in thousand shares)	71,435	71,454	71,454
Issued capital	$ 714,347	$ 714,543	$ 714,543

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

The change in the Company's share capital was due to the cancellation of new shares from restricted employee stock options upon their departure.

b. Capital surplus

	September 30, 2023	December 31, 2022	September 30, 2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital			
Shares issued at a premium	$ 865,159	$ 850,383	$ 850,383
May not be used for any purpose			
Employee restricted shares	19,702	35,728	35,728
	$ 884,861	$ 886,111	$ 886,111

1) Unless otherwise provided in the laws and regulations of the Cayman Islands, rules and regulations of public listing companies, or the Articles of Incorporation, the capital surplus shall be used only to offset the losses of the Company. When the legal reserve and special reserve allocated for the purpose of offsetting losses are insufficient to cover the losses, the shortfall cannot be filled using capital surplus.

2) If the Company has no deficit, unless otherwise provided in the laws and regulations of the Cayman Islands, the Company may, by special resolution of the shareholders' meeting, capitalize all or part of the share premium account or

the proceeds received as a gift from the capital surplus, issue new shares or pay in cash to the shareholders.

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. Unless otherwise provided in the laws and regulations of the Cayman Islands, rules and regulations of public listing companies, the Articles of Incorporation, or 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 legal reserves of the remaining profits (provided that setting aside the legal reserve does not apply if the aggregate amount of the legal 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 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 shareholders as dividends in proportion to the number of shares held by them and report at the shareholders’ meeting. For the dividends paid for shareholders, cash dividends shall not be lower than 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 reserve provision for paying tax. After offsetting losses (including losses as at the beginning of the first half of the fiscal year and any adjusted undistributed profits), the legal reserve of the remaining profits will be set aside in accordance with the applicable rules or regulations of the public listing companies (provided that the legal reserve does not apply if the aggregate amount of the legal 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) plus the accumulated undistributed profits at the beginning of the first half of the fiscal year (including adjusted undistributed profits) in part or in whole to the shareholders as dividends in proportion to the number of shares held by them and report at the shareholders' meeting. Dividends and bonuses to shareholders in accordance with the Articles of Incorporation may be paid in whole or in part by issuance of new shares by special resolution of the shareholders' meeting. For the policies on the distribution of compensation of employees and remuneration of directors as stipulated in the Articles of Incorporation, please refer to compensation of employees and remuneration of directors in Note 20 (e).

Unless resolved by the shareholders' meeting of the Company, the dividends, bonuses, or other benefits of distributions to the shareholders shall be calculated in New Taiwan Dollars (NTD).

The Company's earnings distribution proposals for 2022 and 2021 are as follows:

	2022	2021
Legal reserve	$ 46,705	$ 82,515
Special reserve	($ 29,272)	$ 20,162
Cash dividends	$ 257,165	$ 471,599
Cash dividends per share (NT$)	$ 3.60	$ 6.60

The above cash dividends have been approved by the resolution of the board of directors on March 14, 2023 and March 4, 2022, respectively, and the remaining earnings distribution items for 2022 and 2021 have been approved by the resolution of the general shareholders' meeting on June 16, 2023 and June 17, 2022.

Due to resignation of employees in February 2023, the merged company recovered 19 thousand employee restricted shares, which were subsequently canceled based on the resolution made by the board of directors on March 14, 2023. After the cancellation of the employee restricted shares, the total outstanding shares amounted to 71,435 thousand shares. The calculation of cash dividends per share is based on the number of outstanding shares after the above-mentioned cancellation of shares.

d. Other equity

Unearned employee benefits

For the details of the resolution to issue new employee restricted shares at the Company's shareholders' meeting, please refer to Note 23.

	From January 1 to September 30, 2023	From January 1 to September 30, 2022
Opening balance	($ 14,518)	($ 32,776)
Recognized share-based payment expenses	7,472	15,282
Cancellation for the period	1,446	-
Ending balance	($ 5,600)	($ 17,494)

19. Revenue

a. Revenue from contracts with customers

Please refer to Note 31 for the details of the contracts with customers.

b. Contract balance

Please refer to Note 8 for the details of notes receivables and accounts receivables.

	September 30, 2023	December 31, 2022	September 30, 2022	January 1, 2022
Contract liabilities (recognized under other current liabilities)	$ 2,098	$ 7,157	$ 4,840	$ 3,227

The changes in the contract liability balances primarily result from the timing difference between the satisfaction of the Group's performance obligation and the customer's payment.

20. Net Profit from Continuing Operations

a. Other gains and losses

	From July 1 to September 30, 2023	From July 1 to September 30, 2022	From January 1 to September 30, 2023	From January 1 to September 30, 2022
Net (loss) gain on foreign currency exchange	($ 6,190)	$ 18,046	$ 27,624	$ 38,502
Net gain on financial assets at fair value through profit or loss	-	-	-	558
Net gain(loss) on disposal of property, plant and equipment	171	182	154	(141)
Others	(613)	(2,094)	(3,261)	(6,420)
	($ 6,632)	$ 16,134	$ 24,517	$ 32,499

b. Interest expenses

	From July 1 to September 30, 2023	From July 1 to September 30, 2022	From January 1 to September 30, 2023	From January 1 to September 30, 2022
Interest on bank loans	$ 1,312	$ 4,774	$ 6,350	$ 11,448
Interest on lease liabilities	283	320	895	1,027
	$ 1,595	$ 5,094	$ 7,245	$ 12,475

c. Depreciation and amortization

	From July 1 to September 30, 2023	From July 1 to September 30, 2022	From January 1 to September 30, 2023	From January 1 to September 30, 2022
Property, plant and equipment	$ 32,929	$ 36,198	$ 97,735	$ 109,327
Right-of-use assets	12,085	12,512	36,891	37,525
Intangible assets	709	635	2,064	1,943
	$ 45,723	$ 49,345	$ 136,690	$ 148,795
An analysis of depreciation by function				
Operating costs	$ 27,377	$ 29,217	$ 80,845	$ 88,695
Operating expenses	17,637	19,493	53,781	58,157
	$ 45,014	$ 48,710	$ 134,626	$ 146,852
An analysis of amortization by function				
Sales and marketing expenses	$ 709	$ 635	$ 2,064	$ 1,943

d. Employee benefits expenses

	From July 1 to September 30, 2023	From July 1 to September 30, 2022	From January 1 to September 30, 2023	From January 1 to September 30, 2022
Post-employment benefits				
Defined contribution plans	$ 1,098	$ 998	$ 3,174	$ 3,080
Defined benefit plans	1,569	1,459	4,593	4,217
	2,667	2,457	7,767	7,297
Share-based payments				
Equity-settled	2,762	5,037	7,472	15,282
Other employee benefits	211,244	195,576	637,392	647,026
Total employee benefits expenses	$ 216,673	$ 203,070	$ 652,631	$ 669,605
An analysis by function				
Operating costs	$ 108,926	$ 93,810	$ 322,634	$ 325,849
Operating expenses	107,747	109,260	329,997	343,756
	$ 216,673	$ 203,070	$ 652,631	$ 669,605

e. Compensation of employees and remuneration of directors

Under the Company's Articles of Incorporation, the Company shall allocate 5% to 10% as compensation of employees and no more than 2% provided as remuneration to directors of the pre-tax benefit deducting employee's compensation and director's remuneration for the current year. The estimated compensation of employees and remuneration of directors from July 1 to September 30, 2023 and 2022, and January 1 to September 30, 2023 and 2022 are as follows:

Percentage for estimation

	From January 1 to September 30, 2023	From January 1 to September 30, 2022
Employees' compensation	9.0%	9.0%
Directors' remuneration	2.0%	2.0%

Amount

	From July 1 to September 30, 2023	From July 1 to September 30, 2022	From January 1 to September 30, 2023	From January 1 to September 30, 2022
Employees' compensation	$ 11,916	$ 14,970	$ 34,475	$ 38,000
Directors' remuneration	2,647	2,647	7,659	8,369

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

The compensation of employees and the remuneration of directors and of 2022 and 2021 resolved by the Company's board of directors on March 14, 2023 and March 4, 2022, respectively, are as follows:

	2022		2021	
	Cash (in thousands of NTD)	Cash (in thousands of USD)	Cash (in thousands of NTD)	Cash (in thousands of USD)
Employees' compensation	$ 47,546	$ 1,588	$ 94,005	$ 3,355
	$		$	
Directors' remuneration	10,489	353	18,701	668

There is no difference between the actual amounts of the compensation of employees and remuneration of directors of 2022 and 2021 with amounts recognized in the consolidated financial statements of 2022 and 2021.

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

21. Income Tax

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

	From July 1 to September 30, 2023	From July 1 to September 30, 2022	From January 1 to September 30, 2023	From January 1 to September 30, 2022
Current tax				
Current period	$ 30,286	$ 20,546	$ 73,938	$ 66,267
Additional surtax on undistributed earnings	-	-	2,188	6,653
Adjustments in the previous year	598	-	(32,264)	(32,870)
	30,884	20,546	43,862	40,050
Deferred tax				
Current period	12,016	(3,595)	33,123	20,652
Income tax expense recognized in profit or loss	$ 42,900	$ 16,951	$ 76,985	$ 60,702

b. The assessment of income tax returns

The income tax returns filed by the Company until 2021 have been approved by the tax authorities.

22. Earnings Per Share

Unit: NT$ Per Share

	From July 1 to September 30, 2023	From July 1 to September 30, 2022	From January 1 to September 30, 2023	From January 1 to September 30, 2022
Basic earnings per share	$ 1.66	$ 1.62	$ 4.81	$ 5.26
Diluted earnings per share	$ 1.64	$ 1.60	$ 4.74	$ 5.16

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

Net income for the period

	From July 1 to September 30, 2023	From July 1 to September 30, 2022	From January 1 to September 30, 2023	From January 1 to September 30, 2022
Net income for the period	$ 117,787	$ 114,742	$ 340,946	$ 372,018

Number of shares

Unit: In Thousand Shares

	From July 1 to September 30, 2023	From July 1 to September 30, 2022	From January 1 to September 30, 2023	From January 1 to September 30, 2022
The weighted average of ordinary shares used to estimate basic earnings per share	70,914	70,675	70,901	70,661
Effect of potentially diluted ordinary shares:				
Employee restricted shares	456	587	474	601
Employees' compensation	358	623	511	808
The weighted average of ordinary shares used to estimate diluted earnings per share	71,728	71,885	71,886	72,070

If the Group offers to settle compensation payment to employees in shares or cash, for the calculation of diluted earnings per share, the Group will assume the entire amount of the compensation to settled in shares, and the resulting potential shares with dilutive effect will be included in the weighted average of outstanding shares used to estimate diluted earnings per share. 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.

23. 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 shares and all of these shares were issued on September 23, 2020.

The employee restricted shares that have not yet been granted issued in September 2020 by the Company have certain restrictions to employees who have not met the vesting conditions. These restrictions on the shares include not to sell, pledge, transfer, gift, set, or dispose in any other way. However, the shares are entitled to be used as allotment, dividends, and share options of cash capital increase.

If an employee fails to meet the vesting conditions, the Company will take back the employee's restricted shares and cancel them. On March 14, 2023, the Group's board of directors resolved to recover 19 thousand shares of employee's restricted shares without compensation and canceled them.

The detail of employee restricted shares is as follows:

Employee restricted shares	From January 1 to September 30, 2023 Number of shares (in thousand shares)	From January 1 to September 30, 2022 Number of shares (in thousand shares)
Outstanding amount at the beginning of the period	560	800
Vesting for the period	(232)	(240)
Cancellation for the period	(19)	-
Outstanding amount at the end of the period	309	560

The detail of the Company's employee restricted shares is as follows:

Grant date	Fair value per share (NT$)	Number of shares (in thousand shares)	Vesting period
2020.09.23	73.8	800	2 to 4 years

The costs of compensation from July 1 to September 30, 2023 and 2022, and January 1 to September 30, 2023 and 2022 was $2,762 thousand, $5,037 thousand, $7,472 thousand and $15,282 thousand, respectively.

24. 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.

25. Financial Instruments

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

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

b. Types of financial instruments

	September 30, 2023	December 31, 2022	September 30, 2022
Financial assets			
At amortized cost (Note 1)	2,675,758	2,711,367	2,381,316
Financial liabilities			
At amortized cost (Note 2)	1,029,900	1,247,888	1,131,491

Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalent, notes receivable, accounts receivable, other receivables, financial assets at amortized cost, and refundable deposit.

Note 2: The balances include financial liabilities at amortized cost, which comprise short-term borrowings, accounts payable, other payables, long-term borrowings (including those due within one year), and guarantee deposit.

c. Financial risk management objectives and policies

The Group's financial 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. The Group's exchange rate exposures are managed within approved policy parameters utilizing foreign exchange derivatives to manage risk.

For the carrying amount of the Group's foreign currency denominated monetary assets and liabilities (including those eliminated upon consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period, please refer to Note 29.

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. When the Group's functional currency appreciate/depreciate against U.S. Dollars by 1%, the Group's net income before tax from January 1 to September 30, 2023 and 2022 would have decreased/increased by $11,260 thousand and $8,035 thousand, respectively.

The above sensitivity analysis is based on the amount of foreign currency exposures at the end of the reporting period. Therefore, management believes that the sensitivity does not reflect the risk exposure for 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 Group manages its interest rate risk by maintaining a balanced portfolio of fixed and floating interest rates.

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:

	September 30, 2023	December 31, 2022	September 30, 2022
Fair value interest rate risk			
-Financial assets	$ 568,860	$ 557,635	$ 223,598
-Financial liabilities	81,645	360,473	422,791
Cash flow interest rate risk			
-Financial assets	574,981	682,221	609,859
-Financial liabilities	106,955	145,268	141,794

Sensitivity analysis of interest rates

The sensitivity analysis of interest rates 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 asset and liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point (0.25%) increase or decrease is used when internally reporting interest rate risk to key management. This represents the management team’s assessment of the reasonably possible change in interest rates.

If interest rates had increased by 0.25% and all other variables were held constant, the Group’s net income before tax from January 1 to September 30, 2023 and 2022 would have increased by $878 thousand and $878 thousand, respectively, which was mainly attributable to the Group’s exposure to interest rates on its variable-rate bank deposits and borrowings.

2) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. As of the end of the reporting period, the Group’s maximum exposure to credit risk (the maximum irrevocable amount excluding the collateral or other credit enhancement instruments), which would have caused a financial loss to the Group due to the failure of the counterparty to perform its obligation and 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 accounts 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; therefore, the credit risk is not significant to the Group. At the end of the reporting period, the Group's largest exposure on credit risk approximates the carrying amount 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 September 30, 2023, December 31, 2022, and September 30, 2022, the Group's undrawn available short-term bank loan facilities are set out in (2) below.

a) Tables of liquidity and interest rate risk for non-derivative financial liabilities

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

September 30, 2023

	On demand or less than one year	1 to 5 years	Over 5 years
Non-derivative financial liabilities			
Non-interest bearing liabilities	$ 924,955	$ 6,443	$ 3,755
Lease liabilities	42,369	39,796	-
Variable interest rate instruments	16,742	34,059	56,154
Fixed interest rate instruments	372	419	-
	$ 984,438	$ 80,717	$ 59,909

December 31, 2022

	On demand or less than one year	1 to 5 years	Over 5 years
Non-derivative financial liabilities			
Non-interest bearing liabilities	$ 858,715	$ 5,916	$ 4,053
Lease liabilities	44,786	65,611	-
Variable interest rate instruments	43,459	40,128	61,681
Fixed interest rate instruments	251,284	652	-
	$ 1,198,244	$ 112,307	$ 65,734

September 30, 2022

	On demand or less than one year	1 to 5 years	Over 5 years
Non-derivative financial liabilities			
Non-interest bearing liabilities	$ 685,074	$ 5,595	$ 4,153
Lease liabilities	46,366	74,412	-
Variable interest rate instruments	34,967	43,145	63,682
Fixed interest rate instruments	303,302	771	-
	$ 1,069,709	$ 123,923	$ 67,835

b) Financing facilities

	September 30, 2023	December 31, 2022	September 30, 2022
Bank loan facilities -Amount undrawn	$ 1,682,931	$ 1,365,786	$ 1,359,832

26. Related Party Transactions

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:

a. Related party name and category

Related party name	Related party category
Supreme Charger International Co., Ltd.	Same chairman (to June 5, 2023)

b. Other payables (September 30, 2022 and 2023: None)

Related party type	December 31, 2022
Same chairman	$ 281

c. Remuneration of key management personnel

	From July 1 to September 30, 2023	From July 1 to September 30, 2022	From January 1 to September 30, 2023	From January 1 to September 30, 2022
Short-term employee benefits	$ 15,053	$ 12,697	$ 40,975	$ 37,888
Post-employment benefits	487	404	1,446	1,219
Share-based payments	521	764	1,406	2,313
	$ 16,061	$ 13,865	$ 43,827	$ 41,420

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

27. Pledged Assets

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

	September 30, 2023	December 31, 2022	September 30, 2022
Notes receivable	$ -	$ 25,332	$ -
Restricted bank deposits	13	30,948	71,754
Property, plants, and equipment - net	214,138	216,997	217,950
	$ 214,151	$ 273,277	$ 289,704

28. Significant or Contingent Liabilities and Unrecognized Commitments

As of September 30, 2023, December 31, 2022, and September 30, 2022, the Group’s unused letters of credit amounted to $15,240 thousand, $15,030 thousand, and $34,982 thousand, respectively.

29. 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:

September 30, 2023

	Foreign currencies (in thousands)	Exchange rate	Carrying amount
Foreign currency assets			
Monetary items			
USD	$ 14,864	7.180 (USD: RMB)	$ 479,660
USD	33,415	7.827 (USD: HKD)	1,078,281
USD	4,194	32.270 (USD: NTD)	135,336
EUR	3,500	8.225 (EUR: HKD)	118,689
			$ 1,811,966
Foreign currency liabilities			
Monetary items			
USD	1,395	7.180 (USD: RMB)	$ 45,013
USD	12,172	7.827 (USD: HKD)	392,769
USD	4,012	32.270 (USD: NTD)	129,464
EUR	45	8.225 (EUR: HKD)	1,513
RMB	97,479	1.090 (RMB: HKD)	438,115
			$ 1,006,874

December 31, 2022

	Foreign currencies (in thousands)	Exchange rate	Carrying amount
Foreign currency assets			
Monetary items			
USD	$ 11,914	6.965 (USD: RMB)	$ 365,882
USD	32,185	7.798 (USD: HKD)	988,405
USD	5,238	30.710 (USD: NTD)	160,857
EUR	4,253	8.309 (EUR: HKD)	139,167
			$ 1,654,311
Foreign currency liabilities			
Monetary items			
USD	1,497	6.965 (USD: RMB)	$ 45,972
USD	11,258	7.798 (USD: HKD)	345,722
USD	2,070	30.710 (USD: NTD)	63,580
EUR	4,302	8.309 (EUR: HKD)	140,765
RMB	51,625	1.120 (RMB: HKD)	227,631
			$ 823,670

September 30, 2022

	Foreign currencies (in thousands)	Exchange rate	Carrying amount
Foreign currency assets			
Monetary items			
USD	$ 5,524	7.100 (USD: RMB)	$ 175,379
USD	34,468	7.851 (USD: HKD)	1,094,359
USD	5,788	31.750 (USD: NTD)	183,768
			$ 1,453,506
Foreign currency liabilities			
Monetary items			
USD	865	7.100 (USD: RMB)	$ 27,456
USD	10,038	7.851 (USD: HKD)	318,705
USD	1,905	31.750 (USD: NTD)	60,483
USD	4,253	1.0157 (USD: EUR)	135,020
USD	3,412	0.8936 (USD: GBP)	108,337
			$ 650,001

The net gain on foreign exchange from July 1 to September 30, 2023 and 2022, and January 1 to September 30, 2023 and 2022, was $(6,190) thousand, $18,046 thousand, $27,624 thousand, and $38,502 thousand, respectively. It is impractical to disclose net foreign exchange gains or losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

30. Separately Disclosed Items

a. Information on a. major transactions and b. investees:

1) Financing provided. (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 paid-in capital or more. (None)

5) Acquisition of individual real estate at costs were of at least NT$300 million or 20% of the paid-in capital or more. (None)

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

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

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

9) Information about the derivative financial instruments transaction. (None)

10) Others: The business relationship between the parent and the subsidiaries and significant transactions between them. (Table 7)

11) Information on investees. (Table 5)

c. Information on Investments in China:

1) The name of the investee in China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on the amount of investment in China. (Table 6)

2) Any of the following significant transactions with investee companies in 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 significant effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

d. Information on major shareholders: List of 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)

31. 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:

	From January 1 to September 30, 2023			
	Asia	Europe and America	Elimination of inter-segment revenue	Total
Revenue from external customers	$ 2,674,488	$ 965,615	$ -	$ 3,640,103
Inter-segment revenue	1,698,674	11,325	(1,709,999)	-
Consolidated revenue	$ 4,373,162	$ 976,940	($ 1,709,999)	$ 3,640,103
Segment income	$ 349,240	$ 17,370	$ -	$ 366,610
Interest income				16,908
Other income				17,141
Other gains and losses				24,517
Interest expenses				(7,245)
Net income before tax				$ 417,931

	From January 1 to September 30, 2022			
	Asia	Europe and America	Elimination of inter-segment revenue	Total
Revenue from external customers	$ 3,333,429	$ 1,053,004	$ -	$ 4,386,433
Inter-segment revenue	2,413,446	16,581	(2,430,027)	-
Consolidated revenue	$ 5,746,875	$ 1,069,585	($ 2,430,027)	$ 4,386,433
Segment income	$ 354,036	$ 40,728	$ -	$ 394,764
Interest income				4,014
Other income				13,918
Other gains and losses				32,499
Interest expenses				(12,475)
Net income before tax				$ 432,720

Segment income represents the profit before tax earned by each segment excluding 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.

The segment information provided by the Group to its the chief operating decision maker does not include the assets and liabilities of each operating segment. Therefore, the segment information also does not include the measurement of assets and liabilities of the operating segments.

Ventec International Group Co., Ltd. and Subsidiaries

Financing Provided

From January 1 to September 30, 2023

Table 1

Unit: In Thousands of NTD, Unless Specified Otherwise

No. (Note 1)	Lender	Borrower	Financial statement account	Related parties	Highest balance for the period (Note 4)	Ending balance (Note 4)	Actual borrowing amount (Note 4)	Interest rate	Nature for financing (Note 2)	Business transaction amount	Reason for short-term financing	Allowance for bad debts	Collateral		Financing limit for each borrower (Notes 3 and 4)	Financing company's total financing amount limits (Notes 3 and 4)	Note
													Item	Value			
1	VT HK	VIG SAMOA	Other receivables	Yes	$ 451,780 (USD 14,000)	$ 451,780 (USD 14,000)	$ 426,384 (USD 13,213)	-	2	$ -	Operating capital needed	$ -	(None)	$ -	$ 3,970,040 (USD 123,028)	$ 7,940,080 (USD 246,056)	
1	VT HK	VLL	Other receivables	Yes	64,540 (USD 2,000)	64,540 (USD 2,000)	59,409 (USD 1,841)	-	2	-	Operating capital needed	-	(None)	-	3,970,040 (USD 123,028)	7,940,080 (USD 246,056)	
1	VT HK	VT UK	Other receivables	Yes	225,890 (USD 7,000)	112,945 (USD 3,500)	33,109 (USD 1,026)	3.8%	2	-	Operating capital needed	-	(None)	-	3,970,040 (USD 123,028)	7,940,080 (USD 246,056)	
1	VT HK	VT USA	Other receivables	Yes	129,080 (USD 4,000)	129,080 (USD 4,000)	-	-	2	-	Operating capital needed	-	(None)	-	3,970,040 (USD 123,028)	7,940,080 (USD 246,056)	
1	VT HK	VT DE	Other receivables	Yes	129,080 (USD 4,000)	129,080 (USD 4,000)	75,673 (USD 2,345)	3.8%	2	-	Operating capital needed	-	(None)	-	3,970,040 (USD 123,028)	7,940,080 (USD 246,056)	

Note 1: The number "0" represents the Company. The subsidiaries are numbered in order from number 1.

Note 2: Types of financing were as follows:

1. Business and trade.
2. Short-term financing.

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

1. Financing provided by the Company cannot exceed 50% of the Company's net asset value.
2. The financing limits where the Company directly and indirectly holds voting right shares of subsidiaries at 100% are as follows: The total and individual financing amount cannot exceed 20 times and 10 times of the Company's net asset value, respectively. The calculation of net asset value was based on the lender's net asset value as of September 30, 2023.

Note 4: The calculation was based on the spot exchange rate of USD to NTD on September 30, 2023.

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

Ventec International Group Co., Ltd. and Subsidiaries

Endorsements/Guarantees Provided

From January 1 to September 30, 2023

Table 2

Unit: In Thousands of NTD, Unless Specified Otherwise

No. (Note 1)	Endorser/guarantor	Endorsee/guarantee		Limit on endorsements/guarantees provided to a single party (Notes 2 and 3)	Maximum amount endorsed/guaranteed for the period (Note 3)	Outstanding endorsement/guarantee at the end of period (Note 3)	Actual borrowing amount (Note 3)	Amount endorsed/guaranteed by Collateral	Ratio of accumulated endorsement/ guarantee to net equity in the latest financial statements	Maximum endorsed/guaranteed amount (Notes 2 and 3)	Parent company to subsidiary (Note 4)	Subsidiary to parent company (Note 4)	Parent company to subsidiary in China (Note 4)	Note
		Name	Relationship											
0	VIG CAYMAN	VT HK	Subsidiary	$ 6,476,078 (USD 200,688)	$ 629,265 (USD 19,500)	$ 532,455 (USD 16,500)	$ 14,747 (USD 457)	$ -	16.44%	$ 12,952,156 (USD 401,376)	Y	N	N	
0	VIG CAYMAN	VT TW	Subsidiary	6,476,078 (USD 200,688)	944,059 (USD 29,255)	944,059 (USD 29,255)	139,051 (USD 4,309)	-	29.15%	12,952,156 (USD 401,376)	Y	N	N	
0	VIG CAYMAN	VT SZ	Subsidiary	6,476,078 (USD 200,688)	64,540 (USD 2,000)	64,540 (USD 2,000)	-	-	1.99%	12,952,156 (USD 401,376)	Y	N	Y	
1	VIG HK	VT UK	Fellow subsidiary	266,615 (USD 8,262)	18,652 (USD 578)	9,197 (USD 285)	-	-	0.34%	533,231 (USD 16,524)	N	N	N	
2	VT TW	VT HK	Fellow subsidiary	2,261,610 (USD 70,085)	484,050 (USD 15,000)	484,050 (USD 15,000)	-	-	107.01%	2,713,932 (USD 84,102)	N	N	N	

Note 1: The number “0” represents the Company. The subsidiaries are numbered in order from number 1.

Note 2: The limits of endorsements/guarantees amounts were as follows:

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. This net asset value is based on September 30, 2023 net value.
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. This net asset value is based on September 30, 2023 net value.
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. This net asset value is based on September 30, 2023 net value.

Note 3: The calculation was based on the spot exchange rate of USD to NTD on September 30, 2023.

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 China must fill in Y.

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 or More

From January 1 to September 30, 2023

Table 3

Unit: In Thousands of NTD, Unless Specified Otherwise

Company name	Counterparty	Relationship	Transaction details				Circumstances and reasons for the differences of the trading terms from the general ones		Notes/accounts receivables (payables)		Note
			Purchase/ sale	Amount (Note 1)	Ratio to total purchase/sale (%)	Payment terms	Unit price	Payment terms	Balance (Note 2)	Ratio to total notes/accounts receivable (payable) (%)	
VT HK	VT SZ	The same ultimate parent	Purchase	$ 981,742 (USD 31,731)	97%	120 days	No major difference	No major difference	($ 696,861) (USD 21,595)	99%	
VT HK	VT TW	The same ultimate parent	Sale	(175,942) (USD 5,688)	16%	120 days	No major difference	No major difference	84,161 (USD 2,608)	17%	
VT HK	VT DE	The same ultimate parent	Sale	(135,852) (USD 4,400)	13%	120 days	No major difference	No major difference	40,356 (USD 1,251)	8%	
VT HK	VT UK	The same ultimate parent	Sale	(118,499) (USD 3,836)	12%	120 days	No major difference	No major difference	40,737 (USD 1,262)	8%	
VT SZ	VT HK	The same ultimate parent	Sale	(981,742) (USD 31,731)	36%	120 days	No major difference	No major difference	696,861 (USD 21,595)	47%	
VT TW	VT HK	The same ultimate parent	Purchase	175,942 (USD 5,688)	50%	120 days	No major difference	No major difference	(84,161) (USD 2,608)	53%	
VT DE	VT HK	The same ultimate parent	Purchase	135,852 (USD 4,400)	99%	120 days	No major difference	No major difference	(40,356) (USD 1,251)	58%	
VT UK	VT HK	The same ultimate parent	Purchase	118,499 (USD 3,836)	95%	120 days	No major difference	No major difference	(40,737) (USD 1,262)	77%	

Note 1: The calculation was based on the average exchange rate of USD to NTD from January 1 to September 30, 2023.

Note 2: The calculation was based on the spot exchange rate of USD to NTD on September 30, 2023.

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

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 or More

September 30, 2023

Table 4

Unit: In Thousands of NTD, Unless Specified Otherwise

Name	Counterparty	Relationship	Balance of receivables from related parties (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	$ 696,861 (USD 21,595)	2.25	$ 243,441 (USD 7,544)	Improve collection efforts	$ 52,373 (USD 1,623)	$ -

Note 1: The amounts received from related parties after the balance sheet date refer to those recovered on October 26, 2023.

Note 2: The calculation was based on the spot exchange rate of USD to NTD on September 30, 2023.

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

Ventec International Group Co., Ltd. and Subsidiaries

Information on Investees

From January 1 to September 30, 2023

Table 5

Unit: In Thousands of NTD, Unless Specified Otherwise

Investor	Investee	Location	Main business operation	Initial investment amount		Shares held at the end of period			Profit (loss) of the investee for the period (Note 2)	Gain and loss on investment recognized in the period (Notes 2 and 3)	Note
				End of the period (Note 1)	End of last year (Note 1)	Number of shares	Ratio (%)	Carrying amount (Notes 1 and 3)			
VIG CAYMAN	VIG SAMOA	Samoa	General investment	$ 1,503,759	$ 1,503,759	46,600,000	100	$ 3,317,741	$ 418,647	$ 418,647	Subsidiary
				(USD 46,600)	(USD 46,600)			(USD 102,813)	(USD 13,527)	(USD 13,527)	
VIG SAMOA	VIG HK	Hong Kong	General investment	1,003,624	1,003,624	31,110,000	100	2,666,153	350,095	350,095	Subsidiary
				(USD 31,101)	(USD 31,101)			(USD 82,621)	(USD 11,296)	(USD 11,296)	
	VLL	British Virgin Islands	General investment	258,503	258,503	8,010,000	100	40,815	5,187	5,187	Subsidiary
				(USD 8,011)	(USD 8,011)			(USD 1,265)	(USD 178)	(USD 178)	
	VT HK	Hong Kong	International trade	77,488	77,488	10,000	100	397,004	42,355	42,355	Subsidiary
				(USD 2,401)	(USD 2,401)			(HKD 96,291)	(HKD 10,674)	(HKD 10,674)	
	VT TW	Taiwan	Manufacturing and sales of CCL, IMS, and prepreg	368,154	368,154	10,000,000	100	452,322	17,953	17,953	Subsidiary
				(USD 11,409)	(USD 11,409)						
	VT UK	United Kingdom	Sale of CCL, IMS, and prepreg	42,754	42,754	807,334	100	96,766	8,989	8,989	Subsidiary
				(USD 1,325)	(USD 1,325)			(GBP 2,467)	(GBP 230)	(GBP 230)	
	VT DE	Germany	Sale of CCL, IMS, and prepreg	222,768	222,768	400,000	100	86,488	(6,699)	(6,699)	Subsidiary
				(USD 6,903)	(USD 6,903)			(EUR 2,551)	(EUR -193)	(EUR -193)	
VLL	VT USA	United States	Sale of CCL, IMS, and prepreg	239,595	239,595	-	100	100,213	5,187	5,187	Subsidiary
				(USD 7,425)	(USD 7,425)			(USD 3,106)	(USD 178)	(USD 178)	

Note 1: The calculation was based on the spot exchange rate of each foreign currency on September 30, 2023.

Note 2: The calculation was based on the average exchange rate of each foreign currency from January 1 to September 30, 2023.

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

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

Ventec International Group Co., Ltd. and Subsidiaries

Information on Investments in China

From January 1 to September 30, 2023

Table 6

Unit: In Thousands of NTD, Unless Specified Otherwise

Name of the investee in China	Main business operation	Paid-in capital (Notes 1 and 3)	Investment method	Accumulated remittance from Taiwan to China at the beginning of the period	Remittance from Taiwan to China or remittance back to Taiwan for the period		Accumulated remittance from Taiwan to China at the end of the period	Profit (loss) of the investee for the period (Note 2)	Shareholding ratio of the Company's direct or indirect investment (%)	Gain and (loss) on investment recognized in the period (Notes 2 and 4)	Carry amount of investments at the end of period (Notes 3 and 4)	Remittance of investment gains back to Taiwan as of the end of the period
					Remittance to China	Remittance back to Taiwan						
VT SZ	Research and development, manufacturing, and sales of CCL, IMS, and prepreg	$ 1,323,478 (USD 36,600) (RMB 294,466)	Indirect investment	$ -	$ -	$ -	$ -	$ 385,225 (RMB 87,462)	100%	$ 385,225 (RMB 87,462)	$ 2,682,934 (RMB 596,937)	$ -
VT JY	Manufacturing and sales of CCL, IMS, and prepreg	128,337 (USD 3,000) (RMB 28,554)	Indirect investment	-	-	-	-	585 (RMB 141)	100%	585 (RMB 141)	119,898 (RMB 26,677)	-
VT SZWT	Manufacturing and sales of CCL, and sales of IMS, and prepreg	84,497 (RMB 18,800)	Indirect investment	-	-	-	-	(503) (RMB -114)	100%	(503) (RMB -114)	(1,313) (RMB -292)	-

Accumulated amount of remittance from Taiwan to China as of the end of the period	Investment amounts authorized by the Investment Commission, MOEA	The maximum limit for investments in China imposed by the Investment Commission, MOEA
$ -	$ -	$ -

Note 1: It is calculated based on historical cost.

Note 2: The calculation was based on the average exchange rate of each foreign currency from January 1 to September 30, 2023.

Note 3: The calculation was based on the spot exchange rate of each foreign currency on September 30, 2023.

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

Ventec International Group Co., Ltd. and Subsidiaries

The business relationship between the parent and the subsidiaries and significant transactions between them

From January 1 to September 30, 2023

Table 7 | Unit: In Thousands of NTD, Unless Specified Otherwise

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Transactions details				
				Financial statement accounts	Amount	Amount (USD)	Transaction terms	Ratio of total sales or assets (%)
1	VT HK	VT DE	3	Accounts receivable	$ 40,356	$ 1,251	No major difference	1%
1	VT HK	VT UK	3	Accounts receivable	40,737	1,262	No major difference	1%
1	VT HK	VT USA	3	Accounts receivable	85,868	2,661	No major difference	2%
1	VT HK	VT TW	3	Accounts receivable	84,161	2,608	No major difference	2%
1	VT HK	VIG SAMOA	3	Other receivables	426,384	13,213	No major difference	9%
1	VT HK	VLL	3	Other receivables	59,409	1,841	No major difference	1%
1	VT HK	VT UK	3	Other receivables	34,389	1,066	No major difference	1%
1	VT HK	VT DE	3	Other receivables	78,333	2,427	No major difference	2%
1	VT HK	VT SZ	3	Accounts payable	696,861	21,595	No major difference	14%
1	VT HK	VT USA	3	Other payables	53,573	1,660	No major difference	1%
1	VT HK	VT USA	3	Sale	78,047	2,517	No major difference	2%
1	VT HK	VT DE	3	Sale	135,852	4,400	No major difference	4%
1	VT HK	VT UK	3	Sale	118,499	3,836	No major difference	3%
1	VT HK	VT TW	3	Sale	175,942	5,688	No major difference	5%
1	VT HK	VT SZ	3	Sale	32,637	1,060	No major difference	1%
1	VT HK	VT SZ	3	Purchase	981,742	31,731	No major difference	27%
2	VT SZ	VT JY	3	Purchase	94,670	3,063	No major difference	3%
3	VT JY	VT SZ	3	Accounts receivable	41,432	1,284	No major difference	1%
4	VT TW	VT USA	3	Accounts receivable	69,538	2,155	No major difference	1%
4	VT TW	VT USA	3	Sale	72,415	2,337	No major difference	2%

Note 1: The number 0 represents the parent company. The 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. and Subsidiaries

Information on Major Shareholders

September 30, 2023

Table 8

Name of major shareholder	Shares	
	Number of shares held	Percentage of ownership (%)
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.