Ventec International Group Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2020 and 2019 and Independent Auditors' Report

Deloitte.

勤業眾信

勤業眾信聯合會計師事務所
11073 台北市信義區松仁路100號20樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 11073, Taiwan

Tel :+886 (2) 2725-9988
Fax:+886 (2) 4051-6888
www.deloitte.com.tw

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Ventec International Group Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Ventec International Group Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit of the consolidated financial statements for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. We conducted our audit of the consolidated financial statements for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission of the Republic of China on February 25, 2020, and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter of the Group's consolidated financial statements for the year ended December 31, 2020 is stated as follows:

<u>Existence of Specific Revenue</u>

The amount of revenue derived from specific customers was NT$1,225,684 thousand, representing 25% of total revenue of the Group for the year ended December 31, 2020. Since the amount of revenue derived from specific customers has increased significantly compared to last year, the existence of the revenue derived from specific customers was identified as a key audit matter.

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

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

1. We understood the design and implementation of internal controls and tested the operating effectiveness of revenue derived from specific customers.

2. We sample tested the transaction documents related to revenue derived from specific customers, including sales order, shipping invoices and documents.

3. We sample tested the payee, payment terms and the timing of payment receipt related to revenue derived from specific customers to verify the existence of revenue.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation preludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chun-Hung Chen and Ming-Yen Chien.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 12, 2021

Notice to Readers

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

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

VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020		2019	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 553,225	12	$ 438,544	11
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	20,923	1	-	-
Financial assets at amortized cost - current (Notes 4 ,8, 15 and 27)	40,517	1	57,916	1
Notes receivable (Notes 4 and 9)	37,262	1	44,589	1
Trade receivables (Notes 4 and 9)	1,403,746	32	1,644,078	39
Other receivables (Notes 4 and 9)	7,413	-	8,644	-
Inventories (Notes 4 and 10)	822,660	18	716,137	17
Prepayments	59,696	1	53,179	1
Other current assets	-	-	72	-
Total current assets	2,945,442	66	2,963,159	70
NON-CURRENT ASSETS				
Financial assets at amortized cost - non-current (Notes 4 and 8)	152,770	3	-	-
Property, plant and equipment (Notes 4, 12, 15 and 27)	1,024,757	23	955,535	23
Right-of-use assets (Notes 4, 13, 15 and 27)	207,407	5	148,829	4
Goodwill (Notes 4 and 14)	64,627	2	68,030	2
Intangible assets (Note 4)	134	-	724	-
Deferred tax assets (Notes 4 and 21)	50,559	1	63,257	1
Refundable deposits	9,971	-	5,845	-
Other non-current assets	4,585	-	12,847	-
Total non-current assets	1,514,810	34	1,255,067	30
TOTAL	$ 4,460,252	100	$ 4,218,226	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 12, 13, 15 and 27)	$ 248,044	6	$ 133,819	3
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	173	-	-	-
Trade payables	868,800	19	909,028	21
Other payables (Note 16)	424,054	10	371,656	9
Lease liabilities - current (Notes 4 and 13)	38,366	1	26,286	1
Current tax liabilities (Notes 4 and 21)	16,917	-	30,808	1
Current portion of long-term borrowings (Notes 12, 15 and 27)	17,358	-	16,941	-
Other current liabilities (Notes 4 and 19)	3,251	-	6,541	-
Total current liabilities	1,616,963	36	1,495,079	35
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 12, 15 and 27)	137,057	3	153,687	4
Deferred tax liabilities (Notes 4 and 21)	111,761	3	125,111	3
Lease liabilities - non-current (Notes 4 and 13)	96,332	2	48,691	1
Net defined benefit liabilities - non-current (Notes 4 and 17)	40,418	1	34,737	1
Other non-current liabilities	4,136	-	3,562	-
Total non-current liabilities	389,704	9	365,788	9
Total liabilities	2,006,667	45	1,860,867	44
EQUITY (Notes 4, 11, 18 and 23)				
Ordinary shares	714,543	16	706,543	17
Capital surplus	886,111	20	835,071	20
Retained earnings				
Legal reserve	117,549	3	70,375	2
Special reserve	395,706	9	309,947	7
Unappropriated earnings	516,802	11	631,129	15
Total retained earnings	1,030,057	23	1,011,451	24
OTHER EQUITY				
Exchange differences on translating the financial statements of foreign operations	(123,690)	(3)	(195,706)	(5)
Unearned employee benefits	(53,436)	(1)	-	-
Total other equity	(177,126)	(4)	(195,706)	(5)
Total equity	2,453,585	55	2,357,359	56
TOTAL	$ 4,460,252	100	$ 4,218,226	100

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

VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	**%**	**Amount**	**%**
NET REVENUE (Notes 4, 19 and 31)	$ 4,830,183	100	$ 5,453,285	100
COST OF REVENUE (Notes 4, 10 and 20)	3,406,860	71	3,919,081	72
GROSS PROFIT	1,423,323	29	1,534,204	28
OPERATING EXPENSES (Note 20)				
Selling and marketing expenses	489,672	10	532,057	10
General and administrative expenses	218,741	4	217,947	4
Research and development expenses	182,904	4	162,361	3
Total operating expenses	891,317	18	912,365	17
PROFIT FROM OPERATIONS	532,006	11	621,839	11
NON-OPERATING INCOME AND EXPENSES (Notes 4, 7 and 20)				
Interest income	1,528	-	2,758	-
Other income	8,578	-	4,196	-
Other gains and losses	(61,897)	(1)	(3,253)	-
Interests expense	(9,275)	-	(22,317)	-
Total non-operating income and expenses	(61,066)	(1)	(18,616)	-
PROFIT BEFORE INCOME TAX	470,940	10	603,223	11
INCOME TAX EXPENSE (Notes 4 and 21)	97,687	2	131,481	2
NET PROFIT FOR THE YEAR	373,253	8	471,742	9
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4 and 17)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(1,375)	-	4,049	-
Exchange differences arising on translation to the presentation currency	(120,910)	(3)	(53,717)	(1)
	(122,285)	(3)	(49,668)	(1)

(Continued)

VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	**%**	**Amount**	**%**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	$ 192,926	4	$ (32,042)	(1)
Other comprehensive income (loss) for the year	70,641	1	(81,710)	(2)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	443,894	9	390,032	7
EARNINGS PER SHARE (Note 22)				
Basic	$ 5.28		$ 6.85	
Diluted	$ 5.25		$ 6.80	

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

VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	Ordinary Shares (Note 18)			Retained Earnings (Note 18)			Other Equity (Notes 4, 11, 18 and 23)		
	Share (In Thousands)	Share Capital	Capital Surplus (Notes 4 and 18)	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unearned Employee Benefits	Total Equity
BALANCE AT JANUARY 1, 2019	64,614	$ 646,143	$ 450,263	$ 29,849	$ 200,000	$ 542,300	$ (109,947)	$ -	$ 1,758,608
Appropriation of 2018 earnings									
Legal reserve	-	-	-	40,526	-	(40,526)	-	-	-
Special reserve	-	-	-	-	109,947	(109,947)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(236,489)	-	-	(236,489)
Net profit for the year ended December 31, 2019	-	-	-	-	-	471,742	-	-	471,742
Other comprehensive income (loss) for the year ended December 31, 2019, net of income tax	-	-	-	-	-	4,049	(85,759)	-	(81,710)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	475,791	(85,759)	-	390,032
Issuance of ordinary shares for cash	6,040	60,400	384,808	-	-	-	-	-	445,208
BALANCE AT DECEMBER 31, 2019	70,654	706,543	835,071	70,375	309,947	631,129	(195,706)	-	2,357,359
Appropriation of 2019 earnings									
Legal reserve	-	-	-	47,174	-	(47,174)	-	-	-
Special reserve	-	-	-	-	85,759	(85,759)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(353,272)	-	-	(353,272)
Net profit for the year ended December 31, 2020	-	-	-	-	-	373,253	-	-	373,253
Other comprehensive income for the year ended December 31, 2020, net of income tax	-	-	-	-	-	(1,375)	72,016	-	70,641
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	371,878	72,016	-	443,894
Issuance of ordinary shares under employee restricted shares	800	8,000	51,040	-	-	-	-	(53,436)	5,604
BALANCE AT DECEMBER 31, 2020	71,454	$ 714,543	$ 886,111	$ 117,549	$ 395,706	$ 516,802	$ (123,690)	$ (53,436)	$ 2,453,585

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

VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 470,940	$ 603,223
Adjustments for		
Depreciation expenses	162,830	152,603
Amortization expenses	668	1,963
Expected credit loss recognized on trade receivables	8,357	6,123
Interest expense	9,275	22,317
Interest income	(1,528)	(2,758)
Compensation cost of employee restricted shares	5,604	-
(Gain) loss on disposal of property, plant and equipment, net	(370)	1,023
(Reversal of) write-downs of inventories	(815)	7,976
Loss on foreign currency exchange, net	51,085	54,662
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(20,558)	-
Notes receivable	7,399	(4,081)
Trade receivables	285,152	(89,176)
Other receivables	1,484	12,208
Inventories	(97,856)	(3,651)
Prepayments	(6,428)	(4,610)
Other current assets	72	2,511
Trade payables	(43,994)	19,887
Other payables	50,112	72,854
Other current liabilities	(3,291)	(1,874)
Net defined benefit liabilities	4,306	3,532
Cash generated from operations	882,444	854,732
Interest received	1,528	2,758
Interest paid	(10,752)	(25,840)
Income tax paid	(108,029)	(161,254)
Net cash generated from operating activities	765,191	670,396
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(152,550)	-
Payments for property, plant and equipment	(166,028)	(60,346)
Proceeds from disposal of property, plant and equipment	1,237	1,812
(Increase) decrease in refundable deposits	(3,933)	31,380
Payments for intangible assets	(75)	-
Decrease in restricted bank deposits	16,672	103,830
Decrease in other non-current assets	1,099	4,135
Net cash (used in) generated from investing activities	(303,578)	80,811

(Continued)

VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	$ 120,281	$ (781,084)
Proceeds from long-term borrowings	975	176,392
Repayments of long-term borrowings	(17,133)	(141,745)
Increase in guarantee deposits received	685	-
Repayments of the principal portion of lease liabilities	(36,557)	(26,713)
(Decrease) increase in other non-current liabilities	(159)	879
Dividends paid to owners of the Company	(353,272)	(236,489)
Proceeds from issuance of ordinary shares	-	445,208
Net cash used in financing activities	(285,180)	(563,552)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(61,752)	(74,074)
NET INCREASE IN CASH AND CASH EQUIVALENTS	114,681	113,581
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	438,544	324,963
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 553,225	$ 438,544

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

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

1. GENERAL INFORMATION

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

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

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

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on March 12, 2021.

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

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

   The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

b. The IFRSs endorsed by the Financial Supervisory Commission (FSC) for application starting from 2021

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"	Effective immediately upon promulgation by the IASB
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform - Phase 2"	January 1, 2021
Amendment to IFRS 16 "Covid-19 - Related Rent Concessions"	June 1, 2020

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

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

New IFRSs	Effective Date Announced by IASB (Note 1)
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 2)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 3)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 6)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 7)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 4)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 5)

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

Note 2: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Note 6: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 7: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

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

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

3) Level 3 inputs are unobservable inputs for an asset or liability.

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

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

e. Foreign currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

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

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation which are attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

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

f. Inventories

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

g. Property, plant and equipment

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

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

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

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

h. Goodwill

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

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

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

i. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each year, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset are recognized in profit or loss.

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

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

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

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

k. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, and any dividends, interest earned and remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 25.

ii. Financial assets at amortized cost

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

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

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

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

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

b) Impairment of financial assets

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

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

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

For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Group):

i. Internal or external information show that the debtor is unlikely to pay its creditors.

ii. When a financial asset is more than 90 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

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

c) Derecognition of financial assets

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

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

2) Financial liabilities

a) Subsequent measurement

Except the derivative instruments, all financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

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

3) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

l. Revenue recognition

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

- Revenue from the sale of goods

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

m. Leasing (the Group as lessee)

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

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

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

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

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

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

n. Borrowing costs

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

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

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

o. Government grants

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

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

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

p. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

r. Share-based payment arrangements

Restricted shares for employees granted to employees and others providing similar services.

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

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

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

s. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred taxes for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Group considers the economic implications of the COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

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

6. CASH AND CASH EQUIVALENTS

	December 31	
	2020	**2019**
Cash on hand and petty cash	$ 289	$ 281
Checking accounts and demand deposits	535,913	414,279
Cash equivalents		
Time deposits	17,023	23,984
	$ 553,225	$ 438,544

The interest rates of time deposits were 1.76% and 2.10% per annum as of December 31, 2020 and 2019, respectively.

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT (DECEMBER 31, 2019: NONE)

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

At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
December 31, 2020			
Sell	USD/RMB	2021.03.30-2021.03.31	USD13,000/RMB89,617
Sell	USD/GBP	2021.01.25-2021.04.26	USD540/GBP400

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

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2020	2019
Current		
Restricted bank deposits	$ 40,517	$ 57,916
Non-current		
Time deposits	$ 152,770	$ -

The interest rate of time deposits was 3.15% per annum as of December 31, 2020.

9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2020	2019
Notes receivable		
Notes receivable - operating	$ 37,262	$ 44,589

(Continued)

	December 31	
	2020	2019
Trade receivables		
At amortized cost		
Gross carrying amount	$ 1,430,288	$ 1,664,477
Less: Allowance for impairment loss	(26,542)	(20,399)
	$ 1,403,746	$ 1,644,078
Other receivables		
Tax refund receivable	$ 1,040	$ 2,701
Others	6,373	5,943
	$ 7,413	$ 8,644

(Concluded)

a. Trade receivables

The Group's credit period of sales of goods ranges from 120 days to 150 days. No interest was charged on trade receivables due to short period of credit grant. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

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

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

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

December 31, 2020

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

December 31, 2019

	Not Past Due	Less than 90 Days	91 to 180 Days	Over 181 Days	Total
Gross carrying amount	$ 1,601,452	$ 47,620	$ 1,617	$ 13,788	$ 1,664,477
Loss allowance (Lifetime ECLs)	(6,498)	(2,168)	(579)	(11,154)	(20,399)
Amortized cost	$ 1,594,954	$ 45,452	$ 1,038	$ 2,634	$ 1,644,078

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

	For the Year Ended December 31	
	2020	2019
Balance at January 1	$ 20,399	$ 17,871
Add: Net remeasurement of loss allowance	8,357	6,123
Less: Amounts written off	(2,170)	(3,150)
Foreign exchange gains and losses	(44)	(445)
Balance at December 31	$ 26,542	$ 20,399

Refer to Note 25 for details of the factoring agreements for trade receivables.

b. Other receivables

As of December 31, 2020 and 2019, the Group assessed the impairment loss of other receivables using expected credit losses.

10. INVENTORIES

	December 31	
	2020	2019
Finished goods	$ 364,941	$ 355,675
Work in progress	69,698	88,255
Raw materials	388,021	272,207
	$ 822,660	$ 716,137

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2020 and 2019 was $3,406,860 thousand and $3,919,081 thousand, respectively.

The cost of goods sold for the years ended December 31, 2020 and 2019 included reversals of inventory write-downs of $815 thousand and inventory write-downs of $7,976 thousand, respectively. Previous write-downs were reversed as a result of increased selling prices in certain markets.

11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

Investor	Subsidiary	Nature of Activities	Proportion of Ownership (%) December 31 2020	2019
Ventec International Group Co., Ltd. ("VIG CAYMAN")	Ventec International Group Company Limited (SAMOA) ("VIG SAMOA") (Notes a)	General investment	100.00	100.00
VIG SAMOA	Ventec International Group Limited (HK) ("VIG HK") (Notes c)	General investment	100.00	100.00
	Ventec Logistics Limited ("VLL")	General investment	100.00	100.00
	Ventec Electronics (HK) Co., Ltd. ("VT HK")	International trade	100.00	100.00
	Ventec Electronics Corporation ("VT TW") (Note b)	Manufacture and sell of CCL, IMS and prepreg	100.00	100.00
	Ventec Europe Ltd. ("VT UK")	Sell of CCL, IMS and prepreg	100.00	100.00
	Ventec Central Europe GmbH. ("VT DE")	Sell of CCL, IMS and prepreg	100.00	100.00
VIG HK	Ventec Electronics (Suzhou) Co., Ltd. ("VT SZ") (Notes c)	Research and development, manufacture and sell of CCL, IMS and prepreg	100.00	100.00
	Ventec Electronics (Jiangyin) Co., Ltd. ("VT JY") (Notes c)	Manufacture and sell of CCL, IMS and prepreg	100.00	100.00
VT SZ	Ventec Electronics (Shenzhen) Co., Ltd. ("VT SZWT")	Manufacture and sell of CCL, and sell of IMS and prepreg	100.00	100.00
VLL	Ventec USA LLC ("VT USA")	Sell of CCL, IMS and prepreg	100.00	100.00

a. For the purpose of expanding its overseas business and increasing the operating capital of its subsidiaries, the board of directors of the Company passed a resolution on May 13, 2019 to increase the cash capital of VIG SAMOA by US$13,100 thousand.

b. On March 13, 2020 and March 11, 2019, the board of directors of VT TW (which represents shareholders and supervises the Company) passed a resolution for capital reduction by cash of $50,000 thousand and $25,000 thousand, respectively, the capital reduction base dates were on May 20, 2020 and May 14, 2019, respectively. Moreover, on March 12, 2021, the board of directors of VT TW passed a resolution to reduce capital by cash of $75,000 thousand. As of the date the consolidated financial statements were authorized for issue, the process of changing the registration has not yet been completed.

c. In order to improve the capital structure of subsidiaries, VT JY and VT SZ determined to reduce their cash capital by US$3,000 thousand and US$4,900 thousand, respectively.

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

12. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Office Equipment	Leased Assets	Leasehold Improvements	Other Equipment	Construction in Progress and Machinery in Transit	Total
Cost									
Balance at January 1, 2019	$ 118,840	$ 527,151	$ 1,765,367	$ 26,985	$ 243	$ 21,258	$ 107,888	$ 4,760	$ 2,572,492
Adjustments on initial application of IFRS 16	-	-	-	-	(243)	-	-	-	(243)
Balance at January 1, 2019 (restated)	118,840	527,151	1,765,367	26,985	-	21,258	107,888	4,760	2,572,249
Additions	-	1,135	16,122	3,006	-	3,560	3,706	27,300	54,829
Reclassification	-	-	25,271	962	-	-	3,388	(19,342)	10,279
Disposals	-	(7,534)	(20,359)	(844)	-	(131)	(4,023)	-	(32,891)
Effect of foreign currency exchange differences	-	(14,470)	(60,033)	(569)	-	(469)	(3,921)	(547)	(80,009)
Balance at December 31, 2019	118,840	506,282	1,726,368	29,540	-	24,218	107,038	12,171	2,524,457

(Continued)

	Land	Buildings	Machinery and Equipment	Office Equipment	Leased Assets	Leasehold Improvements	Other Equipment	Construction in Progress and Machinery in Transit	Total
Accumulated depreciation									
Balance at January 1, 2019	$ -	$ 147,911	$ 1,279,860	$ 16,840	$ 50	$ 9,556	$ 78,169	$ -	$ 1,532,386
Adjustments on initial application of IFRS 16	-	-	-	-	(50)	-	-	-	(50)
Balance at January 1, 2019 (restated)	-	147,911	1,279,860	16,840	-	9,556	78,169	-	1,532,336
Depreciation expenses	-	24,036	84,500	3,378	-	1,711	8,261	-	121,886
Disposals	-	(7,534)	(17,777)	(721)	-	(131)	(3,893)	-	(30,056)
Effect of foreign currency exchange differences	-	(5,193)	(46,347)	(434)	-	(188)	(3,082)	-	(55,244)
Balance at December 31, 2019	-	159,220	1,300,236	19,063	-	10,948	79,455	-	1,568,922
Carrying amounts at December 31, 2019	$ 118,840	$ 347,062	$ 426,132	$ 10,477	$ -	$ 13,270	$ 27,583	$ 12,171	$ 955,535
Cost									
Balance at January 1, 2020	$ 118,840	$ 506,282	$ 1,726,368	$ 29,540	$ -	$ 24,218	$ 107,038	$ 12,171	$ 2,524,457
Additions	-	350	29,060	3,233	-	708	13,189	131,339	177,879
Reclassification	-	-	91,830	3,398	-	-	1,078	(90,213)	6,093
Disposals	-	(119)	(3,898)	(991)	-	-	(4,201)	-	(9,209)
Effect of foreign currency exchange differences	-	5,742	23,368	(228)	-	(523)	1,584	1,963	31,906
Balance at December 31, 2020	118,840	512,255	1,866,728	34,952	-	24,403	118,688	55,260	2,731,126
Accumulated depreciation									
Balance at January 1, 2020	-	159,220	1,300,236	19,063	-	10,948	79,455	-	1,568,922
Depreciation expenses	-	23,352	86,265	3,838	-	1,671	8,830	-	123,956
Disposals	-	(119)	(3,320)	(911)	-	-	(3,991)	-	(8,341)
Effect of foreign currency exchange differences	-	2,396	18,704	(176)	-	(307)	1,215	-	21,832
Balance at December 31, 2020	-	184,849	1,401,885	21,814	-	12,312	85,509	-	1,706,369
Carrying amounts at December 31, 2020	$ 118,840	$ 327,406	$ 464,843	$ 13,138	$ -	$ 12,091	$ 33,179	$ 55,260	$ 1,024,757

(Concluded)

No impairment assessment was performed for the years ended December 31, 2020 and 2019 as there was no indication of impairment.

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

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

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

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2020	2019
Carrying amounts		
Land	$ 74,046	$ 75,457
Buildings	120,137	60,580
Office equipment	262	410
Transportation equipment	12,962	12,382
	$ 207,407	$ 148,829

	For the Year Ended December 31	
	2020	2019
Addition to of right-of-use assets	$ 94,028	$ -
Depreciation charge for right-of-use assets		
Land	$ 2,541	$ 2,637
Buildings	29,163	21,044
Machinery	-	31
Office equipment	137	118
Transportation equipment	7,033	6,887
	$ 38,874	$ 30,717

Except for the addition and depreciation expense, right-of-use assets of the Group were not significantly subleased or impaired during 2020 and 2019.

b. Lease liabilities

	December 31	
	2020	2019
Carrying amounts		
Current	$ 38,366	$ 26,286
Non-current	$ 96,332	$ 48,691

Range of discount rate for lease liabilities was as follows:

	December 31	
	2020	2019
Land	1.60%	1.60%
Buildings	1.60%	1.60%
Office equipment	1.60%	1.60%
Transportation equipment	0.21%-1.60%	0.21%-1.60%

c. Material lease-in activities and terms

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

Land use rights pledged as collateral for bank borrowings are set out in Note 27.

d. Other lease information

	For the Year Ended December 31	
	2020	2019
Expenses relating to short-term leases	$ -	$ 469
Expenses relating to low-value asset leases	$ 58	$ 61
Total cash outflow for leases	$ 37,685	$ 28,660

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

14. GOODWILL

	For the Year Ended December 31	
	2020	2019
Cost		
Balance at January 1	$ 68,030	$ 69,699
Effect of foreign currency exchange differences	(3,403)	(1,669)
Balance at December 31	$ 64,627	$ 68,030

The Group assesses the recoverable amount of goodwill at the end of the annual reporting period based on value in use approach. The calculation of value in use on December 31, 2020 and 2019 included cash flow projections in the financial budgets covering a 5-year period and the discount rates were 13.60% and 14.40%, respectively, which reflected the specific risk of the relevant cash-generating unit. Based on the assessment on December 31, 2020 and 2019, the recoverable amounts of goodwill amounted to $105,937 thousand and $99,459 thousand, respectively, which were still higher than the related carrying amounts, so no impairment loss was recognized.

15. BORROWINGS

a. Short-term borrowings

	December 31	
	2020	2019
Secured borrowings		
Bank loans	$ 138,922	$ 132,919
Unsecured borrowings		
Bank loans	109,122	900
	$ 248,044	$ 133,819

The range of interest rate on short-term borrowings was 0.75%-4.80% and 1.68%-3.03% per annum as of December 31, 2020 and 2019, respectively.

b. Long-term borrowings

	December 31	
	2020	2019
Taiwan Cooperative Bank		
Secured borrowings: From 2019/07/31 to 2034/07/31 and will be repaid in 180 periods.	$ 120,170	$ 128,127
Secured borrowings: From 2019/08/12 to 2024/08/12 and will be repaid in 60 periods.	33,318	42,104
Nissan Motor Acceptance Corporation		
Secured borrowings: From 2017/06/01 to 2021/05/01 and will be repaid in 47 periods.	163	397
Secured borrowings: From 2020/02/12 to 2025/01/12 and will be repaid in 60 periods.	764	-
	154,415	170,628
Less: Current portions	(17,358)	(16,941)
Long-term borrowings	$ 137,057	$ 153,687

The range of interest rate on long-term borrowings was 1.40%-4.21% and 1.50%-3.90% per annum as of December 31, 2020 and 2019, respectively.

Refer to Note 27 for details of borrowings secured by guarantee.

16. OTHER PAYABLES

	December 31	
	2020	2019
Payables for salaries or bonuses	$ 168,835	$ 158,949
Payables for taxes	71,596	62,786
Payables for social security or provident fund	26,911	29,177
Payables for construction and equipment	13,005	8,155
Others	143,707	112,589
	$ 424,054	$ 371,656

17. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

The employees of the Group's subsidiary in mainland China, 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 the specified contributions.

b. Defined benefit plans

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

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

	December 31	
	2020	2019
Net defined benefit liabilities	$ 40,418	$ 34,737

Movements in net defined benefit liabilities were as follows:

	December 31	
	2020	2019
Balance at January 1	$ 34,737	$ 35,254
Service cost		
Current service cost	4,045	4,509
Interest expense	261	353
Recognized in profit or loss	4,306	4,862

(Continued)

	December 31	
	2020	2019
Remeasurement		
Actuarial loss - changes in financial assumptions	$ 663	$ 581
Actuarial gain - experience adjustments	712	(4,630)
Recognized in other comprehensive income	1,375	(4,049)
Benefits paid	-	(1,330)
Balance at December 31	$ 40,418	$ 34,737

(Concluded)

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

	For the Year Ended December 31	
	2020	2019
General and administrative expenses	$ 4,306	$ 4,862

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

1) Interest risk: A decrease in the interest rate of government bond will increase the present value of the defined benefit obligation

2) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

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

	December 31	
	2020	2019
Discount rates	0.500%	0.750%
Expected rates of salary increase	2.000%	2.000%

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

	December 31	
	2020	2019
Discount rates		
0.25% increase	$ (664)	$ (581)
0.25% decrease	$ 682	$ 598
Expected rates of salary increase		
0.25% increase	$ 663	$ 579
0.25% decrease	$ (648)	$ (566)

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

	December 31	
	2020	**2019**
Average duration of the defined benefit obligation	10.0 years	10.2 years

18. EQUITY

a. Ordinary shares

	December 31	
	2020	**2019**
Number of shares authorized (in thousands)	90,000	90,000
Shares authorized	$ 900,000	$ 900,000
Number of shares issued and fully paid (in thousands)	71,454	70,654
Shares issued	$ 714,543	$ 706,543

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

The board of directors of the Company passed a resolution of cash increase for underwriting initial public offerings on December 19, 2018, in which 6,040 thousand of new shares were issued with a par value of $10. The total amount of newly issued shares was $60,400 thousand, and the entire amount was $706,543 thousand after the capital increase. As stated above, the capital increase base date was on April 16, 2019. The weighted average price per share of public subscription and competitive auction was $60.06 and $80.87, respectively. The amount of shares fully paid was $453,263 thousand. In addition, the underwriting fee of new shares was $8,055 thousand, which had been recognized as a deduction of additional paid-in capital.

In order to increase staff motivation and encourage collaboration, achieve the goals of attracting and maintaining a team of motivated employees and to create a win-win situation between the Company and its shareholders, the board of directors of the Company passed a resolution to issue restricted share awards up to a maximum of 800 thousand shares on March 13, 2020, which were approved by the FSC on July 24, 2020. The board of directors of the Company passed a resolution to issue 800 thousand restricted shares on August 6, 2020 and the base date of capital increase was September 23, 2020.

b. Capital surplus

	December 31	
	2020	**2019**
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital		
Issuance of ordinary shares	$ 810,305	$ 810,305
May be used to offset a deficit only		
Issuance of ordinary shares under employee share options	24,766	24,766

(Continued)

	December 31	
	2020	**2019**
May not be used for any purpose		
Employee restricted shares	$ 51,040	$ -
	$ 886,111	$ 835,071

(Concluded)

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

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

c. Retained earnings and dividends policy

The shareholders' meeting on June 11, 2020 passed a resolution to amend the Company's Articles of Incorporation (the "Articles"). The amendments explicitly stipulate that the proposal for profit distribution or offsetting of losses should be made at the end of each half fiscal year, the board may, by a resolution passed by a majority of the directors present at a meeting of the board attended by two-thirds or more of the total number of directors, distribute dividends to the shareholders and in addition thereto a report of such distribution shall be submitted to the general meeting.

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

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

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

Subject to the laws, the applicable listing rules and the Articles, the Company may distribute any part or all of the dividends or bonuses to the members in accordance with the preceding Articles, by applying such sum in paying up in full unissued shares for allocation and distribution to the members.

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

Subject to the laws, the applicable listing rules and the Articles, the Company may by a special resolution distribute any part or all of the dividends or bonuses to the members declared in accordance with the preceding Article by applying such sum in paying up in full unissued shares for allocation and distribution to the members.

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

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

Items referred to under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company.

The appropriations of earnings for 2019 and 2018 approved in the shareholders' meetings on June 11, 2020 and June 18, 2019, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31		Dividends Per Share For the Year Ended December 31	
	2019	**2018**	**2019 (NT$)**	**2018 (NT$)**
Legal reserve	$ 47,174	$ 40,526		
Special reserve	85,759	109,947		
Cash dividends	353,272	236,489	$ 5.00	$ 3.66

The appropriation of earnings for 2020 will be proposed by the Company's board of directors in May 2021 and is subject to the resolution of the shareholders in their meeting to be held on June 18, 2021.

d. Other equity

Unearned employee benefits (for the year ended December 31, 2019: None)

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

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

19. REVENUE

a. Revenue from contracts with customers

For contract information refer to Notes 4 and 31.

b. Contract balances

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

	December 31, 2020	December 31, 2019	January 1, 2019
Contract liabilities (included in other current liabilities)	$ 2,205	$ 5,771	$ 3,423

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

20. NET PROFIT FROM CONTINUING OPERATIONS

a. Other gains and losses

	For the Year Ended December 31	
	2020	2019
Gain on foreign currency exchange, net	$ (85,711)	$ 17,034
Financial assets mandatorily classified as at FVTPL (Note 7)	25,043	-
Gain (loss) on disposal of property, plant and equipment, net	370	(1,023)
Others	(1,599)	(19,264)
	$ (61,897)	$ (3,253)

b. Interest expense

	For the Year Ended December 31	
	2020	2019
Interest on bank loans	$ 8,205	$ 20,900
Interest on lease liabilities	1,070	1,417
	$ 9,275	$ 22,317

c. Depreciation and amortization

	For the Year Ended December 31	
	2020	2019
Property, plant and equipment	$ 123,956	$ 121,886
Right-of-use assets	38,874	30,717
Intangible assets	668	1,963
	$ 163,498	$ 154,566
An analysis of depreciation by function		
Operating costs	$ 101,242	$ 101,988
Operating expenses	61,588	50,615
	$ 162,830	$ 152,603
An analysis of amortization by function		
Operating costs	$ 354	$ 743
Selling and marketing expenses	91	76
General and administrative expenses	223	1,144
	$ 668	$ 1,963

d. Employee benefits expense

	For the Year Ended December 31	
	2020	2019
Post-employment benefits		
Defined contribution plans	$ 4,712	$ 4,053
Defined benefit plans	4,306	4,862
	9,018	8,915
Share-based payments		
Equity-settled	5,604	-
Other employee benefits	670,259	728,347
Total employee benefits expense	$ 684,881	$ 737,362
An analysis of employee benefits expense by function		
Operating costs	$ 340,544	$ 355,864
Operating expenses	344,337	381,398
	$ 684,881	$ 737,262

e. Compensation of employees and remuneration of directors

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

The compensation of employees and the remuneration of directors and supervisors for the years ended December 31, 2020 and 2019, which were approved by the Company's board of directors on March 12, 2021 and March 13, 2020, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2020	2019
Compensation of employees	5.6%	6.9%
Remuneration of directors	2.0%	2.0%

Amount

	For the Year Ended December 31			
	2020		2019	
	Cash (In Thousands of NT$)	Cash (In Thousands of US$)	Cash (In Thousands of NT$)	Cash (In Thousands of US$)
Compensation of employees	$ 22,812	$ 762	$ 35,604	$ 1,150
Remuneration of directors	8,006	270	10,252	331

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

There is no difference between the actual amounts of compensation of employees and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2019 and 2018.

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

21. INCOME TAX

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

	For the Year Ended December 31	
	2020	2019
Current tax		
In respect of the current year	$ 60,022	$ 100,626
Income tax on unappropriated earnings	2,046	1,291
Adjustments for prior years	(16,057)	(19,978)
	46,011	81,939
Deferred tax		
In respect of the current year	42,716	49,542
Adjustments for prior years	8,960	-
	51,676	49,542
Income tax expense recognized in profit or loss	$ 97,687	$ 131,481

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

	For the Year Ended December 31	
	2020	2019
Profit before tax	$ 470,940	$ 603,223
Income tax expense calculated at the statutory rate	$ 75,538	$ 95,692
Deferred tax effect of earnings of subsidiaries	40,364	49,026
Income tax on unappropriated earnings	2,046	1,291
Unrecognized loss carryforwards and deductible temporary differences	(18,832)	(378)
Adjustments for prior years' tax	(7,097)	(19,978)
Others	5,668	5,828
Income tax expense recognized in profit or loss	$ 97,687	$ 131,481

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

b. Current tax assets and liabilities

	December 31	
	2020	2019
Current tax liabilities		
Income tax payable	$ 16,917	$ 30,808

c. Deferred tax assets and liabilities

For the year ended December 31, 2020

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

For the year ended December 31, 2019

	Opening Balance	Recognized in Profit or Loss	Exchange Differences	Others	Closing Balance
Deferred tax assets					
Temporary differences					
Allowance for inventory valuation	$ 4,523	$ 559	$ (277)	$ -	$ 4,805
Others	11,041	(331)	(387)	-	10,323
	15,564	228	(664)	-	15,128
Loss carryforwards	49,310	-	(1,181)	-	48,129
	$ 64,874	$ 228	$ (1,845)	$ -	$ 63,257
Deferred tax liabilities					
Temporary differences					
Unappropriated earnings of subsidiaries	$ 111,477	$ 49,026	$ (2,939)	$ (40,120)	$ 117,444
Others	7,009	744	(86)	-	7,667
	$ 118,486	$ 49,770	$ (3,025)	$ (40,120)	$ 125,111

d. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets were $140,746 thousand and $181,605 thousand as of December 31, 2020 and 2019, respectively.

e. Income tax assessments

The income tax returns of VT TW through 2018 have been assessed by the tax authorities.

22. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2020	**2019**
Basic earnings per share	$ 5.28	$ 6.85
Diluted earnings per share	$ 5.25	$ 6.80

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

Net Profit for the Year

	For the Year Ended December 31	
	2020	**2019**
Net Profit for the Year	$ 373,253	$ 471,742

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

	For the Year Ended December 31	
	2020	**2019**
Weighted average number of ordinary shares used in computation of basic earnings per share	70,654	68,917
Effect of potentially dilutive ordinary shares:		
Employee restricted shares	38	-
Compensation of employees	433	440
Weighted average number of ordinary shares used in the computation of diluted earnings per share	71,125	69,357

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

23. SHARE-BASED PAYMENT ARRANGEMENTS

a. Employee restricted shares

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

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

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

The information about employee restricted shares are as follows (for the year ended December 31, 2019: None):

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

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

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

Compensation cost recognized from January 1, 2020 to December 31, 2020 was $5,604 thousand (for the year ended December 31, 2019: None).

24. CAPITAL MANAGEMENT

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

25. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy (December 31, 2019: None)

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 20,923	$ -	$ 20,923
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 173	$ -	$ 173

There were no transfer between Level 1 and 2 in the current and prior year.

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

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

c. Categories of financial instruments

	December 31	
	2020	2019
Financial assets		
FVTPL		
Mandatorily classified as at FVTPL	$ 20,923	$ -
Financial assets at amortized cost (1)	2,203,864	2,196,915
Financial liabilities		
FVTPL		
Mandatorily classified as at FVTPL	173	-
Financial liabilities at amortized cost (2)	1,458,820	1,366,590

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables, other receivables, restricted bank deposits (included in financial assets at amortized cost - current), financial assets at amortized cost - non-current and refundable deposits.

2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, trade payables, other payables, long-term borrowings (including current portion) and guarantee deposits.

d. Financial risk management objectives and policies

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

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

1) Market risk

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

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

a) Foreign currency risk

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

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 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. Assuming a 1% strengthening/weakening of the functional currency against U.S. dollars, the Group's net income before tax for the years ended December 31, 2020 and 2019 would have decreased/increased by $10,765 thousand and $14,163 thousand, respectively.

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

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period was as follows:

	December 31	
	2020	**2019**
Fair value interest rate risk		
Financial assets	$ 152,770	$ -
Financial liabilities	358,667	75,374
Cash flow interest rate risk		
Financial assets	593,453	496,179
Financial liabilities	178,490	304,050

Sensitivity analysis

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

If interest rates had been 25 points higher and all other variables were held constant, the Group's net income before tax for the years ended December 31, 2020 and 2019 would have increased/decreased by $1,037 thousand and $480 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank deposits and borrowings.

2) Credit risk

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

a) The carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets; and

b) The amount of contingent liabilities in relation to financial guarantees issued by the Group.

The Group adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored. The Group also check between transaction amount and credit limit periodically and adjust the limit in time to control credit risk.

The counterparties of the Group's trade receivables included numerous clients distributed over a variety of areas, and were not centered on a single client or location. Furthermore, the Group continuously assesses the financial condition of its clients, and the Group's credit risk was limited. At the end of the reporting period, the Group's largest exposure on credit risk approximates the carrying amounts of its financial assets.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2020 and 2019, the Group had available unutilized short-term bank loan facilities set out in (b) below.

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

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

December 31, 2020

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

December 31, 2019

	On Demand or Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities			
Non-interest bearing	$ 1,066,618	$ 9,319	$ 5,893
Lease liabilities	27,238	45,250	4,990
Variable interest rate assets	150,515	74,462	79,073
Fixed interest rate assets	245	152	-
	$ 1,244,616	$ 129,183	$ 89,956

b) Financing facilities

	December 31	
	2020	2019
Bank loan facilities		
Amount unused	$ 1,142,635	$ 1,206,816

e. Transfers of financial assets

Factored trade receivables for the years ended December 31, 2020 and 2019 were as follows:

Subsidiaries	Counterparties	Receivables Sold	Amounts Collected	Foreign Exchange Gains and Losses	Advances Received at Year-end	Interest Rates on Advances Received (%)	Credit Line
2020							
VT DE	Targo Factoring USD	$ 40,319	$ 35,295	$ 341	$ 6,039	3.70	$ 87,551
	Targo Factoring EUR	181,717	181,480	154	3,781	1.95	87,551
VT UK	HSBC Bank plc	-	12,818	(481)	-	-	-
		$ 222,036	$ 229,593	$ 14	$ 9,820		
2019							
VT DE	Adesion Factoring GmbH.	$ 81,243	$ 86,534	$ (80)	$ -	3.25	41,987
	Targo Factoring USD	13,654	12,960	(20)	674	4.54	67,179
	Targo Factoring EUR	203,140	199,648	(102)	3,390	1.80	67,179
VT UK	HSBC Bank plc	72,181	77,322	(1,565)	13,299	1.88	86,591
		$ 370,218	$ 376,464	$ (1,767)	$ 17,363		

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

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

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

26. TRANSACTIONS WITH RELATED PARTIES

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

Remuneration of key management personnel

	For the Year Ended December 31	
	2020	**2019**
Short-term employee benefits	$ 41,270	$ 44,675
Post-employment benefits	1,564	2,218
Share-based payments	870	-
	$ 43,704	$ 46,893

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

27. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	December 31	
	2020	**2019**
Restricted bank deposits	$ 40,517	$ 57,916
Property, plant and equipment, net	224,621	462,994
Land use rights	-	74,365
	$ 265,138	$ 595,275

28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

As of December 31, 2020 and 2019, the Group’s unused letters of credit amounted to $26,864 thousand and $28,750 thousand, respectively.

29. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2020

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

December 31, 2019

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 51,872	6.976 (USD:RMB)	$ 1,555,101
USD	56,286	7.789 (USD:HKD)	1,687,428
USD	5,836	29.980 (USD:NTD)	174,969
			$ 3,417,498
Financial liabilities			
Monetary items			
USD	17,370	6.976 (USD:RMB)	$ 520,750
USD	46,312	7.789 (USD:HKD)	1,388,422
USD	3,071	29.980 (USD:NTD)	92,054
			$ 2,001,226

For the years ended December 31, 2020 and 2019, net loss on foreign exchange was $85,711 thousand and net gain on foreign exchange was $17,034 thousand. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

30. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees

1) Financing provided to others. (Table 1)

2) Endorsements/guarantees provided. (Table 2)

3) Marketable securities held. (None)

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital. (None)

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

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

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

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

9) Trading in derivative instruments. (Note 7)

10) Intercompany relationships and significant intercompany transactions. (Table 7)

11) Information on investees. (Table 5)

b. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 6)

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

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

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

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

31. SEGMENT INFORMATION

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

a. Segment revenue and results

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

For the year ended December 31, 2020

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

For the year ended December 31, 2019

	Asia	Europe and America	Elimination	Total
Revenue from external customers	$ 4,423,042	$ 1,030,243	$ -	$ 5,453,285
Inter-segment revenue	3,740,289	33,720	(3,774,009)	-
Consolidated revenue	$ 8,163,331	$ 1,063,963	$ (3,774,009)	$ 5,453,285
Segment income	$ 608,967	$ 12,872	$ -	$ 621,839
Interest income				2,758
Other income				4,196
Other gains and losses				(3,253)
Interest expense				(22,317)
Profit before tax				$ 603,223

Segment income represented the profit before tax earned by each segment without interest income, other income, other gains and losses and interest expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance. However, the measure of segment assets and liabilities was not provided to the chief operating decision maker.

b. Product information

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

c. Geographical information

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

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2020	2019	2020	2019
China	$ 3,556,060	$ 4,085,822	$ 851,334	$ 710,103
United Kingdom	291,353	325,460	26,295	30,100
United States	355,813	356,229	38,800	44,124
Germany	303,521	348,555	41,374	45,286
Taiwan	323,436	337,219	279,080	288,322
	$ 4,830,183	$ 5,453,285	$ 1,236,883	$ 1,117,935

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

d. Information about major customers

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

	For the Year Ended December 31	
	2020	**2019**
Customer A	$ 821,321	$ 996,354

TABLE 1

VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period (Note 4)	Ending Balance (Note 4)	Actual Borrowing Amount (Note 4)	Interest Rate	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 3 and 4)	Aggregate Financing Limits (Notes 3 and 4)	Note
													Item	Value			
2	VT HK	VIG SAMOA	Other receivables	Yes	$ 1,424,000 (US$ 50,000)	$ 1,424,000 (US$ 50,000)	$ 521,583 (US$ 18,314)	0.00	b	$ -	Operating capital needed	$ -	-	-	$ 2,683,820 (US$ 94,230)	$ 5,367,640 (US$ 188,460)	
		VLL	Other receivables	Yes	284,800 (US$ 10,000)	284,800 (US$ 10,000)	52,432 (US$ 1,841)	0.00	b	-	Operating capital needed	-	-	-	2,683,820 (US$ 94,230)	5,367,640 (US$ 188,460)	
		VT USA	Other receivables	Yes	99,680 (US$ 3,500)	99,680 (US$ 3,500)	68,067 (US$ 2,390)	1.67	b	-	Operating capital needed	-	-	-	2,683,820 (US$ 94,230)	5,367,640 (US$ 188,460)	
		VT UK	Other receivables	Yes	113,920 (US$ 4,000)	113,920 (US$ 4,000)	113,920 (US$ 4,000)	1.67	b	-	Operating capital needed	-	-	-	2,683,820 (US$ 94,230)	5,367,640 (US$ 188,460)	
		VT DE	Other receivables	Yes	56,960 (US$ 2,000)	56,960 (US$ 2,000)	-	1.67	b	-	Operating capital needed	-	-	-	2,683,820 (US$ 94,230)	5,367,640 (US$ 188,460)	

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

Note 2: Types of financing were as follows:

a. Business and trade.

b. Short-term financing.

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

a. Financing received from the Company cannot exceed 50% of the Company’s net asset value.

b. The financing limits where the Company directly and indirectly holds voting right shares of subsidiaries at 100% are as follows: The total and individual financing amount cannot exceed 20 times and 10 times of the Company’s net asset value, respectively. The calculation of net asset value was based on lender’s net asset value as of December 31, 2020.

Note 4: The calculation was based on the spot exchange rate as of December 31, 2020.

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

VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Notes 2 and 3)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 3)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 3)	Actual Borrowing Amount (Note 3)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Notes 2 and 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 4)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 4)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 4)	Note
		Name	Relationship											
0	VIG CAYMAN	VT HK	Subsidiary	$ 4,907,170 (US$ 172,300)	$ 384,480 (US$ 13,500)	$ 313,280 (US$ 11,000)	$ -	$ -	12.77	$ 9,814,340 (US$ 344,600)	Y	N	N	
		VT TW	Subsidiary	4,907,170 (US$ 172,300)	1,047,210 (US$ 36,770)	1,047,210 (US$ 36,770)	205,341 (US$ 7,210)	-	42.68	9,814,340 (US$ 344,600)	Y	N	N	
		VT SZ	Subsidiary	4,907,170 (US$ 172,300)	142,400 (US$ 5,000)	142,400 (US$ 5,000)	-	-	5.80	9,814,340 (US$ 344,600)	Y	N	Y	
1	VIG SAMOA	VT HK	Subsidiary	3,771,860 (US$ 132,438)	80,997 (US$ 2,844)	-	-	-	-	5,029,146 (US$ 176,584)	N	N	N	
2	VIG HK	VT UK	Fellow subsidiary	229,192 (US$ 8,047)	80,997 (US$ 2,844)	8,430 (US$ 296)	-	-	-	458,385 (US$ 16,095)	N	N	N	
3	VT HK	VT SZ	Fellow subsidiary	402,573 (US$ 14,135)	34,176 (US$ 1,200)	-	-	-	-	536,764 (US$ 18,846)	N	N	Y	
4	VT TW	VT HK	Fellow subsidiary	1,564,505 (US$ 54,935)	427,200 (US$ 15,000)	427,200 (US$ 15,000)	113,920 (US$ 4,000)	-	136.53	1,877,406 (US$ 65,922)	N	N	N	
5	VT JY	VT SZ	Fellow subsidiary	452,724 (US$ 15,896)	285,768 (US$ 10,034)	-	-	-	-	565,905 (US$ 19,870)	N	N	Y	
6	VT SZWT	VT SZ	Parent company	-	142,884 (US$ 5,017)	-	-	-	-	-	N	N	Y	

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

Note 2: The limits of endorsements/guarantees amounts were as follows (the calculation of net asset value was based on endorser’s or guarantor’s net asset value as of December 31, 2020):

a. For VIG CAYMAN, the total amount of endorsement/guarantee provided and the limit on endorsement/guarantee amounts provided to each guaranteed party cannot exceed 400% and 200% of the Company’s net asset value, respectively.
b. For VIG SAMOA, the total amount of endorsement/guarantee provided and the limit on endorsement/guarantee amounts provided to each guaranteed party cannot exceed 200% and 150% of the Company’s net asset value, respectively.
c. 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.
d. For VT HK the total amount of endorsement/guarantee provided and the limit on endorsement/guarantee amounts provided to each guaranteed party cannot exceed 200% and 150% of the Company’s net asset value, respectively.
e. 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.
f. For VT JY, the total amount of endorsement/guarantee provided and the limit on endorsement/guarantee amounts provided to each guaranteed party cannot exceed 500% and 400% of the Company’s net asset value, respectively.
g. For VT SZWT, the total amount of endorsement/guarantee provided and the limit on endorsement/guarantee amounts provided to each guaranteed party cannot exceed 500% and 400% of the Company’s net asset value, respectively.

Note 3: The calculation was based on the spot exchange rate as of December 31, 2020.

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

TABLE 3

VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Trade Receivables (Payables)		Note
			Purchase/ Sale	Amount (Note 1)	% of Total	Payment Terms	Unit Price	Payment Terms	Financial Statement Account and Ending Balance (Note 2)	% of Total	
VT HK	VT SZ	The same ultimate parent	Purchase	$ 1,173,626 (US$ 39,596)	84.22	150 days	No major difference	No major difference	$ (653,347) (US$ 22,940)	93.08	
	VT SZWT	The same ultimate parent	Purchase	103,597 (US$ 3,508)	5.90	150 days	No major difference	No major difference	(16,121) (US$ -566)	2.30	
	VT TW	The same ultimate parent	Sale	(229,428) (US$ -7,755)	15.09	150 days	No major difference	No major difference	41,337 (US$ 1,451)	13.96	
	VT DE	The same ultimate parent	Sale	(178,536) (US$ -6,026)	13.25	150 days	No major difference	No major difference	38,104 (US$ 1,338)	12.86	
	VT UK	The same ultimate parent	Sale	(148,207) (US$ -5,014)	11.99	150 days	No major difference	No major difference	12,993 (US$ 456)	4.39	
VT TW	VT HK	The same ultimate parent	Purchase	229,428 (US$ 7,755)	3.86	150 days	No major difference	No major difference	(41,337) (US$ -1,451)	45.93	
	VT USA	The same ultimate parent	Sale	(231,453) (US$ -7,782)	38.63	150 days	No major difference	No major difference	44,194 (US$ 1,552)	22.02	
VT JY	VT SZ	The same ultimate parent	Purchase	106,270 (US$ 3,610)	27.97	150 days	No major difference	No major difference	-	-	
	VT SZ	The same ultimate parent	Sale	(366,754) (US$ -12,477)	78.12	150 days	No major difference	No major difference	32,943 (US$ 1,157)	66.66	
VT SZ	VT JY	The same ultimate parent	Purchase	366,754 (US$ 12,477)	13.49	150 days	No major difference	No major difference	(32,943) (US$ -1,157)	4.44	
	VT HK	The same ultimate parent	Sale	(1,173,626) (US$ -39,596)	29.93	150 days	No major difference	No major difference	653,347 (US$ 22,940)	38.54	
	VT JY	The same ultimate parent	Sale	(106,270) (US$ -3,610)	2.70	150 days	No major difference	No major difference	-	-	
VT SZWT	VT HK	The same ultimate parent	Sale	(103,597) (US$ -3,508)	55.12	150 days	No major difference	No major difference	16,121 (US$ 566)	44.66	
VT DE	VT HK	The same ultimate parent	Purchase	178,536 (US$ 6,026)	89.46	150 days	No major difference	No major difference	(38,104) (US$ -1,338)	74.40	

(Continued)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Trade Receivables (Payables)		Note
			Purchase/ Sale	Amount (Note 1)	% of Total	Payment Terms	Unit Price	Payment Terms	Financial Statement Account and Ending Balance (Note 2)	% of Total	
VT UK	VT HK	The same ultimate parent	Purchase	$ 148,207 (US$ 5,014)	92.31	150 days	No major difference	No major difference	$ (12,993) (US$ 456)	59.35	
VT USA	VT TW	The same ultimate parent	Purchase	231,453 (US$ 7,782)	88.20	150 days	No major difference	No major difference	(44,194) (US$ -1,552)	77.77	

Note 1: The calculation was based on the average exchange rate from January 1, 2020 to December 31, 2020.

Note 2: The calculation was based on the spot exchange rate as of December 31, 2020.

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

(Concluded)

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
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance (Note 2)		Turnover Rate	Overdue		Amounts Received in Subsequent Period (Notes 1 and 2)	Allowance for Impairment Loss
						Amount (Note 2)	Actions Taken		
VT SZ	VT HK	The same ultimate parent	Trade receivables from related parties	$ 653,347 (US$ 22,940)	1.04	$ 327,315 (US$ 11,493)	Improve collection efforts	$ 170,132 (US$ 5,980)	$ -

Note 1: Subsequent period as of February 28, 2021.

Note 2: The calculation was based on the spot exchange rate as of December 31, 2020.

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

VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Business Content	Original Investment Amount		As of December 31, 2020			Net Income (Loss) of Investee (Note 2)	Share of Profit (Loss) (Notes 2 and 3)	Note
				December 31, 2020 (Note 1)	December 31, 2019 (Note 1)	Number of Shares	%	Carrying Amount (Notes 1 and 3)			
VIG CAYMAN	VIG SAMOA	SAMOA	General investment	$ 1,327,182 (US$ 46,600)	$ 1,327,182 (US$ 46,600)	46,600,000	100.00	$ 2,514,573 (US$ 88,292)	$ 448,337 (US$ 15,146)	$ 448,337 (US$ 15,146)	Subsidiary
VIG SAMOA	VIG HK	HK	General investment	885,774 (US$ 31,101)	1,110,768 (US$ 39,001)	31,110,000	100.00	2,291,923 (US$ 80,474)	273,349 (US$ 9,218)	273,349 (US$ 9,218)	Subsidiary
	VLL	British Virgin Islands	General investment	228,148 (US$ 8,011)	228,148 (US$ 8,011)	8,010,000	100.00	34,185 (US$ 1,200)	39,583 (US$ 1,395)	39,583 (US$ 1,395)	Subsidiary
	VT HK	HK	International trade	68,389 (US$ 2,401)	68,389 (US$ 2,401)	10,000	100.00	268,382 (HK$ 73,068)	55,082 (HK$ 13,968)	55,082 (HK$ 13,968)	Subsidiary
	VT TW	TW	Manufacture and sell of CCL, IMS and prepreg	401,393 (US$ 14,094)	448,939 (US$ 15,763)	17,500,000	100.00	312,901	63,687	63,687	Subsidiary
	VT UK	UK	Sell of CCL, IMS and prepreg	37,734 (US$ 1,325)	37,734 (US$ 1,325)	807,334	100.00	59,157 (GBP 1,521)	1,952 (GBP 55)	1,952 (GBP 55)	Subsidiary
	VT DE	DE	Sell of CCL, IMS and prepreg	196,610 (US$ 6,903)	196,610 (US$ 6,903)	400,000	100.00	88,254 (EUR 2,520)	395 (EUR 14)	395 (EUR 14)	Subsidiary
VLL	VT USA	USA	Sell of CCL, IMS and prepreg	211,460 (US$ 7,425)	211,460 (US$ 7,425)	-	100.00	86,608 (US$ 3,041)	39,583 (US$ 1,395)	39,583 (US$ 1,395)	Subsidiary

Note 1: The calculation was based on the spot exchange rate of each foreign currency on December 31, 2020.

Note 2: The calculation was based on the average exchange rate of each foreign currency from January 1, 2020 to December 31, 2020.

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

Note 4: For information on invested company in mainland China, refer to Table 6.

VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Business Content	Paid-in Capital (Notes 1 and 3)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020	Net Income (Loss) of Investee (Note 2)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 2 and 4)	Carrying Amount as of December 31, 2020 (Notes 3 and 4)	Accumulated Repatriation of Investment Income as of December 31, 2020
					Outflow	Inflow						
VT SZ	Research and development, manufacture and sell of CCL, IMS and prepreg	$ 1,243,738 (US$ 35,100) (RMB 284,943)	Indirect investment	$ -	$ -	$ -	$ -	$ 323,300 (RMB 75,526)	100	$ 323,300 (RMB 75,526)	$ 2,282,630 (RMB 522,956)	$ -
VT JY	Manufacture and sell of CCL, IMS and prepreg	124,636 (US$ 3,000) (RMB 28,554)	Indirect investment	-	-	-	-	(9,924) (RMB -2,391)	100	(9,924) (RMB -2,391)	113,181 (RMB 25,930)	-
VT SZWT	Manufacture and sell of CCL, and sell of IMS and prepreg	87,297 (RMB 20,000)	Indirect investment	-	-	-	-	(24,637) (RMB -5,799)	100	(24,637) (RMB -5,799)	2,381 (RMB 546)	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$ -	$ -	$ -

Note 1: It is calculated based on historical cost.

Note 2: The calculation was based on the average exchange rate of each foreign currency for the year ended December 31, 2020.

Note 3: The calculation was based on the spot exchange rate of each foreign currency on December 31, 2020.

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

VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details				
				Financial Statement Accounts	Amount	Amount (US$)	Transaction Terms	% of Total Sales or Assets
3	VT HK	VT DE	3	Trade receivables	$ 38,104	$ 1,338	No major difference	0.85
		VT TW	3	Trade receivables	41,337	1,451	No major difference	0.93
		VT SZ	3	Trade payables	653,347	22,940	No major difference	14.65
		VT USA	3	Other receivables	115,019	4,039	No major difference	2.58
		VT UK	3	Other receivables	69,173	2,429	No major difference	1.55
		VLL	2	Other receivables	52,432	1,841	No major difference	1.18
		VIG SAMOA	3	Other receivables	521,583	18,314	No major difference	11.69
		VT DE	3	Sales	178,536	6,026	No major difference	3.70
		VT UK	3	Sales	148,207	5,014	No major difference	3.07
		VT TW	3	Sales	229,428	7,755	No major difference	4.75
		VT SZ	3	Purchase	1,173,626	39,596	No major difference	24.30
		VT SZWT	3	Purchase	103,597	3,508	No major difference	2.14
		VT JY	3	Purchase	88,134	2,975	No major difference	1.82
4	VT SZ	VT SZWT	3	Trade receivables	53,254	1,870	No major difference	1.19
		VT JY	3	Trade payables	32,943	1,157	No major difference	0.74
		VT TW	3	Other payables	35,835	1,258	No major difference	0.80
		VT SZWT	3	Sales	89,316	3,047	No major difference	1.85
		VT SZWT	3	Purchase	73,219	2,491	No major difference	1.52
		VT JY	3	Sales	106,270	3,610	No major difference	2.20
		VT JY	3	Purchase	366,754	12,477	No major difference	7.59
6	VT TW	VT USA	3	Trade receivables	44,194	1,552	No major difference	0.99
		VT USA	3	Sales	231,453	7,782	No major difference	4.79
		VT SZ	3	Sales	37,140	1,262	No major difference	0.77

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

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

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

TABLE 8

VENTEC INTERNATIONAL GROUP CO., LTD.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2020

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Top Master Limited	4,713,307	6.59
Alpha Victor Limited	4,090,908	5.72
Chuang-Yi Investment Co., Ltd.	3,700,000	5.17

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

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