

**Ventec International Group Co., Ltd. and Subsidiaries**

**Consolidated Financial Statements for the  
First Quarter Ended March 31, 2022 and 2021 and  
Independent Auditors' Report**

*Notice to Readers*

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

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders

Ventec International Group Co., Ltd.

### **Opinion**

We have audited the accompanying consolidated financial statements of Ventec International Group Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of March 31, 2021 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for January 1, 2021 to March 31, 2021 and 2022, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

It is the management's responsibility to prepare a properly expressed consolidated financial report in accordance with the Financial Reporting Standards for Securities Issuers and the International Accounting Standard No. 34 "Interim Financial Reporting" approved and issued by the Financial Supervisory Commission. The CPA's responsibility is to read the results to draw conclusions on the consolidated financial report.

### **Scope**

Except as stated in the underlying paragraph of the reserved conclusion, the accountant performed the review in accordance with Auditing Standards Bulletin No. 65 "Review of Financial Statements". The procedures performed in the review of the consolidated financial statements include enquiries (primarily with those responsible for financial and accounting matters), analytical procedures and other review procedures. The scope of the audit work is significantly smaller than the scope of the audit work, so the accountant may not be able to detect all the material matters identifiable through the audit work, and therefore cannot express an audit opinion.

### **Retain the basis for conclusions**

As stated in Note 11 to the consolidated financial report, the financial reports of some non-significant subsidiaries included in the above Consolidated Financial Report for the same period have not been reviewed by an accountant, and their total assets on March 31, 2021 and 2022 were respectively: NT\$803,457 thousands and NT\$709,568 thousands, respectively, accounting for 13% and 14% of the total combined assets; total liabilities were NT\$206,684 thousand and 111,199 thousands, respectively, accounting for 6% and 5% of the total combined liabilities; Its total consolidated profit and loss from 2022 and January 1, 2021 to March 31, 2021 were RMB 7,962 thousands and RMB 13,140 thousands, respectively, accounting for 4% and 8% of the total consolidated total profit and loss, respectively.

### **Reserved conclusion**

According to the audit results of the accountants, except that the financial reports of some non-significant subsidiaries mentioned in the basic paragraph of the reserved conclusion may be adjusted by the accountants if they are reviewed by the accountants. All material aspects have not been prepared in accordance with the preparation standards for financial reporting of securities issuers and the International

Accounting Standard No. 34 "Interim Financial Reporting" approved and issued by the Financial Supervisory Commission. Ventec Electronics International Group Co., Ltd. and its subsidiaries in March 31, 2021 and 2022, and consolidated financial performance and consolidated cash flow from January 1, 2021 to March 31, 2021 and 2022.

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

April 27, 2022

# VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

MARCH 31, 2022 AND DECEMBER 31, 2021 AND MARCH 31, 2021

(In Thousands of New Taiwan Dollars)

### ASSETS

	March 31, 2022 (Reviewed)		December 31, 2021 (Audited)		March 31, 2021 (Reviewed)	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 717,533	12	\$ 491,638	8	\$ 427,402	8
Financial assets at fair value through profit or loss - current (Note 7)	-	-	65,123	1	-	-
Financial assets at amortized cost - current (Notes 8, 16 and 29)	210,982	4	180,644	3	31,348	1
Notes receivable (Notes 9, 16 and 29)	69,002	1	84,351	1	52,870	1
Account receivables (Notes 9 and 27)	2,175,010	35	2,382,890	39	1,840,228	37
Other receivables (Note 9)	14,121	-	12,995	-	48,419	1
Current tax assets (Note 4)	3,789	-	3,648	-	-	-
Inventories (Notes 10 and 25)	1,382,042	23	1,420,866	23	1,036,218	21
Prepayments	71,392	1	83,979	1	55,787	1
Other current assets	2,127	-	-	-	8	-
Total current assets	<u>4,645,998</u>	<u>76</u>	<u>4,726,134</u>	<u>76</u>	<u>3,492,280</u>	<u>-</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at amortized cost - non-current (Note 8)	67,638	1	65,123	1	151,982	3
Property, plant and equipment (Notes 12, 16, 25, and 29)	1,094,375	18	1,058,150	17	1,037,437	21
Right-of-use assets (Note 13)	213,957	4	212,186	4	196,867	4
Goodwill (Note 14)	64,957	1	62,812	1	64,751	1
Intangible assets (Notes 15 and 25)	11,859	-	12,319	-	66	-
Deferred tax assets (Note 4)	26,514	-	30,630	1	37,859	1
Refundable deposits	9,446	-	9,033	-	9,975	-
Other non-current assets	8,959	-	16,263	-	5,075	-
Total non-current assets	<u>1,497,705</u>	<u>24</u>	<u>1,466,516</u>	<u>24</u>	<u>1,504,012</u>	<u>30</u>
<b>TOTAL</b>	<u>\$ 6,143,703</u>	<u>100</u>	<u>\$ 6,192,650</u>	<u>100</u>	<u>\$ 4,996,292</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Notes 8, 9, 16 and 29)	\$ 658,116	11	\$ 629,274	10	\$ 309,767	6
Financial liabilities at fair value through profit or loss - current (Note 7)	-	-	-	-	45	-
Trade payables	1,018,203	16	1,317,430	21	1,106,678	22
Other payables (Note 17)	1,090,627	18	646,178	11	435,156	-
Lease liabilities - current (Note 13)	45,962	1	42,520	1	36,451	1
Current tax liabilities (Note 4)	52,621	1	39,396	1	38,503	1
Current portion of long-term borrowings (Notes 12, 16 and 29)	17,633	-	18,254	-	17,522	-
Other current liabilities (Note 20)	2,656	-	3,901	-	8,648	-
Total current liabilities	<u>2,885,818</u>	<u>47</u>	<u>2,696,953</u>	<u>44</u>	<u>1,952,770</u>	<u>39</u>
<b>NON-CURRENT LIABILITIES</b>						
Long-term borrowings (Notes 12, 16 and 29)	115,737	2	120,137	2	133,469	3
Deferred tax liabilities (Note 4)	165,407	3	152,422	2	122,031	2
Lease liabilities - non-current (Note 13)	95,569	1	99,376	2	88,562	2
Net defined benefit liabilities - non-current (Notes 4 and 18)	50,762	1	47,757	1	41,609	1
Other non-current liabilities	23,754	-	25,430	-	25,791	-
Total non-current liabilities	<u>451,229</u>	<u>7</u>	<u>445,122</u>	<u>7</u>	<u>411,462</u>	<u>8</u>
Total liabilities	<u>3,337,047</u>	<u>54</u>	<u>3,142,075</u>	<u>51</u>	<u>2,364,232</u>	<u>47</u>
<b>EQUITY (Notes 11, 19 and 24)</b>						
Common stock	714,543	12	714,543	12	714,543	14
Capital surplus	886,111	14	886,111	14	886,111	18
Retained earnings						
Legal reserve	154,737	3	154,737	2	117,549	3
Special reserve	323,690	5	323,690	5	395,706	8
Unappropriated earnings	796,361	13	1,148,122	19	708,839	14
Total retained earnings	<u>1,274,788</u>	<u>21</u>	<u>1,626,549</u>	<u>26</u>	<u>1,222,094</u>	<u>25</u>
<b>OTHER EQUITY</b>						
Exchange differences in translating the financial statements of foreign operations	( 41,104 )	( 1 )	( 143,852 )	( 2 )	( 142,346 )	( 3 )
Unearned employee benefits	( 27,682 )	-	( 32,776 )	( 1 )	( 48,342 )	( 1 )
Total other equity	<u>( 68,786 )</u>	<u>( 1 )</u>	<u>( 176,628 )</u>	<u>( 3 )</u>	<u>( 190,688 )</u>	<u>( 4 )</u>
Total equity	<u>2,806,656</u>	<u>46</u>	<u>3,050,575</u>	<u>49</u>	<u>2,632,060</u>	<u>53</u>
<b>TOTAL</b>	<u>\$ 6,143,703</u>	<u>100</u>	<u>\$ 6,192,650</u>	<u>100</u>	<u>\$ 4,996,292</u>	<u>100</u>

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

(Please refer to the review report of Deloitte & Touche United Certified Public Accountants on April 27, 2022)

# VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

FOR JANUARY 1 to MARCH 31, 2021 AND 2022

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

(Review only, not GAAP)

	January 1, 2022 to March 31, 2022		January 1, 2021 to March 31, 2021	
	Amount	%	Amount	%
NET REVENUE (Notes 20 and 33)	\$ 1,719,693	100	\$ 1,609,700	100
COST OF REVENUE (Notes 10 and 21)	<u>1,273,631</u>	<u>74</u>	<u>1,078,263</u>	<u>67</u>
GROSS PROFIT	<u>446,062</u>	<u>26</u>	<u>531,437</u>	<u>33</u>
OPERATING EXPENSES (note 21)				
Selling and marketing expenses	159,406	.	149,360	10
General and administrative expenses	60,970	3	79,646	5
Research and development expenses	64,999	4	47,394	3
Expected credit impairment (reversal benefit) loss	( 689 )	-	4,246	-
Total operating expenses	<u>284,686</u>	<u>16</u>	<u>280,646</u>	<u>18</u>
PROFIT FROM OPERATIONS	<u>161,376</u>	<u>10</u>	<u>250,791</u>	<u>15</u>
NON-OPERATING INCOME AND EXPENSES (Notes 7 and 21)				
Interest income	959	-	250	-
Other income	5,909	-	1,352	-
Other gains and losses	( 1,755 )	-	( 3,815 )	-
Interests expense	( 3,280 )	-	( 2,479 )	-
Total non-operating income and expenses	<u>1,833</u>	<u>-</u>	<u>( 4,692 )</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	163,209	10	246,099	15
INCOME TAX EXPENSE (Notes 4 and 22)	<u>43,371</u>	<u>3</u>	<u>54,062</u>	<u>3</u>

(Continued)

# VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

FOR JANUARY 1 to MARCH 31, 2021 AND 2022

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

(Review only, not GAAP)

	January 1, 2022 to March 31, 2022		January 1, 2021 to March 31, 2021	
	Amount	%	Amount	%
NET PROFIT FOR THE CURRENT PERIOD	\$ 119,838	7	\$ 192,037	12
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Exchange differences arising in translation to the presentation currency	107,050	6	5,691	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences in translating the financial statements of foreign operations	( 4,302 )	-	( 24,347 )	( 1 )
Other comprehensive profit or loss for this term	102,748	6	( 18,656 )	( 1 )
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THIS PERIOD	\$ 222,586	13	\$ 173,381	11
EARNINGS PER SHARE (Note 23)				
Basic	\$ 1.70		\$ 2.72	
Dilute	\$ 1.67		\$ 2.69	

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

(Please refer to the review report of Deloitte & Touche United Certified Public Accountants on April 27, 2022)

# VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 FOR JANUARY 1 to MARCH 31, 2021 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Review only, not GAAP)

	Ordinary Shares (Note 19)		Capital surplus (Note 19)	Retained Earnings (Note 19)			Other Equity (Notes 11, 19 and 24)		Total Equity
	Share (In Thousands)	Share Capital		Legal reserve	Special reserve	Unappropriated earnings	Exchange differences in translating the financial statements of foreign operations	Unearned employee benefits	
BALANCE AT JANUARY 1, 2021	71,454	\$ 714,543	\$ 886,111	\$ 117,549	\$ 395,706	\$ 516,802	(\$ 123,690)	(\$ 53,436)	\$ 2,453,585
Net Profit during January 1, 2021 to March 31, 2021	-	-	-	-	-	192,037	-	-	192,037
January 1, 2021 to March 31, 2021 after tax other comprehensive profit or loss	-	-	-	-	-	-	( 18,656)	-	( 18,656)
January 1, 2021 to March 31, 2021 comprehensive profit or loss	-	-	-	-	-	192,037	( 18,656)	-	173,381
Issuance of ordinary shares under employee restricted shares	-	-	-	-	-	-	-	5,094	5,094
BALANCE AT MARCH 31, 2021	71,454	\$ 714,543	\$ 886,111	\$ 117,549	\$ 395,706	\$ 708,839	(\$ 142,346)	(\$ 48,342)	\$ 2,632,060
BALANCE AT JANUARY 31, 2022	71,454	\$ 714,543	\$ 886,111	\$ 154,737	\$ 323,690	\$ 1,148,122	(\$ 143,852)	(\$ 32,776)	\$ 3,050,575
Appropriation of 2021 earnings:									
Cash dividends distributed by the Company	-	-	-	-	-	( 471,599)	-	-	( 471,599)
Net Profit during January 1 to March 31, 2022	-	-	-	-	-	119,838	-	-	119,838
January 1 to March 31, 2022 after tax other comprehensive profit or loss	-	-	-	-	-	-	102,748	-	102,748
January 1 to March 31, 2022 comprehensive profit or loss	-	-	-	-	-	119,838	102,748	-	222,586
Issuance of ordinary shares under employee restricted shares	-	-	-	-	-	-	-	5,094	5,094
BALANCE AT MARCH 31, 2022	71,454	\$ 714,543	\$ 886,111	\$ 154,737	\$ 323,690	\$ 796,361	(\$ 41,104)	(\$ 27,682)	\$ 2,806,656

The accompanying notes are an integral part of the consolidated financial statements.  
(Please refer to the review report of Deloitte & Touche United Certified Public Accountants on April 27, 2022)

# VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR JANUARY 1 to MARCH 31, 2021 AND 2022

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	January 1 to March 31, 2022	January 1 to March 31, 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax during this term	\$ 163,209	\$ 246,099
Income expense item:		
Depreciation expenses	48,730	42,401
Amortization expenses	656	64
Expected credit impairment (reversal benefit) loss	( 689 )	4,246
Financial assets classified as at fair value through profit or loss	( 558 )	-
Interests expense	3,280	2,479
Interest income	( 959 )	( 250 )
Compensation cost of employee restricted shares	5,094	5,094
Loss (gain) on disposal of property, plant and equipment, net	( 10 )	164
Write-downs of (reversal of) inventories	5,288	( 3,427 )
Profit on foreign currency exchange, net	( 3,346 )	( 26,406 )
Changes in operating assets and liabilities		
Financial assets at FVTPL	-	20,752
Notes receivable	16,694	( 15,652 )
Trade receivables	280,061	( 447,745 )
Other receivables	( 648 )	( 42,088 )
Inventories	77,225	( 218,081 )
Prepayments	15,188	3,707
Other current assets	( 230 )	( 7 )
Financial liabilities classified at fair value through profit or loss	-	( 127 )
Trade payables	( 337,944 )	242,827
Other payables	( 52,308 )	30,066
Other current liabilities	( 1,336 )	5,442
Net defined benefit liabilities	\$ 1,344	\$ 1,106
Cash generated from operations	218,741	( 149,336 )
Interest received	958	250
Interest paid	( 3,170 )	( 2,458 )
Income tax paid	( 18,097 )	( 9,654 )
Net cash generated from (used in) operating activities	<u>198,432</u>	<u>( 161,198 )</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Financial assets classified as at fair value through profit or loss	67,780	-
Payments for property, plant and equipment	( 33,157 )	( 44,112 )
Proceeds from disposal of property, plant and equipment	164	53
Increase in refundable deposits received	( 105 )	( 68 )
Decrease (Increase) restricted bank deposits	( 23,632 )	9,140
Decrease in other non-current assets	34	58
Net cash generated from (used in) investing activities	<u>11,084</u>	<u>( 34,929 )</u>

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# VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR JANUARY 1 to MARCH 31, 2021 AND 2022

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<u>January 1 to March 31, 2022</u>	<u>January 1 to March 31, 2021</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	8,908	62,116
Proceeds from long-term borrowings	-	924
Repayments of long-term borrowings	( 5,062 )	( 4,354 )
Decrease in guarantee deposits received	( 135 )	-
Repayments of the principal portion of lease liabilities	( 11,593 )	( 10,855 )
Decrease in other non-current liabilities	( 38 )	( 38 )
Net cash generated from (used in) financing activities	<u>( 7,920 )</u>	<u>47,793</u>
Effects of exchange rate changes on the balance of cash held in foreign currencies	<u>24,299</u>	<u>22,511</u>
Net increase (decrease) in cash and cash equivalents	225,895	( 125,823 )
Cash and cash equivalents at the beginning of the term	<u>491,638</u>	<u>553,225</u>
Cash and cash equivalents at the end of the term	<u>\$ 717,533</u>	<u>\$ 427,402</u>

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

(Concluded)

(Please refer to the review report of Deloitte & Touche United Certified Public Accountants on April 27, 2022)

# VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR JANUARY 1 to MARCH 31, 2021 AND 2022

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

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### 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 April 27, 2022.

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

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

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

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17—Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 2)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 3)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 4)

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

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

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

Note 4: The amendments apply to transactions that occur on or after January 1, 2022, except for the deferred tax recognized on temporary differences associated with lease liabilities and decommissioning obligations as of January 1, 2022.

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

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Mid Term Financial Reports" as endorsed and issued into effect by the FSC. This consolidated financial report does not contain all the IFRSs disclosures required by the full annual financial report.

b. Basis of preparation

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. 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).

d. Other major accounting policy

In addition to the following explanations, please refer to the summary explanation of significant accounting policies in the consolidated financial report for 2021.

- 1) Finalize benefits for retirement benefits

The pension cost in the interim period is calculated based on the actuarially determined pension cost rate at the end of the previous year, from the beginning of the year to the end of the current period, and is subject to adjustment for significant market fluctuations in the current period, as well as major plan revisions, settlements or other significant one-time events.

## 2) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Income tax for the interim period is assessed on an annual basis and is calculated on the interim pre-tax benefit at the tax rate applicable to the expected total annual earnings.

## 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Please refer to the 2021 Annual Consolidated Financial Report for the major sources of uncertainty in the significant accounting judgments, estimates and assumptions used in this consolidated financial report.

## 6. CASH AND CASH EQUIVALENTS

	<u>March 31</u>	<u>December 31</u>	<u>March 31</u>
	<u>2022</u>	<u>2021</u>	<u>2021</u>
Cash on hand and petty cash	\$ 172	\$ 158	\$ 248
Checking accounts and demand deposits	654,683	479,324	392,415
Cash equivalents			
Time deposits	<u>62,678</u>	<u>12,156</u>	<u>34,739</u>
	<u>\$ 717,533</u>	<u>\$ 491,638</u>	<u>\$ 427,402</u>

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

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

	<u>December 31</u>	<u>March 31</u>
	<u>2021</u>	<u>2021</u>
Financial assets mandatorily classified as at FVTPL		
Hybrid financial assets		
Structured deposits	<u>\$ 65,123</u>	<u>\$ -</u>
Financial liabilities held for trading		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ 45</u>

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

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>March 31, 2021</u>			
Sell	USD/GBP	2021.04.26	USD 136/GBP 100

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

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

## 8. FINANCIAL ASSETS AT AMORTIZED COST

	<u>March 31</u> <u>2022</u>	<u>December 31</u> <u>2021</u>	<u>March 31</u> <u>2021</u>
Current			
Restricted bank deposits (Note 29)	\$ 53,159	\$ 28,691	\$ 31,348
Time deposits	<u>157,823</u>	<u>151,953</u>	<u>-</u>
	<u>\$ 210,982</u>	<u>\$ 180,644</u>	<u>\$ 31,348</u>
Non-current			
Time deposits	<u>\$ 67,638</u>	<u>\$ 65,123</u>	<u>\$ 151,982</u>

As of March 31, 2022 and December 31, 2021 and March 31, 2021, the bank time deposit maturity period and interest rate range, the relevant information is as follows:

	<u>March 31</u> <u>2022</u>	<u>December 31</u> <u>2021</u>	<u>March 31</u> <u>2021</u>
Maturity Date	October 2022-March 2024	October 2022-March 2024	October 2022
Annual interest rate	3.15%~3.99%	3.15%~3.99%	3.15%

## 9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	<u>March 31</u> <u>2022</u>	<u>December 31</u> <u>2021</u>	<u>March 31</u> <u>2021</u>
<u>Notes receivable</u>			
Notes receivable - operating	<u>\$ 69,002</u>	<u>\$ 84,351</u>	<u>\$ 52,870</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 2,203,740	\$ 2,411,693	\$ 1,871,005
Less: Allowance for impairment loss	( <u>28,730</u> )	( <u>28,803</u> )	( <u>30,777</u> )
	<u>\$ 2,175,010</u>	<u>\$ 2,382,890</u>	<u>\$ 1,840,228</u>
<u>Other receivables</u>			
Tax refund receivable	\$ 521	\$ 1,538	\$ 3,420
Others	<u>13,600</u>	<u>11,457</u>	<u>44,999</u>
	<u>\$ 14,121</u>	<u>\$ 12,995</u>	<u>\$ 48,419</u>

### a. Trade receivables

The Group's credit period for sales of goods ranges from 120 days to 150 days. No interest was charged on trade receivables due to the short period of credit grant. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits and other

monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

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

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

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

#### March 31, 2022

	<b>Not Past Due</b>	<b>Less than 90 Days</b>	<b>91 to 180 Days</b>	<b>Over 181 Days</b>	<b>Total</b>
Gross carrying amount	\$ 2,170,421	\$ 9,131	\$ 5,095	\$ 19,093	\$ 2,203,740
Loss allowance (Lifetime ECLs)	( 7,179 )	( 769 )	( 1,689 )	( 19,093 )	( 28,730 )
Amortized cost	<u>\$ 2,163,242</u>	<u>\$ 8,362</u>	<u>\$ 3,406</u>	<u>\$ -</u>	<u>\$ 2,175,010</u>

#### December 31, 2021

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

#### March 31, 2021

	<b>Not Past Due</b>	<b>Less than 90 Days</b>	<b>91 to 180 Days</b>	<b>Over 181 Days</b>	<b>Total</b>
Gross carrying amount	\$ 1,824,927	\$ 22,343	\$ 4,225	\$ 19,510	\$ 1,871,005
Loss allowance (Lifetime ECLs)	( 9,172 )	( 1,192 )	( 1,097 )	( 19,316 )	( 30,777 )
Amortized cost	<u>\$ 1,815,755</u>	<u>\$ 21,151</u>	<u>\$ 3,128</u>	<u>\$ 194</u>	<u>\$ 1,840,228</u>

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

	<b>January 1 to March 31, 2022</b>	<b>January 1 to March 31, 2021</b>
Balance at beginning of the term	\$ 28,803	\$ 26,542
Add: Impairment loss for the current period (reversal)	( 689)	4,246
Foreign exchange gains and losses	<u>616</u>	( <u>11</u> )
Ending Balance	<u>\$ 28,730</u>	<u>\$ 30,777</u>

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

Refer to Note 29 for the amount of notes receivable pledged as collateral for loans.

b. Other receivables

Upon assessment, the Group's other receivables as of March 31, 2022 and December 31, 2021 and March 31, 2021 do not require an allowance for expected credit losses.

## 10. INVENTORIES

	<b>March 31 2022</b>	<b>December 31 2021</b>	<b>March 31 2021</b>
Finished Products	\$ 633,953	\$ 633,327	\$ 450,617
In-process products	119,916	145,346	130,558
Materials	<u>628,173</u>	<u>642,193</u>	<u>455,043</u>
	<u>\$ 1,382,042</u>	<u>\$ 1,420,866</u>	<u>\$ 1,036,218</u>

The cost of inventories recognized as the cost of goods sold from January 1 to March 31, 2021 and 2022 was \$1,273,631 thousand and \$1,078,263 thousand, respectively. The cost of goods sold from January 1, to March 31, 2021 and 2022 included inventory write-downs of \$5,288 thousand and reversals of inventory write-downs of \$(3,427) 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 (%)		
			March 31 2022	December 31 2021	March 31 2021
Ventec International Group Co., Ltd. ("VIG CAYMAN")	Ventec International Group Company Limited (SAMOA) ("VIG SAMOA")	General investment	100.00%	100.00%	100.00%
VIG SAMOA	Ventec International Group Limited (HK) ("VIG HK") (Note 2)	General investment	100.00%	100.00%	100.00%
"	Ventec Logistics Limited ("VLL")	General investment	100.00%	100.00%	100.00%
"	Ventec Electronics Corporation (HK) ("VT HK")	International trade	100.00%	100.00%	100.00%
"	Ventec Electronics Corporation ("VT TW") (Note)	Manufacture and sell of CCL, IMS and prepreg	100.00%	100.00%	100.00%
"	Ventec Europe Ltd. ("VT UK")	Sell of CCL, IMS and prepreg	100.00%	100.00%	100.00%
"	Ventec Central Europe GmbH. ("VT DE")	Sell of CCL, IMS and prepreg	100.00%	100.00%	100.00%
VIG HK	Ventec Electronics (Suzhou) ("VT SZ")	Research and development, manufacture and sell of CCL, IMS and prepreg	100.00%	100.00%	100.00%
"	Ventec Electronics Corporation (Jiangyin) ("VT JY")	Manufacture and sell of CCL, IMS and prepreg	100.00%	100.00%	100.00%
VT SZ	Sanzun Ventec WeiTai Electronics Corporation ("VT SZWT")	Manufacture and sell of CCL, and sell of IMS and prepreg	100.00%	100.00%	100.00%
VLL	Ventec USA LLC ("VT USA")	Sell of CCL, IMS and prepreg	100.00%	100.00%	100.00%

Note: On March 12, 2021, the board of directors of VT TW passed a resolution to reduce capital by cash of \$75,000 thousand, and the capital reduction base date was on April 28, 2021. VT UK, VT DE and VT USA are non-material subsidiaries, and their financial reports have not been reviewed by accountants.



## 12. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Office Equipment	Leasehold Improvements	Other Equipment	Unfinished works and equipment to be inspected	Total
<b>Cost</b>								
Balance at Jan 31, 2022	\$ 118,840	\$ 503,654	\$ 1,867,047	\$ 39,920	\$ 53,318	\$ 138,657	\$ 15,017	\$ 2,736,453
Additions	-	-	3,337	512	277	1,153	38,192	43,471
Reclassification	-	-	35,038	-	800	-	( 35,838)	-
Disposals	-	( 450)	( 758)	( 143)	-	( 1,318)	-	( 2,669)
Effect of foreign currency exchange differences	-	14,045	63,961	1,267	1,585	4,915	2,584	88,357
Balance at March 31, 2022	<u>118,840</u>	<u>517,249</u>	<u>1,968,625</u>	<u>41,556</u>	<u>55,980</u>	<u>143,407</u>	<u>19,955</u>	<u>2,865,612</u>
<b>Accumulated depreciation</b>								
Balance at January 1, 2022	-	199,745	1,346,660	23,895	19,997	88,006	-	1,678,303
Depreciation expenses	-	5,610	22,994	1,279	3,105	3,569	-	36,557
Disposals	-	( 450)	( 745)	( 136)	-	( 1,184)	-	( 2,515)
Effect of foreign currency exchange differences	-	6,372	47,861	745	599	3,315	-	58,892
Balance at March 31, 2022	<u>-</u>	<u>211,277</u>	<u>1,416,770</u>	<u>25,783</u>	<u>23,701</u>	<u>93,706</u>	<u>-</u>	<u>1,771,237</u>
Carrying amounts at March 31, 2022	<u>\$ 118,840</u>	<u>\$ 305,972</u>	<u>\$ 551,855</u>	<u>\$ 15,773</u>	<u>\$ 32,279</u>	<u>\$ 49,701</u>	<u>\$ 19,955</u>	<u>\$ 1,094,375</u>
Carrying amounts at December 31, 2021 and January 1, 2022	<u>\$ 118,840</u>	<u>\$ 303,909</u>	<u>\$ 520,387</u>	<u>\$ 16,025</u>	<u>\$ 33,321</u>	<u>\$ 50,651</u>	<u>\$ 15,017</u>	<u>\$ 1,058,150</u>
<b>Cost</b>								
Balance at January 1, 2021	\$ 118,840	\$ 512,255	\$ 1,866,728	\$ 34,952	\$ 24,403	\$ 118,688	\$ 55,260	\$ 2,731,126
Additions	-	-	6,466	627	9,741	2,027	29,051	47,912
Reclassification	-	-	18,091	440	-	1,712	( 20,243)	-
Disposals	-	( 5,577)	( 5,646)	( 222)	-	( 1,383)	-	( 12,828)
Effect of foreign currency exchange differences	-	( 1,898)	( 9,135)	( 21)	15	( 603)	( 457)	( 12,099)
Balance at March 31, 2021	<u>118,840</u>	<u>504,780</u>	<u>1,876,504</u>	<u>35,776</u>	<u>34,159</u>	<u>120,441</u>	<u>63,611</u>	<u>2,754,111</u>
<b>Accumulated depreciation</b>								
Balance at January 1, 2021	-	184,849	1,401,885	21,814	12,312	85,509	-	1,706,369
Depreciation expenses	-	5,620	21,086	1,052	827	2,467	-	31,052
Disposals	-	( 5,575)	( 5,468)	( 216)	-	( 1,352)	-	( 12,611)
Effect of foreign currency exchange differences	-	( 797)	( 6,906)	( 6)	38	( 465)	-	( 8,136)
Balance at March 31, 2021	<u>-</u>	<u>184,097</u>	<u>1,410,597</u>	<u>22,644</u>	<u>13,177</u>	<u>86,159</u>	<u>-</u>	<u>1,716,674</u>
Carrying amounts at March 31, 2021	<u>\$ 118,840</u>	<u>\$ 320,683</u>	<u>\$ 465,907</u>	<u>\$ 13,132</u>	<u>\$ 20,982</u>	<u>\$ 34,282</u>	<u>\$ 63,611</u>	<u>\$ 1,037,437</u>

The Group assessed that there was no indication of impairment of property, plant and equipment as of March 31, 2022 and December 31, 2021 and March 31 2021.

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

<b>Buildings</b>	
Main buildings	10 to 35 years
Engineering system	2 to 8 years
<b>Machinery and Equipment</b>	
Electromechanical power equipment	4 to 15 years
Repair project	2 to 5 years
<b>Office Equipment</b>	
Computer equipment	3 to 10 years
Office furniture	3 to 5 years
<b>Leasehold Improvements</b>	3 to 9 years
<b>Other Equipment</b>	
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 29.

### 13. LEASE ARRANGEMENTS

#### a. Right-of-use assets

	<b>March 31 2022</b>	<b>December 31 2021</b>	<b>March 31 2021</b>
<u>Carrying amounts</u>			
Land	\$ 76,119	\$ 71,085	\$ 73,024
Buildings	126,774	128,507	112,024
Office equipment	198	128	229
Transportation equipment	<u>10,866</u>	<u>12,466</u>	<u>11,590</u>
	<u>\$ 213,957</u>	<u>\$ 212,186</u>	<u>\$ 196,867</u>
	<b>January 1, 2022 to March 31, 2022</b>	<b>January 1, 2021 to March 31, 2021</b>	
Addition to right-of-use assets	<u>\$ 7,300</u>	<u>\$ 2,790</u>	
Depreciation charge for right-of-use assets			
Land	\$ 662	\$ 646	
Buildings	9,520	8,790	
Office equipment	33	33	
Transportation equipment	<u>1,958</u>	<u>1,880</u>	
	<u>\$ 12,173</u>	<u>\$ 11,349</u>	

Except for the addition and depreciation expense, right-of-use assets of the Group were not significantly subleased or impaired during January 1 to March 31, 2021 and 2022.

#### b. Lease liabilities

	<b>March 31, 2022</b>	<b>December 31, 2021</b>	<b>March 31, 2021</b>
Carrying amounts			
Current	\$ 45,962	\$ 42,520	\$ 36,451
Non-current	<u>\$ 95,569</u>	<u>\$ 99,376</u>	<u>\$ 88,562</u>

Range of discount rate for lease liabilities was as follows:

	<b>March 31, 2022</b>	<b>December 31, 2021</b>	<b>March 31, 2021</b>
Land	1.43%	1.60%	1.60%
Buildings	1.60%	1.60%	1.60%
Office equipment	1.60%	1.60%	1.60%
Transportation equipment	0.43%~1.60%	0.43%~1.60%	0.21%~1.60%

#### c. Material lease-in activities and terms

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

d. Other lease information

	<b>January 1, 2022 to March 31, 2022</b>	<b>January 1, 2021 to March 31, 2021</b>
Expenses relating to low-value asset leases	<u>\$ -</u>	<u>\$ 14</u>
Total cash outflow for leases	<u>\$ 11,934</u>	<u>\$ 11,077</u>

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

#### 14. GOODWILL

<u>Cost</u>	<b>January 1, 2022 to March 31, 2022</b>	<b>January 1, 2021 to March 31, 2021</b>
Balance at beginning of the term	\$ 62,812	\$ 64,627
Net exchange differences	<u>2,145</u>	<u>124</u>
Ending Balance	<u>\$ 64,957</u>	<u>\$ 64,751</u>

The Consolidated Company acquired the assets and operations of the printed circuit board business unit of Holders Technology Plc. in September 2021 and continued to operate the business. The Group assessed that the acquired business and the amortized goodwill in the accounts belong to the same cash-generating unit. Therefore, from the acquisition date, the assets acquired were incorporated into the cash-generating unit of the amortized goodwill. Please refer to notes 25.

The Group assesses the recoverable amount of goodwill at the end of the annual reporting period based on the value in use approach. The calculation of value in use on December 31, 2021 and 2020 included cash flow projections in the financial budgets covering a 5-year period and the discount rates were 14.90% and 13.60%, respectively, which reflected the specific risk of the relevant cash-generating unit. Based on the assessment on December 31, 2021 and 2020, the recoverable amounts of goodwill amounted to \$258,861 thousand and \$105,937 thousand, respectively, which were still higher than the related carrying amounts, so no impairment loss was recognized. In addition, as of March 31, 2021 and 2022, there were no significant changes that showed signs of impairment.

## 15. INTANGIBLE ASSETS

	<b>Computer Software</b>	<b>Customer Relationship</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1, 2022	\$ 1,944	\$ 12,939	\$ 14,883
Net exchange differences	<u>37</u>	<u>214</u>	<u>251</u>
Balance at March 31, 2022	<u>\$ 1,981</u>	<u>\$ 13,153</u>	<u>\$ 15,134</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2022	\$ 1,938	\$ 626	\$ 2,564
Amortization expenses	<u>6</u>	<u>650</u>	<u>656</u>
Net exchange differences	<u>37</u>	<u>18</u>	<u>55</u>
Balance at March 31, 2022	<u>\$ 1,981</u>	<u>\$ 1,294</u>	<u>\$ 3,275</u>
Carrying amounts at March 31, 2022	<u>\$ -</u>	<u>\$ 11,859</u>	<u>\$ 11,859</u>
Carrying amounts at March 31, 2022 and December 31, 2021	<u>\$ 6</u>	<u>\$ 12,313</u>	<u>\$ 12,319</u>
<u>Cost</u>			
Balance at January 1, 2021	\$ 3,066	\$ -	\$ 3,066
Net exchange differences	( <u>97</u> )	<u>-</u>	( <u>97</u> )
Balance at March 31, 2021	<u>\$ 2,969</u>	<u>\$ -</u>	<u>\$ 2,969</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2021	\$ 2,936	\$ -	\$ 2,936
Amortization expenses	<u>64</u>	<u>-</u>	<u>64</u>
Net exchange differences	( <u>97</u> )	<u>-</u>	( <u>97</u> )
Balance at March 31, 2021	<u>\$ 2,903</u>	<u>\$ -</u>	<u>\$ 2,903</u>
Carrying amounts at March 31, 2021	<u>\$ 66</u>	<u>\$ -</u>	<u>\$ 66</u>

The amortization expenses are on a straight-line basis over their estimated useful lives as follows:

Computer Software	3 to 5 years
Customer Relationship	5 years

## 16. BORROWINGS

### a. Short-term borrowings

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Secured borrowings</u>			
Bank loans	\$ 350,110	\$ 319,265	\$ 201,209
Notes receivable financing	23,522	15,390	-
<u>Unsecured borrowings</u>			
Bank loans	284,484	294,619	108,558
	<u>\$ 658,116</u>	<u>\$ 629,274</u>	<u>\$ 309,767</u>

The interest rate of short-term borrowings on short-term borrowings was 0.64%-4.80%, 0.64%~4.80%, and 0.73%-4.80% per annum as of March 31, 2022, December 31, 2021, and March 31, 2021, respectively.

### b. Long-term borrowings

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Taiwan Cooperative Bank</u>			
Secured borrowings: From 2019/07/31 to 2034/07/31 and will be repaid in 180 periods.	\$ 110,024	\$ 112,751	\$ 118,159
Secured borrowings: From 2019/08/12 to 2024/08/12 and will be repaid in 60 periods.	22,148	24,398	31,100
<u>Nissan Motor Acceptance Corporatic</u>			
Secured borrowings: From 2017/06/01 to 2021/05/01 and will be repaid in 47 periods.	-	-	109
Secured borrowings: From 2020/02/12 to 2025/01/12 and will be repaid in 59 periods.	473	498	725
<u>Toyota Forklift</u>			
Secured borrowings: From 2021/02/05 to 2026/02/05 and will be repaid in 60 periods.	725	744	898
	133,370	138,391	150,991
Less: Current portions	( 17,633 )	( 18,254 )	( 17,522 )
	<u>\$ 115,737</u>	<u>\$ 120,137</u>	<u>\$ 133,469</u>

The interest rate of long-term borrowings on short-term borrowings was 1.35%~4.21%, 1.35%~4.21%, and 1.40%~4.21% per annum as of March 31, 2022, December 31, 2021, and March 31, 2021, respectively.

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

## 17. OTHER PAYABLES

	March 31, 2022	December 31, 2021	March 31, 2021
Dividends payable	\$ 471,599	\$ -	\$ -
Payables for salaries or bonuses	314,426	356,910	187,330
Payables for taxes	37,448	40,529	73,156
Payables for social security or provident fund	30,938	28,091	27,710
Payables for construction and equipment	35,224	31,436	17,313
Others	<u>200,992</u>	<u>189,212</u>	<u>129,647</u>
	<u>\$ 1,090,627</u>	<u>\$ 646,178</u>	<u>\$ 435,156</u>

## 18. RETIREMENT BENEFIT PLANS

### a. Defined contribution plans

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

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

### b. Defined benefit plans

The pension plan "Salary and Welfare Measures for Employees in Taiwan and Hong Kong" set by the Company of the Group is a defined benefit plan. Pension benefits are calculated on the basis of the terms set out in the regulation and average monthly salaries for the 6 months before retirement. Relevant pension costs for defined benefit plans recognized from January 1 to March 31, 2021 and 2022 are calculated at the cost rate of pensions actuarially determined on December 31, 2020 and 2021, amounting to 1,344 thousand and 1,106 thousand.

## 19. EQUITY

### a. Ordinary shares

	<b>March 31, 2022</b>	<b>December 31, 2021</b>	<b>March 31, 2021</b>
Number of shares authorized (in thousands)	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>
Shares authorized	<u>\$ 900,000</u>	<u>\$ 900,000</u>	<u>\$ 900,000</u>
Number of shares issued and fully paid (In Thousands)	<u>71,454</u>	<u>71,454</u>	<u>71,454</u>
Shares issued	<u>\$ 714,543</u>	<u>\$ 714,543</u>	<u>\$ 714,543</u>

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

### b. Capital surplus

	<b>March 31, 2022</b>	<b>December 31, 2021</b>	<b>March 31, 2021</b>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital</u>			
Issuance of ordinary shares	\$ 835,071	\$ 835,071	\$ 835,071
<u>May not be used for any purpose</u>			
Employee restricted shares	<u>51,040</u>	<u>51,040</u>	<u>51,040</u>
	<u>\$ 886,111</u>	<u>\$ 886,111</u>	<u>\$ 886,111</u>

- 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

Under the dividends policy as set forth in the Articles, as the Company is in the growing stage, the dividend of the Company may be distributed in the form of cash dividends and/or share dividends. The Company shall take into consideration the Company's capital expenditures, future expansion plans, and financial structure, funds requirements and other plans for sustainable development needs in assessing the amount of dividends distributed by the Company. Subject to the laws, the applicable listing rules and the Articles and except as otherwise provided by the rights attaching to any shares, where the Company still has annual net profit for the year, after paying all relevant taxes, offsetting losses (including losses of previous years and adjusted undistributed profits, if any), setting aside the statutory reserve of the remaining profits in accordance with the applicable listing rules (provided that the setting aside of the statutory reserve does not apply if the aggregate amount of the statutory reserve amounts to the Company's total paid-in capital), and setting aside the special reserve (if any), the board may, by a resolution passed by a majority of the directors present at a meeting of the board attended by two-thirds or more of the total number of directors, distribute not less than ten percent (10%) of the remaining balance (including the amounts reversed from the special reserve), plus accumulated

undistributed profits of previous years (including adjusted undistributed profits) in part or in whole to the members as dividends/bonuses in proportion to the number of shares held by them respectively pursuant to the Articles; and in addition thereto a report of such distribution shall be submitted to the general meeting, provided that, cash dividends/bonuses shall not be less than ten percent (10%) of the total amount of dividends/bonuses to members. The Company may resolve to distribute net profit or offset losses at the end of each half fiscal year. Whenever the Company still has net profit at the end of the first half fiscal year, the Company shall first estimate and reserve the amount of compensation of employees, remuneration of directors and then payment of tax from the said profits; and after offsetting losses (including losses as at the beginning of the first half fiscal year and adjusted undistributed profits, if any), setting aside the statutory reserve of the remaining profits in accordance with the applicable listing rules (provided that the setting aside of the statutory reserve does not apply if the aggregate amount of the statutory reserve equals the Company's total paid-in capital), and setting aside the special reserve (if any), the board may, subject to the compliance with the percentage of distribution as set forth, resolve to distribute the remaining balance (including the amounts reversed from the special reserve), plus accumulated undistributed profits as at the beginning of the first half fiscal year (including adjusted undistributed profits) in whole or in part as dividends/bonuses in proportion to the number of shares held by them respectively pursuant to the Articles; and in addition, there to a report of such distribution shall be submitted to the general meeting. For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 21-(5).

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

The appropriations of earnings for 2021 and 2020 were as follows:

	<b>2021</b>	<b>2020</b>
Legal reserve	<u>\$ 82,515</u>	<u>\$ 37,188</u>
Special reserve	<u>( \$ 20,162 )</u>	<u>( \$ 72,016 )</u>
Cash dividends	<u>\$ 471,599</u>	<u>\$ 228,654</u>
Dividends Per Share (NT\$)	<u>\$ 6.60</u>	<u>\$ 3.20</u>

The appropriation of earnings above has been approved by the Company's board of directors on March 4, 2022 and May 7, 2021 and has been approved by the shareholders' meeting on July 30, 2021. The remaining surplus distribution items in 2021 are yet to be resolved at the shareholders' general meeting scheduled to be held on June 17, 2022.

d. Other equity

Unearned employee benefits

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

	<b>January 1, 2022 to March 31, 2022</b>	<b>January 1, 2021 to March 31, 2021</b>
Balance at beginning of the term	<u>( \$ 32,776 )</u>	<u>( \$ 53,436 )</u>
Share-based payment expenses recognized	<u>5,094</u>	<u>5,094</u>
Ending Balance	<u>( \$ 27,682 )</u>	<u>( \$ 48,342 )</u>



## 20. REVENUE

- a. Revenue from contracts with customers  
For contract information, refer to Note 33.
- b. Contract balances  
For notes receivable and trade receivables, refer to Note 9.

	<b>March 31, 2022</b>	<b>December 31, 2021</b>	<b>March 31, 2021</b>	<b>January 1, 2021</b>
Contract liabilities (included in other current liabilities)	<u>\$ 2,065</u>	<u>\$ 3,227</u>	<u>\$ 6,453</u>	<u>\$ 2,205</u>

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

## 21. NET PROFIT FROM CONTINUING OPERATIONS

- a. Other gains and losses

	<b>January 1, 2022 to March 31, 2022</b>	<b>January 1, 2021 to March 31, 2021</b>
Loss on foreign currency exchange, net	( \$ 875 )	( \$ 100 )
Financial assets net profit (loss) at fair value through profit or loss (Note 7)	558	( 2,900 )
Net Gain (Loss) on disposal of property, plant and equipment	10	( 164 )
Others	( 1,448 )	( 651 )
	<u>( \$ 1,755 )</u>	<u>( \$ 3,815 )</u>

- b. Interests expense

	<b>January 1, 2022 to March 31, 2022</b>	<b>January 1, 2021 to March 31, 2021</b>
Interest on bank loans	\$ 2,939	\$ 2,271
Interest on lease liabilities	341	208
	<u>\$ 3,280</u>	<u>\$ 2,479</u>

c. Depreciation and amortization

	<b>January 1, 2022 to March 31, 2022</b>	<b>January 1, 2021 to March 31, 2021</b>
Property, plant and equipment	\$ 36,557	\$ 31,052
Right-of-use assets	12,173	11,349
Intangible assets	<u>656</u>	<u>64</u>
	<u>\$ 49,386</u>	<u>\$ 42,465</u>
 An analysis of depreciation by function		
Operating costs	\$ 29,525	\$ 25,662
Operating expenses	<u>19,205</u>	<u>16,739</u>
	<u>\$ 48,730</u>	<u>\$ 42,401</u>
 An analysis of amortization by function		
Selling and marketing expenses	\$ 656	\$ 19
General and administrative expenses	<u>-</u>	<u>45</u>
	<u>\$ 656</u>	<u>\$ 64</u>

d. Employee benefits expense

	<b>January 1, 2022 to March 31, 2022</b>	<b>January 1, 2021 to March 31, 2021</b>
Retirement benefits		
Defined contribution plans	\$ 1,061	\$ 950
Defined benefit plans	<u>1,344</u>	<u>1,106</u>
	<u>2,405</u>	<u>2,056</u>
Share-based payments		
Equity-settled	<u>5,094</u>	<u>5,094</u>
Other employee benefits	<u>220,308</u>	<u>226,783</u>
Total employee benefits expense	<u>\$ 227,807</u>	<u>\$ 233,933</u>
 An analysis of employee benefits expense by function		
Operating costs	\$ 116,050	\$ 103,764
Operating expenses	<u>111,757</u>	<u>130,169</u>
	<u>\$ 227,807</u>	<u>\$ 233,933</u>

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. January 1 to March 31, 2021 and 2022 compensation of employees and remuneration of directors are as follows:

<u>Accrual rate</u>	<u>January 1, 2022 to March 31, 2022</u>	<u>January 1, 2021 to March 31, 2021</u>
Compensation of employees	5.0%	10.0%
Remuneration of directors	2.0%	2.0%

<u>Amount</u>	<u>January 1, 2022 to March 31, 2022</u>	<u>January 1, 2021 to March 31, 2021</u>
Compensation of employees	\$ 6,433	\$ 21,813
Remuneration of directors	2,577	4,363

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

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

	<u>2021</u>		<u>2020</u>	
	<u>Cash (In Thousands of NT\$)</u>	<u>Cash (In Thousands of US\$)</u>	<u>Cash (In Thousands of NT\$)</u>	<u>Cash (In Thousands of US\$)</u>
Compensation of employees	<u>\$ 94,005</u>	<u>\$ 3,355</u>	<u>\$ 22,812</u>	<u>\$ 762</u>
Remuneration of directors	<u>\$ 18,701</u>	<u>\$ 668</u>	<u>\$ 8,006</u>	<u>\$ 270</u>

There is no difference between the 2021 and 2020 actual amounts of compensation of employees and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for 2021 and 2020.

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

## 22. Taxation

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

	<u>January 1, 2022 to March 31, 2022</u>	<u>January 1, 2021 to March 31, 2021</u>
Current tax		
produced in this period	\$ 26,270	\$ 31,092
Deferred tax		
produced in this period	<u>17,101</u>	<u>22,970</u>
Income tax expense recognized in profit or loss	<u>\$ 43,371</u>	<u>\$ 54,062</u>

b. Income tax assessments

The income tax returns of VT TW through 2020 have been assessed by the tax authorities.

## 23. Earnings per share

	<b>January 1, 2022 to March 31, 2022</b>	Unit: NT\$ Per Share <b>January 1, 2021 to March 31, 2021</b>
Basic earnings per share	<u>\$ 1.70</u>	<u>\$ 2.72</u>
Diluted earnings per share	<u>\$ 1.67</u>	<u>\$ 2.69</u>

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

### Net profit for the current period

	<b>January 1, 2022 to March 31, 2022</b>	<b>January 1, 2021 to March 31, 2021</b>
Net profit for the current period	<u>\$ 119,838</u>	<u>\$ 192,037</u>

### Shares

(In Thousands)

	<b>January 1, 2022 to March 31, 2022</b>	<b>January 1, 2021 to March 31, 2021</b>
Weighted average number of ordinary shares used in the computation of basic earnings per share	70,654	70,654
Effect of potentially dilutive ordinary shares:		
Employee restricted shares	566	215
Compensation of employees	<u>620</u>	<u>433</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>71,840</u>	<u>71,302</u>

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.

## 24. SHARE-BASED PAYMENT ARRANGEMENTS

### Employee restricted shares

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

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

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

The information about employee restricted shares are as follows:

<b>Employee restricted shares</b>	<b>January 1, 2022 to March 31, 2022 (In Thousands)</b>	<b>January 1, 2021 to March 31, 2021 (In Thousands)</b>
Beginning and end of period in circulation	<u>800</u>	<u>800</u>

The information about employee restricted shares of the Company is as follows:

<b>Vest Date</b>	<b>Vest Date per share Fair value (NTD\$)</b>	<b>Payment amount (thousand shares)</b>	<b>Vesting Period</b>
September 23, 2020	73.8	800	2 to 4 years

Remuneration costs recognized from January 1 to March 31, 2021 and 2022 were both \$5,094 thousand.

## 25. BUSINESS COMBINATION

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

- a. Consideration transfer
 

	<u>September 30, 2021</u>
Cash	<u>\$ 61,454</u>
  
- b. Assets acquired at the date of acquisition
 

	<u>September 30, 2021</u>
Current assets	
Inventories	\$ 37,214
NON-CURRENT ASSETS	
Property, plant and equipment	10,958
Intangible assets	<u>13,282</u>
	<u>\$ 61,454</u>
  
- c. Effect of business combination on operating results

The operating results of the acquired PCB business unit from the beginning of the fiscal year in which the acquisition occurred to the acquisition date are not available. Therefore, the pro forma information for the January 1, 2021 to March 31, 2021 is not disclosed.

## 26. 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.

## 27. FINANCIAL INSTRUMENTS

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

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

### b. Fair value of financial instruments measured at fair value on a recurring basis (March 31, 2022: None)

#### 1) Fair value hierarchy

<u>December 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets mandatorily at FVTPL				
Derivative financial instruments	\$ -	\$ 65,123	\$ -	\$ 65,123
<u>March 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets mandatorily at FVTPL				
Derivative financial instruments	\$ -	\$ 45	\$ -	\$ 45

There were no transfers between Level 1 and 2 fair value measurement for January 1, 2021 to March 31, 2021.

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

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

c. Categories of financial instruments

	<b>March 31, 2022</b>	<b>December 31, 2021</b>	<b>March 31, 2021</b>
Mandatorily classified as at FVTPL	\$ -	\$ 65,123	\$ -
Financial assets at amortized cost (1)	3,263,211	3,225,136	2,558,804
Mandatorily classified as at FVTPL	-	-	45
Financial liabilities at amortized cost (2)	2,080,972	2,341,543	1,746,025

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

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

d. Financial risk management objectives and policies

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

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

1) Market risk

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

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

a) Foreign currency risk

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

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 31.

Sensitivity analysis

The Group's sensitivity analysis mainly focuses on the foreign currency risk of U.S. dollars at the end of the reporting period. Assuming a 1% strengthening/weakening of the functional currency against U.S. dollars, the Group's net income before tax for January 1 to March 31, 2021 and 2022 would have decreased/increased by \$8,620 thousand and \$10,024 thousand, respectively.

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

b) Interest rate risk

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

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

	<b>March 31, 2022</b>	<b>December 31, 2021</b>	<b>March 31, 2021</b>
Fair value interest rate risk			
— Financial assets	\$ 225,461	\$ 217,076	\$ 151,982
— Financial liabilities	767,324	737,022	406,512
Cash flow interest rate risk			
— Financial assets	770,520	520,171	458,502
— Financial liabilities	165,693	172,539	179,259

Interest sensitivity analysis

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

If interest rates had been 25 points higher and all other variables were held constant, the Group's net income before tax for January 1 to March 31, 2021 and 2022 would have increased/decreased by \$378 thousand and \$175 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:

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



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

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

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2022 and December 31, 2021 and March 31, 2021, the Group had available unutilized short-term bank loan facilities set out in (2) below.

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

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

March 31, 2022

	<b>On Demand or Less than 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>			
Non-interest bearing	\$ 1,763,009	\$ 5,019	\$ 3,654
Lease liabilities	48,085	107,893	-
Variable interest rate assets	50,825	47,135	67,733
Fixed interest rate assets	624,924	869	-
	<u>\$ 2,486,843</u>	<u>\$ 160,916</u>	<u>\$ 71,387</u>

December 31, 2021

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

March 31, 2021

	<b>On Demand or Less than 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>			
Non-interest bearing	\$ 1,286,560	\$ 5,762	\$ 4,692
Lease liabilities	37,159	89,682	-
Variable interest rate assets	47,055	55,743	76,461
Fixed interest rate assets	280,234	1,265	-
	<u>\$ 1,651,008</u>	<u>\$ 152,452</u>	<u>\$ 81,153</u>

b) Financing facilities

	<b>March 31, 2022</b>	<b>December 31, 2021</b>	<b>March 31, 2021</b>
Bank loan facilities			
Amount unused	<u>\$ 822,982</u>	<u>\$ 764,402</u>	<u>\$ 1,185,547</u>

e. Transfers of financial assets

Factored trade receivables as follows (January 1, 2022 to March 31, 2022: None):

January 1, 2021 to March 31, 2021

<u>Subsidiaries</u>	<u>Counterparties</u>	<u>Receivables Sold in Current period</u>	<u>Amounts Collected in Current period</u>	<u>Effect of foreign currency exchange differences</u>	<u>Amount advanced by the end of the current period.</u>	<u>Interest Rates on Advances Received (%)</u>	<u>Credit Line</u>
VT DE	Targo Factoring USD	\$ 4,098	\$ 1,843	( \$ 313 )	\$ 7,981	3.70%	\$ 83,699
VT DE	Targo Factoring EUR	41,914	42,022	( 165 )	3,508	1.95%	83,699
		<u>\$ 46,012</u>	<u>\$ 43,865</u>	<u>( \$ 478 )</u>	<u>\$ 11,489</u>		

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

Pursuant to the Group's factoring regulations, 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.

## 28. TRANSACTIONS WITH RELATED PARTIES

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

Remuneration of key management personnel

	<b>January 1, 2022 to March 31, 2022</b>	<b>January 1, 2021 to March 31, 2021</b>
Short-term employee benefits	\$ 10,865	\$ 16,716
Retirement benefits	408	393
Share-based payments	770	755
	<u>\$ 12,043</u>	<u>\$ 17,864</u>

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

## 29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	March 31, 2022	December 31, 2021	March 31, 2021
Notes receivable	\$ -	\$ 15,390	\$ -
Restricted bank deposits	53,159	28,691	31,348
Property, plant and equipment, net	219,857	220,809	223,668
	<u>\$ 273,016</u>	<u>\$ 264,890</u>	<u>\$ 255,016</u>

## 30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

As of March 31, 2022 and December 31, 2021 and March 31, 2021, the Group's unused letters of credit amounted to \$61,492 thousand, \$96,652 thousand, and \$33,633 thousand, respectively.

## 31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

### March 31, 2022

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
<u>Monetary items</u>			
USD	\$ 15,141	6.348 (USD:RMB)	\$ 433,430
USD	62,933	7.830 (USD:HKD)	1,801,492
USD	5,121	28.625 (USD:NTD)	146,577
			<u>\$ 2,381,499</u>
Financial liabilities			
<u>Monetary items</u>			
USD	11,427	6.348 (USD:RMB)	\$ 327,112
USD	39,273	7.830 (USD:HKD)	1,124,192
USD	2,382	28.625 (USD:NTD)	68,185
			<u>\$ 1,519,489</u>

### December 31, 2021

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

March 31, 2021

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 21,700	6.571 (USD:RMB)	\$ 619,216
USD	50,317	7.775 (USD:HKD)	1,435,783
USD	5,622	28.535 (USD:NTD)	160,429
			<u>\$ 2,215,428</u>
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	8,192	6.571 (USD:RMB)	\$ 233,748
USD	31,611	7.775 (USD:HKD)	901,997
USD	2,707	28.535 (USD:NTD)	77,253
			<u>\$ 1,212,998</u>

For January 1 to March 31, 2021 and 2022, net losses on foreign exchange were \$875 thousand and \$100 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

## 32. SEPARATELY DISCLOSED ITEMS

### a. Information about significant transactions and information about investees

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

### b. Information on investments in mainland China:

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 6)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Tables 2, 3, 4 and 7):

- a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
  - c) The amount of property transactions and the amount of the resultant gains or losses.
  - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
  - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
  - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
- c. Information of major shareholders: List all shareholders with ownership of 5% or greater, showing the name of the shareholder, the number of shares owned, and the percentage of ownership of each shareholder. (Table 8)

### 33. SEGMENT INFORMATION

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

#### Segment revenue and results

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

	<b>January 1, 2022 to March 31, 2022</b>			
	<b>Asia</b>	<b>Europe and America</b>	<b>Eliminate inter-segment revenue.</b>	<b>Total</b>
Revenue from external customers	\$ 1,339,933	\$ 379,760	\$ -	\$ 1,719,693
Inter-segment revenue	<u>1,044,662</u>	<u>6,846</u>	( <u>1,051,508</u> )	<u>-</u>
Consolidated revenue	<u>\$ 2,384,595</u>	<u>\$ 386,606</u>	( <u>\$ 1,051,508</u> )	<u>\$ 1,719,693</u>
Segment income	<u>\$ 147,685</u>	<u>\$ 13,691</u>	<u>\$ -</u>	\$ 161,376
Interest income				959
Other income				5,909
Other gains and losses				( 1,755 )
Interests expense				( <u>3,280</u> )
Profit before income tax				<u>\$ 163,209</u>

**January 1, 2021 to March 31, 2021**

	<b>Asia</b>	<b>Europe and America</b>	<b>Eliminate inter-segment revenue</b>	<b>Total</b>
Revenue from external customers	\$ 1,314,907	\$ 294,793	\$ -	\$ 1,609,700
Inter-segment revenue	<u>1,092,926</u>	<u>4,700</u>	<u>( 1,097,626 )</u>	<u>-</u>
Consolidated revenue	<u>\$ 2,407,833</u>	<u>\$ 299,493</u>	<u>( \$ 1,097,626 )</u>	<u>\$ 1,609,700</u>
Segment income	<u>\$ 221,609</u>	<u>\$ 29,182</u>	<u>\$ -</u>	\$ 250,791
Interest income				250
Other income				1,352
Other gains and losses				( 3,815 )
Interests expense				<u>( 2,479 )</u>
Profit before income tax				<u>\$ 246,099</u>

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.

FINANCING PROVIDED TO OTHERS  
FOR JANUARY 1, 2022 to MARCH 31, 2022  
(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	Set aside for bad debts	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	\$ 1,431,250 (USD 50,000)	\$ 1,431,250 (USD 50,000)	\$ 378,222 (USD 13,213)	-	2	\$ -	Operating capital needed	\$	-	\$	\$ 3,327,660 (USD 116,250)	\$ 6,655,320 (USD 232,500)	
2	VT HK	VLL	Other receivables	Yes	286,250 (USD 10,000)	286,250 (USD 10,000)	52,699 (USD 1,841)	-	2	-	Operating capital needed		-		3,327,660 (USD 116,250)	6,655,320 (USD 232,500)	
2	VT HK	VT UK	Other receivables	Yes	100,188 (USD 3,500)	100,188 (USD 3,500)	44,369 (USD 1,550)	1.67%	2	-	Operating capital needed		-		3,327,660 (USD 116,250)	6,655,320 (USD 232,500)	
2	VT HK	VT USA	Other receivables	Yes	114,500 (USD 4,000)	114,500 (USD 4,000)	32,919 (USD 1,150)	1.67%	2	-	Operating capital needed		-		3,327,660 (USD 116,250)	6,655,320 (USD 232,500)	
2	VT HK	VT DE	Other receivables	Yes	57,250 (USD 2,000)	57,250 (USD 2,000)	57,250 (USD 2,000)	1.67%	2	-	Operating capital needed		-		3,327,660 (USD 116,250)	6,655,320 (USD 232,500)	

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

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

Note 3: The limits of financing amounts were as follows:  
a. Financing received from the Company cannot exceed 50% of the Company’s net asset value.  
b. The financing limits where the Company directly and indirectly holds voting right shares of subsidiaries at 100% are as follows: The total and individual financing amount cannot exceed 20 times and 10 times of the Company’s net asset value, respectively. The calculation of net asset value was based on the lender’s net asset value as of March 31, 2022.

Note 4: The calculation was based on the spot exchange rate as of March 31, 2022.

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

## ENDORSEMENTS/GUARANTEES PROVIDED

FOR JANUARY 1, 2022 to MARCH 31, 2022

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

No. (Note 1)	Endorsement Guarantor Name	Endorsee/Guarantee		Limits on Endorsement/Gua rantee Given on Behalf of Each Party (Notes 2 and 3)	Maximum Amount Endorsed/Guarant eed During the Period (Note 3)	Outstanding Endorsement/Gua rantee at the End of the Period (Note 3)	Actual Borrowing Amount (Note 3)	Guaranteed Amount by Endorsement of Property Guarantee	Ratio of Accumulate d Endorseme nt/Guarant ee to Net Equity in Latest Financial Statements	Aggregate Endorsement/Gua rantee Limit (Notes 2 and 3)	The parent compan y endorses the subsidi ary compan y (Note 4)	The subsidi aries compan y endorses the parent compan y (Note 4)	Endorse ment/Gu arantee Given on Behalf of Compan ies in Mainlan d China (Note 4)	Note
		Name	Relationship											
0	VIG CAYMAN	VT HK	Subsidiaries	\$ 5,613,312 (USD 195,498)	\$ 443,688 (USD 15,500)	\$ 443,688 (USD 15,500)	\$ 202,064 (USD 7,059)	\$	16%	\$ 11,226,624 (USD 390,996)	Y	N	N	
0	VIG CAYMAN	VT TW	Subsidiaries	5,613,312 (USD 195,498)	909,388 (USD 31,769)	909,388 (USD 31,769)	192,389 (USD 6,721)		33%	11,226,624 (USD 390,996)	Y	N	N	
0	VIG CAYMAN	VT SZ	Subsidiaries	5,613,312 (USD 195,498)	143,125 (USD 5,000)	143,125 (USD 5,000)	-		5%	11,226,624 (USD 390,996)	Y	N	Y	
1	VIG HK	VT UK	Fellow subsidiary	229,493 (USD 8,017)	8,359 (USD 292)	8,359 (USD 292)	-		-	458,987 (USD 16,034)	N	N	N	
2	VT TW	VT HK	Fellow subsidiary	2,011,860 (USD 70,280)	429,375 (USD 15,000)	429,375 (USD 15,000)	340,094 (USD 11,881)		107%	2,414,232 (USD 84,336)	N	N	N	

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

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

- For VIG CAYMAN, the total amount of endorsement/guarantee provided and the limit on endorsement/guarantee amounts provided to each guaranteed party cannot exceed 400% and 200% of the Company’s net asset value, respectively. This net asset value is based on March 31, 2022 net value.
- For VIG HK, the total amount of endorsement/guarantee provided and the limit on endorsement/guarantee amounts provided to each guaranteed party cannot exceed 20% and 10% of the Company’s net asset value, respectively. This net asset value is based on March 31, 2022 net value.
- For VT TW, the total amount of endorsement/guarantee provided and the limit on endorsement/guarantee amounts provided to each guaranteed party cannot exceed 600% and 500% of the Company’s net asset value, respectively. This net asset value is based on March 31, 2022 net value.

Note 3: The calculation was based on the spot exchange rate as of March 31, 2022.

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.



TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR JANUARY 1, 2022 to MARCH 31, 2022  
(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)	Purchase/Sale Ratio (%)	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	\$ 490,076 ( USD 17,508 )	82%	150 days	No major difference	No major difference	( \$ 764,109 ) ( USD 26,693 )	88%	
VT HK	VT SZ	The same ultimate parent	Sale	( 108,067 ) ( USD 3,863 )	18%	150 days	No major difference	No major difference	299,606 ( USD 10,466 )	30%	
VT SZ	VT HK	The same ultimate parent	Purchase	108,067 ( USD 3,863 )	12%	150 days	No major difference	No major difference	( 299,606 ) ( USD 10,466 )	27%	
VT SZ	VT HK	The same ultimate parent	Sale	( 490,076 ) ( USD 17,508 )	35%	150 days	No major difference	No major difference	764,109 ( USD 26,693 )	35%	

Note 1: The calculation was based on the average exchange rate as of January 1 to March 31, 2022.  
Note 2: The calculation was based on the spot exchange rate as of March 31, 2022.  
Note 3: All intercompany transactions have been eliminated on consolidation.

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
MARCH 31, 2022  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Balance of receivables from related parties (Note 2)	Turnover Rate	Overdue		Receivable amount after the period of receivables from related parties (Notes 1 and 2)	Set aside for bad debts
					Amount (Note 2)	Actions Taken		
VT HK	VT SZ	The same ultimate parent	\$ 299,606 ( USD 10,466 )	1.79	\$ 122,230 ( USD 4,270 )	Improve collection efforts	\$ -	\$ -
VT SZ	VT HK	The same ultimate parent	764,109 ( USD 26,693 )	3.01	124,435 ( USD 4,347 )	Improve collection efforts	14,742 ( USD 515 )	-
VT HK	VTDE	The same ultimate parent	117,878 ( USD 4,118 )	2.73	-	Improve collection efforts	8,903 ( USD 311 )	-

Note 1: Subsequent period as of April 20, 2022.  
Note 2: The calculation was based on the spot exchange rate as of March 31, 2022.  
Note 3: All intercompany transactions have been eliminated on consolidation.

TABLE 5

## VENTEC INTERNATIONAL GROUP CO., LTD. AND SUBSIDIARIES

## INFORMATION ON INVESTEEES

FOR JANUARY 1, 2022 to MARCH 31, 2022

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

Investor	Investee Name	Location	Business Content	Original Investment Amount		As of December 31, 2021			Profit / Loss for the Current Period of Investee Company (Note 2)	Investment gains and losses recognized in the current period (Notes 2 and 3)	Note
				December 31, 2021 (Note a)	December 31, 2020 (Note a)	Number of Shares	.	Carrying Amount (Notes 1 and 3)			
VIG CAYMAN	VIG SAMOA	Samoa	General investment	\$ 1,333,944	\$ 1,333,944	46,600,000	100.00	\$ 2,841,299	\$ 141,877	\$ 141,877	SUBSIDIARIES
				(USD 46,600)	(USD 46,600)			(USD 99,258)	(USD 5,060)	(USD 5,060)	
VIG SAMOA	VIG HK	HK	General investment	890,287	890,287	31,110,000	100.00	2,294,934	110,864	110,864	SUBSIDIARIES
				(USD 31,101)	(USD 31,101)			(USD 80,171)	(USD 3,957)	(USD 3,957)	
	VLL	British Virgin Islands	General investment	229,311	229,311	8,010,000	100.00	33,876	(32)	(32)	SUBSIDIARIES
				(USD 8,011)	(USD 8,011)			(USD 1,183)	(USD -1)	(USD -1)	
	VT HK	HK	International trade	68,738	68,738	10,000	100.00	332,766	10,986	10,986	SUBSIDIARIES
				(USD 2,401)	(USD 2,401)			(HKD 11,625)	(HKD 3,028)	(HKD 3,028)	
	VT TW	Taiwan	Manufacture and sell of CCL, IMS and prepreg	326,579	326,579	10,000,000	100.00	402,372	16,617	16,617	SUBSIDIARIES
				(USD 11,409)	(USD 11,409)						
	VT UK	United Kingdom	Copper foil substrate, heat dissipation aluminum substrate and film sales	37,926	37,926	807,334	100.00	82,249	3,664	3,664	SUBSIDIARIES
				(USD 1,325)	(USD 1,325)			(GBP 2,186)	(GBP 98)	(GBP 98)	
	VT DE	Germany	Sell of CCL, IMS and prepreg	197,611	197,611	400,000	100.00	91,838	4,330	4,330	SUBSIDIARIES
				(USD 6,903)	(USD 6,903)			(EUR 2,877)	(EUR 137)	(EUR 137)	
VLL	VT USA	United States	Copper foil substrate, heat dissipation aluminum substrate and film sales	212,538	212,538	-	100.00	86,566	(32)	(32)	SUBSIDIARIES
				(USD 7,425)	(USD 7,425)			(USD 3,024)	(USD -1)	(USD -1)	

Note 1: The calculation was based on the spot exchange rate of each foreign currency on March 31, 2022.

Note 2: The calculation was based on the average exchange rate of each foreign currency on March 31, 2022.

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

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

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA**  
**FOR JANUARY 1, 2022 to MARCH 31, 2022**  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company at Mainland China Name	Business Content	Paid-in Capital (Notes 1 and 3)	Method of Investment	Beginning of the current period Remittance of accumulated investment amount from Taiwan	Investment Flows		December 31, 2021 Remittance of accumulated investment amount from Taiwan	Profit / Loss for the Current Period of Investee Company (Note 2)	Shareholding ratio of the company's direct or indirect investment (%)	Investment gains and losses recognized in the current period (Notes 2 and 4)	The investment for the end of current period Carrying Amount (Notes 3 and 4)	Accumulated Repatriation of Investment Income of current period
					Outflow	Inflow						
VT SZ	Research and development, manufacture and sell of CCL, IMS and prepreg	\$ 1,284,871 (USD 35,100) (RMB284,943)	Indirect investment	\$ -	\$ -	\$ -	\$ -	\$ 120,057 (RMB 27,232)	100%	\$ 120,057 (RMB 27,232)	\$ 2,274,007 (RMB504,301)	\$ -
VT JY	Manufacture and sell of CCL, IMS and prepreg	128,758 (USD 3,000) (RMB 28,554)	Indirect investment	-	-	-	-	3,459 (RMB 765)	100%	3,459 (RMB 765)	119,646 (RMB 26,534)	-
VT SZWT	Manufacturing and sales of copper foil substrates, sales of heat-dissipating aluminum substrates and plastic films	90,184 (RMB 20,000)	Indirect investment	-	-	-	-	( 42) (RMB -10)	100%	( 42) (RMB -10)	( 3,795) (RMB -842)	-

Cumulative remittance from Taiwan at the end of the current period Amount of investment in mainland China	Investment Review Committee of the Ministry of Economic Affairs Approved Investment Amount	According to the regulations of the Investment Review Committee of the Ministry of Economic Affairs Investment limit in mainland China
\$ -	\$ -	\$ -

Note 1: It is calculated based on historical cost.

Note 2: The calculation was based on the average exchange rate of each foreign currency on March 31, 2022.

Note 3: The calculation was based on the spot exchange rate of each foreign currency on March 31, 2022.

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

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS**  
**FOR JANUARY 1, 2022 to MARCH 31, 2022**  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transactions Details				
				Financial Statement Accounts	Amount	Amount ( USD )	Transaction Terms	% of Total Sales or Assets
3	VT HK	VT DE	3	Trade receivables	\$ 117,878	\$ 4,118	No major difference	2%
3	VT HK	VT TW	3	Trade receivables	60,366	2,109	No major difference	1%
3	VT HK	VT SZ	3	Trade payables	764,109	26,693	No major difference	12%
3	VT HK	VT SZ	3	Trade receivables	299,606	10,466	No major difference	5%
3	VT HK	VT USA	3	Trade receivables	81,300	2,840	No major difference	1%
3	VT HK	VT UK	3	Trade receivables	50,456	1,763	No major difference	1%
3	VT HK	VT SZWT	3	Trade payables	5,182	181	No major difference	-
3	VT HK	VT USA	3	Other receivables	36,106	1,261	No major difference	1%
3	VT HK	VT UK	3	Other receivables	46,318	1,618	No major difference	1%
3	VT HK	VLL	3	Other receivables	52,691	1,841	No major difference	1%
3	VT HK	VIG SAMOA	3	Other receivables	378,238	13,213	No major difference	6%
3	VT HK	VT DE	3	Other receivables	57,734	2,017	No major difference	1%
3	VT HK	VT USA	3	Other payables	47,523	1,660	No major difference	1%
3	VT HK	VIG SAMOA	3	Other payables	54,772	1,913	No major difference	1%
3	VT HK	VT DE	3	Sale	76,783	2,747	No major difference	4%
3	VT HK	VT UK	3	Sale	51,026	1,831	No major difference	3%
3	VT HK	VT TW	3	Sale	42,782	1,525	No major difference	2%
3	VT HK	VT SZ	3	Sale	108,067	3,863	No major difference	6%
3	VT HK	VT SZ	3	Purchase	490,076	17,508	No major difference	29%
3	VT HK	VT UK	3	Purchase	1,138	41	No major difference	-
3	VT HK	VT USA	3	Purchase	1,627	58	No major difference	-
3	VT HK	VT USA	3	Sale	38,934	1,391	No major difference	2%
4	VT SZ	VT JY	3	Trade payables	21,525	752	No major difference	-
4	VT SZ	VT JY	3	Sale	1,525	55	No major difference	-
4	VT SZ	VT JY	3	Purchase	39,127	1,395	No major difference	2%
6	VT TW	VT USA	3	Trade receivables	96,233	3,362	No major difference	2%
6	VT TW	VT USA	3	Sale	24,655	881	No major difference	1%
7	VT UK	VT DE	3	Trade receivables	2,334	82	No major difference	-
7	VT UK	VT DE	3	Sale	1,412	50	No major difference	-
7	VT UK	VT DE	3	Purchase	2,221	80	No major difference	-
2	VIG HK	VT JY	3	Other receivables	6,584	230	No major difference	-
2	VIG HK	VIG SAMOA	3	Other payables	576,259	20,131	No major difference	9%

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

Note 2: No. 1 represents the transactions from a parent company to subsidiary.

No. 2 represents the transactions from subsidiary to parent company.

No. 3 represents the transactions between subsidiaries.

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

**TABLE 8****VENTEC INTERNATIONAL GROUP CO., LTD.****INFORMATION OF MAJOR SHAREHOLDERS  
MARCH 31, 2022**

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

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

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