Stock Code: 6672

Ventec International Group Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Quarter 1 of 2023 and 2024 and Independent Auditors' Review Report

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

Tel: 86-512-68091810

Notice to Reader:

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

TABLE OF CONTENTS

Independent Auditors' Review Report

Ventec International Group Co., Ltd.
To 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, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for January 1 to March 31, 2024 and 2023, and the notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulation Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Statement 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission. Our responsibility is to come to a conclusion on the consolidated financial statements based on our reviews.

Scope

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

Basis of a qualified conclusion

As stated in Note X to the consolidated financial statements, the total assets of non-material subsidiaries included in the above consolidated financial statements for the same periods not reviewed by us, as of March 31, 2024 and 2023, were NT$$620,497 thousand and NT$715,284 thousand, respectively, accounting for 12% and 15% of the total consolidated assets, respectively. Their total liabilities were NT$149,129 thousand and NT$171,835 thousand, respectively, accounting for 8% and 9% of the total consolidated liabilities, respectively. For the three months ended March 31, 2024 and 2023, the total comprehensive income was NT$286 thousand, and NT$9,743 thousand, respectively, accounting for 0% and 11% of the total consolidated comprehensive income, respectively.

Qualified conclusion

According to our review results, except that the financial statements of non-material subsidiaries described in the "Basis for a qualified conclusion" paragraph may result in adjustment to the consolidated financial statements if reviewed by us, we have determined that the foregoing consolidated financial statements have been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC, with a fair presentation of the Group's consolidated financial position as of March 31, 2024 and 2023 as well as consolidated financial performance and consolidated cash flows for the three months ended March 31, 2024 and 2023.

Deloitte & Touche, Taiwan

CPA Yi-Ching Liu

CPA Cheng-Chun Chiu

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

Securities and Futures Commission Approval Document No.
Jin-Guan-Zheng-Liu-Zi No. 0930160267

May 8, 2024

Ventec International Group Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

March 31, 2024, December 31, 2023, and March 31, 2023

Unit: In Thousands of NTD

		March 31, 2024		December 31, 2023		March 31, 2023	
Code	Assets	Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and Cash Equivalents (Note 6)	$ 1,046,263	21	$ 808,517	17	$ 562,987	12
1136	Financial assets at amortized cost - Current (Notes 7 and 27)	225,523	5	86,534	2	243,835	5
1150	Notes receivable (Notes 8 and 19)	108,247	2	105,349	2	58,402	1
1170	Accounts receivable (Notes 8 and 19)	1,180,120	24	1,187,416	26	1,341,422	27
1200	Other receivables (Note 8)	43,824	1	40,403	1	36,798	1
1310	Inventories (Note 9)	791,012	16	758,429	16	891,270	18
1410	Prepayments	66,178	1	48,375	1	50,680	1
1479	Other current assets	8,874	-	5,259	-	11	-
11XX	Total current assets	3,470,041	70	3,040,282	65	3,185,405	65
	Non-current assets						
1535	Financial assets at amortized cost - Non-current (Note 7)	245,292	5	378,140	8	443,117	9
1600	Property, plant and equipment (Notes 11, 15, and 27)	983,658	20	965,609	21	978,531	20
1755	Right-of-use assets (Note 12)	141,967	3	148,843	3	171,474	4
1805	Goodwill (Note 13)	72,614	1	69,676	2	69,097	1
1801	Intangible assets (Note 14)	7,090	-	7,658	-	9,477	-
1840	Deferred tax assets (Note 4)	43,552	1	43,058	1	28,428	1
1920	Refundable deposits	9,795	-	9,836	-	9,749	-
1990	Other non-current assets	1,095	-	1,151	-	20,887	-
15XX	Total non-current assets	1,505,063	30	1,623,971	35	1,730,760	35
1XXX	Total assets	$ 4,975,104	100	$ 4,664,253	100	$ 4,916,165	100
Code	Liabilities and equity						
	Current liabilities						
2100	Short-term borrowings (Notes 15 and 27)	$ -	-	$ -	-	$ 190,338	4
2170	Accounts payable	578,036	12	460,174	10	594,358	12
2200	Other payables (Note 16 and 26)	734,689	15	496,306	11	718,429	15
2280	Lease liabilities - Current (Note 12)	45,692	1	45,371	1	44,248	1
2230	Current tax liabilities (Note 4)	23,681	-	32,312	1	40,934	1
2320	Current portion of long-term borrowings (Notes 11, 15, and 27)	13,145	-	15,466	-	17,805	-
2399	Other current liabilities (Note 19)	5,146	-	4,031	-	3,524	-
21XX	Total current liabilities	1,400,389	28	1,053,660	23	1,609,636	33
	Non-current liabilities						
2540	Long-term borrowings (Notes 11, 15, and 27)	85,644	2	87,778	2	98,032	2
2570	Deferred tax liabilities (Note 4)	177,808	4	161,976	3	141,155	3
2580	Lease liabilities - Non-current (Note 12)	27,674	-	37,608	1	57,816	1
2640	Net defined benefit liabilities - Non-current (Notes 4 and 17)	83,324	2	78,432	2	53,220	1
2670	Other non-current liabilities	26,145	-	26,318	-	28,586	-
25XX	Total non-current liabilities	400,595	8	392,112	8	378,809	7
2XXX	Total liabilities	1,800,984	36	1,445,772	31	1,988,445	40
	Equity (Notes 10, 18, and 23)						
3100	Common stock	714,347	14	714,347	15	714,347	15
3200	Capital surplus	884,861	18	884,861	19	884,861	18
	Retained earnings						
3310	Legal reserve	283,957	6	283,957	6	237,252	5
3320	Special reserve	314,580	6	314,580	7	343,852	7
3350	Unappropriated earnings	1,026,919	21	1,177,006	25	859,831	17
3300	Total retained earnings	1,625,456	33	1,775,543	38	1,440,935	29
	Other equity						
3410	Exchange differences in translating the financial statements of foreign operations	(47,799)	(1)	(152,105)	(3)	(101,221)	(2)
3490	Unearned employee benefits	(2,745)	-	(4,165)	-	(11,202)	-
3400	Total other equity	(50,544)	(1)	(156,270)	(3)	(112,423)	(2)
3XXX	Total equity	3,174,120	64	3,218,481	69	2,927,720	60
	Total liabilities and equity	$ 4,975,104	100	$ 4,664,253	100	$ 4,916,165	100

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

(Please refer to the review report issued by Deloitte & Touche on May 8, 2024)

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

Ventec International Group Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2024 and 2023

Unit: In Thousands of NTD, Except Earnings Per Share

Code		From January 1 to March 31, 2024		From January 1 to March 31, 2023	
		Amount	%	Amount	%
4100	Sales revenue (Notes 19 and 31)	$ 1,074,604	100	$ 1,171,038	100
5110	Cost of sales (Notes 9 and 20)	701,740	65	814,440	69
5900	Gross profit	372,864	35	356,598	31
	Operating expenses (Notes 8 and 20)				
6100	Sales and marketing expenses	138,077	13	149,120	13
6200	General and administrative expenses	60,339	6	52,143	4
6300	Research and development expenses	77,669	7	52,851	5
6450	Expected credit loss (reversal of impairment loss)	(249)	-	1,476	-
6000	Total operating expenses	275,836	26	255,590	22
6900	Net operating income	97,028	9	101,008	9
	Non-operating income and expenses (Note 20)				
7100	Interest income	6,414	1	3,586	-
7010	Other income	2,060	-	6,274	-
7020	Other gains and losses	3,378	-	(3,824)	-
7510	Interest expenses	(373)	-	(2,879)	-
7000	Total non-operating income and expenses	11,479	1	3,157	-
7900	Net income before tax	108,507	10	104,165	9
7950	Income tax expense (Notes 4 and 21)	19,288	2	28,069	2
8200	Net income for the period	89,219	8	76,096	7

(Continued on next page)

(Continued from previous page)

Code		From January 1 to March 31, 2024 Amount	%	From January 1 to March 31, 2023 Amount	%
	Other comprehensive income				
8310	Items that will not be reclassified subsequently to profit or loss:				
8341	Exchange differences arising in translation to the presentation currency	$ 132,118	12	($ 26,958)	(2)
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences in translating the financial statements of foreign operations	(27,812)	(2)	40,317	3
8300	Other comprehensive income for the period	104,306	10	13,359	1
8500	Total comprehensive income for the period	$ 193,525	18	$ 89,455	8
	Earnings Per Share (Note 22)				
9750	Basic	$ 1.25		$ 1.07	
9850	Diluted	$ 1.24		$ 1.06	

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

(Please refer to the review report issued by Deloitte & Touche on May 8, 2024)

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

Ventec International Group Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2024 and 2023

Unit: In Thousands of NTD

		Common stock (Notes 18, and 23)		Capital surplus	Retained earnings (Note 18)			Other equity (Notes 10, 18, and 23)		
Code		Number of shares (in thousand shares)	Amount	(Note 18)	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences in translating the financial statements of foreign operations	Unearned employee benefits	Total equity
A1	Balance on January 1, 2023	71,454	$ 714,543	$ 886,111	$ 237,252	$ 343,852	$ 1,040,900	($ 114,580)	($ 14,518)	$ 3,093,560
	Appropriation and distribution of 2022 earnings:									
B5	Cash dividends to shareholders	-	-	-	-	-	(257,165)	-	-	(257,165)
D1	Net income for the three months ended March 31, 2023	-	-	-	-	-	76,096	-	-	76,096
D3	Other comprehensive income after tax for the three months ended March 31, 2023	-	-	-	-	-	-	13,359	-	13,359
D5	Total comprehensive income for the three months ended March 31, 2023	-	-	-	-	-	76,096	13,359	-	89,455
N1	Issuance of ordinary shares under employee restricted shares	-	-	-	-	-	-	-	1,870	1,870
T1	Cancellation of employee restricted shares	(19)	(196)	(1,250)	-	-	-	-	1,446	-
Z1	Balance on March 31, 2023	71,435	$ 714,347	$ 884,861	$ 237,252	$ 343,852	$ 859,831	($ 101,221)	($ 11,202)	$ 2,927,720
A1	Balance on January 1, 2024	71,435	$ 714,347	$ 884,861	$ 283,957	$ 314,580	$ 1,177,006	($ 152,105)	($ 4,165)	$ 3,218,481
	Appropriation and distribution of 2023 earnings:									
B5	Cash dividends to shareholders	-	-	-	-	-	(239,306)	-	-	(239,306)
D1	Net income for the three months ended March 31, 2024	-	-	-	-	-	89,219	-	-	89,219
D3	Other comprehensive income after tax for the three months ended March 31, 2024	-	-	-	-	-	-	104,306	-	104,306
D5	Total comprehensive income for the three months ended March 31, 2024	-	-	-	-	-	89,219	104,306	-	193,525
N1	Issuance of ordinary shares under employee restricted shares	-	-	-	-	-	-	-	1,420	1,420
Z1	Balance on March 31, 2024	71,435	$ 714,347	$ 884,861	$ 283,957	$ 314,580	$ 1,026,919	($ 47,799)	($ 2,745)	$ 3,174,120

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

(Please refer to the review report issued by Deloitte & Touche on May 8, 2024)

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

Ventec International Group Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

For the three months ended March 31, 2024 and 2023

Unit: In Thousands of NTD

Code		From January 1 to March 31, 2024	From January 1 to March 31, 2023
	Cash flows from operating activities		
A10000	Net income before tax for the period	$ 108,507	$ 104,165
A20010	Income and expense item:		
A20100	Depreciation expenses	45,507	45,068
A20200	Amortization expenses	702	672
A20300	Expected credit loss (reversal of impairment loss)	(249)	1,476
A20900	Interest expenses	373	2,879
A21200	Interest income	(6,414)	(3,586)
A21900	Compensation costs of employee restricted shares	1,420	1,870
A22500	Net loss on disposal of property, plant and equipment	13	3
A22900	Gain on disposal of right-of-use assets	-	(5)
A23800	Inventory valuation and obsolescence losses (gain on value recovery)	8,477	(1,217)
A24100	Net (gain) loss on foreign currency exchange	(1,789)	3,224
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	(2,789)	43,000
A31150	Accounts receivable	49,105	(7,651)
A31180	Other receivables	(1,915)	(6,430)
A31200	Inventories	(17,484)	49,663
A31230	Prepayments	(15,858)	6,162
A31240	Other current assets	(3,245)	87
A32150	Accounts payable	100,346	(53,927)
A32180	Other payables	(27,924)	(29,208)
A32230	Other current liabilities	851	(4,236)
A32240	Net defined benefit liabilities	1,557	1,505
A33000	Cash generated from operations	239,191	153,514
A33100	Interest received	6,414	3,586
A33300	Interest paid	(377)	(3,035)
A33500	Income tax paid	(18,552)	(23,399)
AAAA	Net cash inflow from operating activities	226,676	130,666

(Continued on next page)

(Continued from previous page)

Code		From January 1 to March 31, 2024	From January 1 to March 31, 2023
	Cash flows from investing activities		
B00040	Decrease (increase) in financial assets at amortized cost	$ 19,634	($ 75,167)
B02700	Acquisition of property, plants, and equipment	(16,383)	(16,943)
B02800	Proceeds from disposal of property, plants, and equipment	593	79
B03700	Decrease in guarantee deposits	375	280
B06800	Decrease in other non-current assets	79	161
BBBB	Net cash inflow (outflow) from investing activities	4,298	(91,590)
	Cash flows from financing activities		
C00100	Decrease in short-term borrowings	-	(84,554)
C01700	Repayments of long-term borrowings	(4,481)	(5,096)
C03100	Increase (Decrease) in refundable deposits	(340)	112
C04020	Repayments of the principal portion of lease liabilities	(12,556)	(12,522)
C04300	Decrease in other non-current liabilities	(855)	(858)
CCCC	Net cash outflow from financing activities	(18,232)	(102,918)
DDDD	Effects of exchange rate changes on cash	25,004	(3,112)
EEEE	Net increase (decrease) in cash and cash equivalents	237,746	(66,954)
E00100	Opening balance of cash and cash equivalents	808,517	629,941
E00200	Ending balance of cash and cash equivalents	$ 1,046,263	$ 562,987

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

(Please refer to the review report issued by Deloitte & Touche on May 8, 2024)

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

Ventec International Group Co., Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
For the three months ended March 31, 2024 and 2023
(In Thousands of NTD, Unless Specified Otherwise)

1. Company History

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

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

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

2. Date and Procedures of Approval of the Financial Statements

The consolidated financial statements were approved by the Company’s board of directors on May 8, 2024.

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

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

The application of IFRS accounting principles endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

b. IFRS accounting principles issued by International Accounting Standards Board (IASB) but not yet endorsed and issued by the FSC

New, Amended, and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sales or Contributions of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9—Comparative Information”	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

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

Note 2: Applicable at the beginning of the annual reporting period after January 1, 2025. When the amendment is applied for the first time, the comparative period may not be restated. The impact shall be recognized in the retained earnings or currency translation difference of foreign operations under equity (whichever is appropriate) and the affected assets and liabilities on the date of initial application.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 "Presentation in Financial Statements." The main changes in this standard include:

a) The income statement should divide income and expense items into operating, investing, financing, income tax and discontinued operations.

b) The income statement should divide income and expense items into operating, investing, financing, income tax and discontinued operations.

c) Provides guidance to strengthen overall and detailed requirements: The Group must identify assets, liabilities, equity, income, expenses, losses, and cash flows from individual transactions or other events, and classify and summarize them based on common characteristics, so that each individual line item presented in the financial statements has at least one similar characteristic. Items with different characteristics should be broken down in the financial statements and notes. The Group will only label these items as "other" if it cannot find a more informative name.

d) Increase disclosures of performance metrics defined by management: When the Group engages public communications outside of financial statements and communicates management's views on a certain aspect of the Group's overall financial performance to users of financial statements, it should disclose information on performance metrics defined by management in a single note to the financial statements, including a description of the metric, how it is calculated, its reconciliation with the subtotal or total specified in IFRS accounting standards, and the impact of income tax and non-controlling interests on related reconciliation items.

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

4. Summary of Significant Accounting Policies

a. Statements of compliance

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

b. Basis of preparation

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

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

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

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

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

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. The total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

See Note 10, Tables 6 and 7 for detailed information on subsidiaries, shareholding ratio and business item.

d. Other significant accounting policies

In addition to the description below, please refer to the summary of significant accounting policies in the 2023 consolidated financial statements.

1) Classification of current and non-current assets and liabilities

Current assets include:

a) Assets held primarily for the purpose of trading;

b) Assets expected to be realized within 12 months after the balance sheet date; and

c) Cash and cash equivalents (unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Current liabilities include:

a) Liabilities held primarily for the purpose of trading;

b) Liabilities due to be settled within 12 months after the balance sheet date; and

c) As of the balance sheet date, there were no liabilities which do not have the right to defer settlement for at least 12 months after the balance sheet date.

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

2) Defined post-retirement benefits

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

3) Income tax expense

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

5. Significant Accounting Judgments and Major Sources of Estimating Uncertainty

Please refer to the consolidated financial statements in 2023 for significant accounting judgments and major sources of estimating uncertainty adopted for these consolidated financial statements.

6. Cash and Cash Equivalents

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand and working capital	$ 138	$ 125	$ 178
Checking accounts and demand deposits	455,500	630,590	478,617
Cash equivalents			
Time deposits (maturity date within 3 months)	590,625	177,802	84,192
	$ 1,046,263	$ 808,517	$ 562,987

The interest rate of time deposits was 1.49%-4.55%, 1.49%-5.29%, and 1.75% per annum as of March 31, 2024, December 31, 2023, and March 31, 2023, respectively.

7. Financial assets at amortized cost

	March 31, 2024	December 31, 2023	March 31, 2023
Current			
Restricted bank deposits (Note 27)	$ 13	$ 12	$ 237
Time deposits (maturity date over 3 months)	225,510	86,522	243,598
	$ 225,523	$ 86,534	$ 243,835
Non-current			
Time deposits (maturity date over 1 year) (a)	$ 225,510	$ 368,493	$ 443,117
Corporate bonds (b)	19,782	9,647	-
	$ 245,292	$ 378,140	$ 443,117

a. As of March 31, 2024, December 31, 2023, and March 31, 2023, the information on bank time deposit durations and interest rate range are as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Maturity date	January 2025 to March 2027	February 2024 to November 2025	May 2023 to November 2025
Annual interest rate	2.35%~3.35%	3.10%~4.80%	3.10%~5.50%

b. As of March 31, 2024 and December 31, 2023, information on the maturity period, par value, coupon rate, and effective interest rate of corporate bonds is as follows:

March 31, 2024

Maturity date	Par value (in thousands)	Coupon rate	Effective interest rate
October 2029	USD 300	6.3030%	5.5426%
July 2029	USD 300	5.4490%	5.1298%

December 31, 2023

Maturity date	Par value (in thousands)	Coupon rate	Effective interest rate
October 2029	USD 300	6.3030%	5.5426%

For information on credit risk management and impairment assessment related to financial assets at amortized cost, please refer to Note 25.

8. Notes Receivable, Accounts Receivable, and Other Receivables

	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable			
Arising from operations	$ 108,247	$ 105,349	$ 58,402
Accounts receivable			
At amortized cost			
Total carrying amount	$ 1,206,012	$ 1,212,743	$ 1,365,461
Less: Loss allowance	(25,892)	(25,327)	(24,039)
	$ 1,180,120	$ 1,187,416	$ 1,341,422
Other receivables			
Tax refund receivables	$ 4,064	$ 2,186	$ 2,046
Others	39,760	38,217	34,752
	$ 43,824	$ 40,403	$ 36,798

a. Accounts receivable

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

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

When there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. The Group still continues to engage in enforcement activities to attempt to recover the receivables due. Where recoveries are made, they are recognized in profit or loss.

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

March 31, 2024

	Not past due	Past due 1 to 90 Days	Past due 91 to 180 Days	Pas due over 181 Days	Total
Total carrying amount	$ 1,171,228	$ 12,965	$ 1,421	$ 20,398	$ 1,206,012
Loss allowance (lifetime ECLs)	(4,303)	(937)	(844)	(19,808)	(25,892)
Amortized cost	$ 1,166,925	$ 12,028	$ 577	$ 590	$ 1,180,120

December 31, 2023

	Not past due	Past due 1 to 90 Days	Past due 91 to 180 Days	Pas due over 181 Days	Total
Total carrying amount	$ 1,181,507	$ 9,527	$ 3,754	$ 17,955	$ 1,212,743
Loss allowance (lifetime ECLs)	(4,411)	(1,471)	(2,007)	(17,438)	(25,327)
Amortized cost	$ 1,177,096	$ 8,056	$ 1,747	$ 517	$ 1,187,416

March 31, 2023

	Not past due	Past due 1 to 90 Days	Past due 91 to 180 Days	Pas due over 181 Days	Total
Total carrying amount	$ 1,336,984	$ 7,792	$ 3,750	$ 16,935	$ 1,365,461
Loss allowance (lifetime ECLs)	(4,634)	(1,365)	(1,125)	(16,915)	(24,039)
Amortized cost	$ 1,332,350	$ 6,427	$ 2,625	$ 20	$ 1,341,422

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

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Opening balance	$ 25,327	$ 22,430
Add: Impairment loss for the period (reversal)	(249)	1,476
Foreign exchange gains and losses	814	133
Ending balance	$ 25,892	$ 24,039

b. Other receivables

Upon assessment, the Group's other receivables as of March 31, 2024 and December 31, 2023 and March 31, 2023 do not require an allowance for expected credit losses.

9. Inventories

	March 31, 2024	December 31, 2023	March 31, 2023
Finished goods	$ 381,803	$ 391,601	$ 470,846
Work in process	55,633	67,029	74,266
Raw materials	353,576	299,799	346,158
	$ 791,012	$ 758,429	$ 891,270

The cost of goods sold from the three months ended March 31, 2024 and 2023 was NT$701,740 thousand and NT$$814,440, respectively. The cost of goods sold for the three months ended March 31, 2024 and 2023 included loss on inventory devaluation and slow-moving inventory (gain on value recovery) of NT$8,477 thousand and NT$(1,217) thousand, respectively. The recovery of the net realizable value of inventories was due to the digestion of inventories.

10. Subsidiary

Subsidiaries included in the consolidated financial statements are as follows:

Investor	Name of Subsidiary	Nature of business activities	Proportion of ownership (%) March 31, 2024	December 31, 2023	March 31, 2023
Ventec International Group Co., Ltd. ("VIG CAYMAN")	Ventec International Group Limited(SAMOA) ("VIG SAMOA")	General investment	100.00%	100.00%	100.00%
VIG SAMOA	Ventec International Group Limited(HK) ("VIG HK")	General investment	100.00%	100.00%	100.00%
〃	Ventec Logistics Limited ("VLL")	General investment	100.00%	100.00%	100.00%
〃	Ventec Electronics (HK) Co., Ltd. ("VT HK")	International trade	100.00%	100.00%	100.00%
〃	Ventec Electronics Corporation ("VT TW")	Manufacturing and sale of CCL, IMS, and prepreg	100.00%	100.00%	100.00%
〃	Ventec Europe Ltd. ("VT UK")	Sale of CCL, IMS, and prepreg	100.00%	100.00%	100.00%
〃	Ventec Central Europe GmbH ("VT DE")	Sale of CCL, IMS, and prepreg	100.00%	100.00%	100.00%
VIG HK	Ventec Electronics (Suzhou) Co., Ltd. ("VT SZ")	Research and development, manufacturing, and sale of CCL, IMS, and prepreg	100.00%	100.00%	100.00%
〃	Ventec Electronics (Jiangyin) Co., Ltd. ("VT JY")	Manufacturing and sale of CCL, IMS, and prepreg	100.00%	100.00%	100.00%
VT SZ	Ventec Electronics (Shenzhen) Co., Ltd. ("VT SZWT") (Note)	Manufacturing and sales of CCL, and sales of IMS, and prepreg	100.00%	100.00%	100.00%
VLL	Ventec USA, LLC ("VT USA")	Sale of CCL, IMS, and prepreg	100.00%	100.00%	100.00%

Note: VT SZWT completed liquidation and de-registration in March 2024.

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

11. Property, plant and equipment

	Land	Buildings	Machinery and equipment	Office equipment	Leasehold improvements	Other equipment	Construction in progress and equipment under installation	Total
Cost								
Balance on January 1, 2024	$ 118,840	$ 501,688	$ 1,904,976	$ 43,642	$ 55,471	$ 176,518	$ 25,831	$ 2,826,966
Additions	-	-	2,660	331	-	5,850	16,802	25,643
Reclassification	-	-	18,854	-	-	5,421	(24,275)	-
Disposals	-	(358)	(1,428)	(116)	(6,733)	(691)	-	(9,326)
Foreign exchange gains and losses	-	14,657	72,241	1,692	1,997	5,641	868	97,096
Balance on March 31, 2024	118,840	515,987	1,997,303	45,549	50,735	192,739	19,226	2,940,379
Accumulated depreciation								
Balance on January 1, 2024	$ -	$ 241,717	$ 1,433,055	$ 33,614	$ 40,743	$ 112,228	$ -	$ 1,861,357
Depreciation expenses	-	5,540	19,313	1,158	2,752	4,255	-	33,018
Disposals	-	(358)	(840)	(102)	(6,733)	(687)	-	(8,720)
Foreign exchange gains and losses	-	8,062	55,899	1,320	1,531	4,254	-	71,066
Balance on March 31, 2024	-	254,961	1,507,427	35,990	38,293	120,050	-	1,956,721
Net Amount on March 31, 2024	$ 118,840	$ 261,026	$ 489,876	$ 9,559	$ 12,442	$ 72,689	$ 19,226	$ 983,658
Net amount as of December 31, 2023 and January 1, 2024	$ 118,840	$ 259,971	$ 471,921	$ 10,028	$ 14,728	$ 64,290	$ 25,831	$ 965,609
Cost								
Balance on January 1, 2023	$ 118,840	$ 509,112	$ 1,906,463	$ 42,255	$ 53,497	$ 148,915	$ 12,978	$ 2,792,060
Additions	-	-	1,400	344	-	237	5,380	7,361
Reclassification	-	-	2,533	-	-	102	(2,409)	226
Disposals	-	(1,211)	(2,161)	(86)	-	(118)	-	(3,576)
Foreign exchange gains and losses	-	1,824	9,195	141	296	673	62	12,191
Balance on March 31, 2023	118,840	509,725	1,917,430	42,654	53,793	149,809	16,011	2,808,262
Accumulated depreciation								
Balance on January 1, 2023	-	224,205	1,408,753	29,620	29,626	100,060	-	1,792,264
Depreciation expenses	-	5,573	19,519	1,263	2,729	3,452	-	32,536
Disposals	-	(1,211)	(2,090)	(75)	-	(118)	-	(3,494)
Foreign exchange gains and losses	-	891	6,843	100	127	464	-	8,425
Balance on March 31, 2023	-	229,458	1,433,025	30,908	32,482	103,858	-	1,829,731
Net Amount on March 31, 2023	$ 118,840	$ 280,267	$ 484,405	$ 11,746	$ 21,311	$ 45,951	$ 16,011	$ 978,531

According to the Group's assessment, there was no sign of impairment for property, plant and equipment on March 31, 2024, December 31, 2023, and March 31, 2023.

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

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

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

12. Lease Arrangements

a. Right-of-use assets

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amount of right-of-use assets			
Land	$ 71,037	$ 68,841	$ 72,345
Buildings	62,241	70,755	91,305
Office equipment	141	151	90
Transportation equipment	8,548	9,096	7,734
	$ 141,967	$ 148,843	$ 171,474

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Addition to right-of-use assets	$ 435	$ 5,563
Depreciation for right-of-use assets		
Land	$ 689	$ 675
Buildings	10,927	9,990
Office equipment	10	11
Transportation equipment	863	1,856
	$ 12,489	$ 12,532

Except for the addition and depreciation, the right-of-use assets of the Group were not significantly subleased or impaired during the three months ended March 31, 2024 and 2023.

b. Lease liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amount of lease liabilities			
Current	$ 45,692	$ 45,371	$ 44,248
Non-current	$ 27,674	$ 37,608	$ 57,816

Range of discount rates for lease liabilities was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Land	1.43%	1.43%	1.43%
Buildings	1.60%~4.75%	1.60%~4.35%	1.60%
Office equipment	1.35%~1.75%	1.35%~1.75%	1.35%~1.43%
Transportation equipment	0.68%~4.75%	0.68%~4.75%	0.68%~1.60%

c. Material lease-in activities and terms

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

d. Other lease information

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Short term lease expenses	$ 881	$ -
Total cash outflow for leases	$ 13,714	$ 12,781

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

13. Goodwill

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Cost		
Opening balance	$ 69,676	$ 69,686
Net exchange difference	2,938	(589)
Ending balance	$ 72,614	$ 69,097

The Group assesses the recoverable amount of goodwill at the end of the annual reporting period and uses the value in use as the basis for calculating the recoverable amount. The calculation of value in use at the end of 2023 and 2022 is based on projected cash flow of each cash-generating unit over the next five years and is calculated using discount rates of 16.40% and 17.60%, respectively, to reflect specific risks of the relevant cash-generating unit. The recoverable amount of goodwill at the end of 2023 and 2022 was estimated to be NT$268,680 thousand and NT$381,875 thousand, respectively, which were still greater than the carrying amount. Therefore, no impairment loss was recognized. Moreover, as of March 31, 2024 and 2023, there was no sign of significant impairment loss.

14. Intangible assets

	Computer software	Customer relationship	Total
Cost			
Balance on January 1, 2024	$ 2,109	$ 13,924	$ 16,033
Net exchange difference	30	256	286
Balance on March 31, 2024	2,139	14,180	16,319
Accumulated amortization			
Balance on January 1, 2024	2,109	6,266	8,375
Amortization expenses	-	702	702
Net exchange difference	30	122	152
Balance on March 31, 2024	2,139	7,090	9,229
Net Amount on March 31, 2024	$ -	$ 7,090	$ 7,090
Net amount as of January 1, 2024 and December 31, 2023	$ -	$ 7,658	$ 7,658
Cost			
Balance on January 1, 2023	$ 2,031	$ 13,355	$ 15,386
Net exchange difference	26	183	209
Balance on March 31, 2023	2,057	13,538	15,595
Accumulated amortization			
Balance on January 1, 2023	2,025	3,339	5,364
Amortization expenses	6	666	672
Net exchange difference	26	56	82
Balance on March 31, 2023	2,057	4,061	6,118
Net Amount on March 31, 2023	$ -	$ 9,477	$ 9,477

According to the Group's assessment, there was no sign of impairment for intangible assets on March 31, 2024, December 31, 2023, and March 31, 2023.

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

Computer software	3 to 5 years
Customer relationship	5 years

15. Borrowings

a. Short-term borrowings (March 31, 2024 and December 31, 2023: None)

	March 31, 2023
Unsecured borrowings	
Bank loans	$ 190,338

As of March 31, 2023, the range of interest rate on short-term borrowings was 2.83%-4.80%.

b. Long-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
Taiwan Cooperative Bank			
Secured borrowings - from July 31, 2019 to July 31, 2034, each month is considered 1 period, divided into 180 installments	$ 94,344	$ 96,404	$ 101,852
Secured borrowings - from August 12, 2019 to August 12, 2024, each month is considered 1 period, divided into 60 installments	3,881	6,196	13,081
Nissan Motor Acceptance Corporatic			
Secured borrowings - from February 12, 2020 to January 12, 2025, each month is considered 1 period, divided into 59 installments	168	210	325
Toyota Forklift			
Secured borrowings - from February 05, 2021 to February 05, 2026, each month is considered 1 period, divided into 60 installments	396	434	579
	98,789	103,244	115,837
Less: Current portion	(13,145)	(15,466)	(17,805)
	$ 85,644	$ 87,778	$ 98,032

As of March 31, 2024, December 31, 2023, and March 31, 2023, the ranges of interest rates on long-term borrowings were 1.75%~4.21%, 1.75%~4.21%, and 1.63%~4.21%, respectively.

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

16. Other payables

	March 31, 2024	December 31, 2023	March 31, 2023
Dividends payable	$ 240,297	$ 991	$ 257,861
Salaries and bonuses payable	218,790	225,961	226,442
Construction and equipment payable	36,294	26,236	13,499
Social security and provident funds payable	34,266	32,280	31,208
Taxes payable	24,385	29,055	36,480
Others	180,657	181,783	152,939
	$ 734,689	$ 496,306	$ 718,429

17. Post-retirement Benefit Plans

a. Defined contribution plans

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

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

b. Defined benefit plans

The pension plan "Salary and Welfare Measures for Employees in Taiwan and Hong Kong," set by the Company of the Group, is a defined benefit plan. Pension benefits are calculated on the basis of the terms set out in the regulation and the average monthly salaries of the 6 months before retirement. The pension expenses related to the defined benefit plans for the three months ended March 31, 2024 and 2023 calculated at the pension cost rate actuarially determined on December 31, 2023 and 2022 were NT$1,557 thousand and NT$1,505 thousand, respectively.

18. Equity

a. Capital stock

	March 31, 2024	December 31, 2023	March 31, 2023
Authorized shares (in thousand shares)	90,000	90,000	90,000
Authorized capital	$ 900,000	$ 900,000	$ 900,000
Shares issued and fully paid (in thousand shares)	71,435	71,435	71,435
Issued capital	$ 714,347	$ 714,347	$ 714,347

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

b. Capital surplus

	March 31, 2024	December 31, 2023	March 31, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital			
Shares issued at a premium	$ 865,159	$ 865,159	$ 850,383
May not be used for any purpose			
Employee restricted shares	19,702	19,702	34,478
	$ 884,861	$ 884,861	$ 884,861

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

2) If the Company has no deficit, unless otherwise provided in the laws and regulations of the Cayman Islands, the Company may, by special resolution of the shareholders' meeting, capitalize all or part of the share premium account or the proceeds received as a gift from the capital surplus, issue new shares or pay in cash to the shareholders.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles of Incorporation, the Company is in the growing stage where the dividend of the Company may be distributed in the form of cash dividends and/or share dividends. The Company shall take into consideration the Company's capital expenditures, future expansion plans, financial structure, funds requirements, and other plans for sustainable development needs in assessing the amount of dividends distributed by the Company. Unless otherwise provided in the laws and regulations of the Cayman Islands, rules and regulations of public listing companies, the Articles of Incorporation, or the rights attached to any shares, if the Company still has a surplus at the end of the fiscal year, it will pay all relevant taxes, offset any losses (including losses of previous years and adjusted undistributed profits), set aside the legal reserves of the remaining profits (provided that setting aside the legal reserve does not apply if the aggregate amount of the legal reserve amounts to the Company's total paid-in capital), and set aside any special reserve. The board may, by a resolution passed by a majority of the directors, of which two-thirds or more of the board are present, distribute not less than 10% of the remaining balance (including the amounts reversed from the special reserve), plus accumulated undistributed profits of previous years (including adjusted undistributed profits) in part or in whole to the shareholders as dividends in proportion to the number of shares held by them and report at the shareholders' meeting. For the dividends paid for shareholders, cash dividends shall not be lower than 10% of the total amount of dividends to be paid out. The Company may resolve to distribute net profits or offset losses at the end of each half of the fiscal year. When the Company still has a net profit at the end of the first half of the fiscal year, the Company shall first estimate and reserve the amount of compensation of employees, including the remuneration of directors, and then reserve provision for paying tax. After offsetting losses (including losses as at the beginning of the first half of the fiscal year and any adjusted undistributed profits), the legal reserve of the remaining profits will be set aside in accordance with the applicable rules or regulations of the public listing companies (provided that the legal reserve does not apply if the aggregate amount of the legal reserve equals the Company's total paid-in capital). Any other special reserve will also be set aside. The board may, subject to the compliance with the percentage of distribution as set forth, resolve to distribute the remaining balance (including the amounts reversed from the special reserve) plus the accumulated undistributed profits at the beginning of the first half of the fiscal year (including adjusted undistributed profits) in part or in whole to the shareholders as dividends in proportion to the number of shares held by them and report at the shareholders’ meeting. Dividends and bonuses to shareholders in accordance with the Articles of Incorporation may be paid in whole or in part by issuance of new shares by special resolution of the shareholders’ meeting. For the policies on the distribution of compensation of employees and remuneration of directors as stipulated in the Articles of Incorporation, please refer to compensation of employees and remuneration of directors in Note 20 (e).

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

The Company’s earnings distribution proposals for 2023 and 2022 are as follows:

	2023	2022
Legal reserve	$ 41,070	$ 46,705
Special reserve	$ 37,525	($ 29,272)
Cash dividends	$ 239,306	$ 257,165
Cash dividends per share (NTD)	$ 3.35	$ 3.60

The above cash dividends have been approved by the resolution of the board of directors on March 12, 2024 and March 14, 2023, respectively, and the remaining earnings distribution items for 2022 have been approved by the resolution of the general shareholders' meeting on June 16, 2023. The distribution of earnings for 2023 is to be presented for approval in the general shareholders’ meeting to be held on June 21, 2024 (expected).

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

d. Other equity

Unearned employee benefits

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

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Opening balance	($ 4,165)	($ 14,518)
Recognized share-based payment expenses	1,420	1,870
Cancellation for the period	-	1,446
Ending balance	($ 2,745)	($ 11,202)

19. Revenue

a. Revenue from contracts with customers

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

b. Contract balance

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

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Contract liabilities (recognized under other current liabilities)	$ 4,647	$ 3,539	$ 2,513	$ 7,157

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

20. Net Profit from Continuing Operations

a. Other gains and losses

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Net (loss) gain on foreign currency exchange	$ 4,249	($ 5,441)
Net loss on disposal of property, plant and equipment	(13)	(3)
Others	(858)	1,620
	$ 3,378	($ 3,824)

b. Interest expenses

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Interest on bank loans	$ 96	$ 2,620
Interest on lease liabilities	277	259
	$ 373	$ 2,879

c. Depreciation and amortization

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Property, plant and equipment	$ 33,018	$ 32,536
Right-of-use assets	12,489	12,532
Intangible assets	702	672
	$ 46,209	$ 45,740
An analysis of depreciation by function		
Operating costs	$ 27,739	$ 26,709
Operating expenses	17,768	18,359
	$ 45,507	$ 45,068
An analysis of amortization by function		
Sales and marketing expenses	$ 702	$ 672

d. Employee benefits expenses

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Post-employment benefits		
Defined contribution plans	$ 1,077	$ 1,099
Defined benefit plans	1,557	1,505
	2,634	2,604
Share-based payments		
Equity-settled	1,420	1,870
Other employee benefits	219,539	204,356
Total employee benefits expenses	$ 223,593	$ 208,830
An analysis by function		
Operating costs	$ 111,859	$ 103,372
Operating expenses	111,734	105,458
	$ 223,593	$ 208,830

e. Compensation of employees and remuneration of directors

Under the Company's Articles of Incorporation, the Company shall allocate 5% to 10% as compensation of employees and no more than 2% provided as remuneration to directors of the pre-tax benefit deducting employee's compensation and director's remuneration for the current year. The estimated compensation of employees and remuneration of directors for the three months ended March 31, 2024 and 2023 are as follows:

Percentage for estimation

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Employees' compensation	9.0%	9.0%
Directors' remuneration	2.0%	2.0%

Amount

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Employees' compensation	$ 9,022	$ 7,699
Directors' remuneration	2,005	1,711

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

The compensation of employees and the remuneration of directors and of 2023 and 2022 resolved by the Company's board of directors on March 12, 2024 and March 14, 2023, respectively, are as follows:

	2023		2022	
	Cash (in thousands of NTD)	Cash (in thousands of USD)	Cash (in thousands of NTD)	Cash (in thousands of USD)
Employees' compensation	$ 43,642	$ 1,402	$ 47,546	$ 1,588
Directors' remuneration	9,696	312	10,489	353

There is no difference between the actual amounts of the compensation of employees and remuneration of directors of 2023 and 2022 with amounts recognized in the consolidated financial statements of 2023 and 2022.

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

21. Income Tax

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

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Current income tax		
Current period	$ 3,950	$ 18,808
Deferred tax		
Current period	15,338	9,261
Income tax expense recognized in profit or loss	$ 19,288	$ 28,069

b. The assessment of income tax returns

The income tax returns filed by the Company until 2022 have been approved by the tax authorities.

22. Earnings Per Share

Unit: NT$ Per Share

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Basic earnings per share	$ 1.25	$ 1.07
Diluted earnings per share	$ 1.24	$ 1.06

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

Net income for the period

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Net income for the period	$ 89,219	$ 76,096

Number of shares

Unit: In Thousand Shares

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
The weighted average of ordinary shares used to estimate basic earnings per share	71,126	70,894
Effect of potentially diluted ordinary shares:		
Employee restricted shares	278	415
Employees' compensation	474	555
The weighted average of ordinary shares used to estimate diluted earnings per share	71,878	71,864

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

23. Share-Based Payment Arrangements

Employee restricted shares

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

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

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

The detail of employee restricted shares is as follows:

Employee restricted shares	From January 1 to March 31, 2024 Number of shares (in thousand shares)	From January 1 to March 31, 2023 Number of shares (in thousand shares)
Outstanding amount at the beginning of the period	309	560
Cancellation for the period	-	(19)
Outstanding amount at the end of the period	309	541

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

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

The costs of compensation for the three months ended March 31, 2024 and 2023 was NT$1,420 thousand and NT$1,870 thousand, respectively.

24. Capital Risk Management

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

25. Financial Instruments

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

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

b. Types of financial instruments

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets			
At amortized cost (Note 1)	$ 2,855,000	$ 2,614,009	$ 2,694,264
Financial liabilities			
Measured at amortized cost (Note 2)	932,431	808,242	1,101,968

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

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

c. Financial risk management objectives and policies

The Group's financial department provides services for each business unit, coordinates access to domestic and international financial markets, and monitors and manages financial risks related to the operations of the Group through internal risk reports by analyzing exposures according to the degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies which are approved by the board of directors who provide written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the board of directors on a continuous basis. The Group did not engage in nor trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Group's operating activities main market risks are those of changes in foreign currency exchange rates and interest rates.

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

a) Foreign currency risk

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

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

Sensitivity analysis

The Group's sensitivity analysis mainly focuses on the foreign currency risk of U.S. dollars at the end of the reporting period. When the Group's functional currency appreciate/depreciate against U.S. Dollars by 1%, the Group's net income before tax for the three months ended March 31, 2024 and 2023 would have decreased/increased by NT$13,177 thousand and NT$11,503 thousand, respectively.

The above sensitivity analysis is based on the amount of foreign currency exposures at the end of the reporting period. Therefore, management believes that the sensitivity does not reflect the risk exposure for the period.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The Group manages its interest rate risk by maintaining a balanced portfolio of fixed and floating interest rates.

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

	March 31, 2024	December 31, 2023	March 31, 2023
Fair value interest rate risk			
- Financial assets	$ 470,802	$ 464,662	$ 686,715
- Financial liabilities	73,930	83,624	293,306
Cash flow interest rate risk			
- Financial assets	1,046,138	808,404	563,046
- Financial liabilities	98,225	102,599	114,933

Sensitivity analysis of interest rates

The sensitivity analysis of interest rates was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate financial assets and liabilities, the analysis was conducted with the assumption that the amount of each asset and liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point (0.25%) increase or decrease is used when internally reporting interest rate risk to key management. This represents the management team's assessment of the reasonably possible change in interest rates.

If interest rates had increased by 0.25% and all other variables were held constant, the Group's net income before tax for the three months ended March 31, 2024 and 2023 would have increased by NT$592 thousand and NT$280 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank deposits and borrowings.

2) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. As of the end of the reporting period, the Group's maximum exposure to credit risk (the maximum irrevocable amount excluding the collateral or other credit enhancement instruments), which would have caused a financial loss to the Group due to the failure of the counterparty to perform its obligation and the financial guarantees provided by the Group, could be equal to the total of the following:

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

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

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

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

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2024, December 31, 2023, and March 31, 2023, the Group's undrawn available short-term bank loan facilities are set out in (2) below.

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

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

March 31, 2024

	On demand or less than one year	1 to 5 years	Over 5 years
Non-derivative financial liabilities			
Non-interest bearing liabilities	$ 1,075,922	$ 6,007	$ 3,069
Lease liabilities	46,658	28,239	-
Variable interest rate instruments	12,795	34,496	50,934
Fixed interest rate instruments	350	214	-
	$ 1,135,725	$ 68,956	$ 54,003

December 31, 2023

	On demand or less than one year	1 to 5 years	Over 5 years
Non-derivative financial liabilities			
Non-interest bearing liabilities	$ 707,986	$ 6,194	$ 3,355
Lease liabilities	46,408	38,296	-
Variable interest rate instruments	15,112	34,308	53,179
Fixed interest rate instruments	354	291	-
	$ 769,860	$ 79,089	$ 56,534

March 31, 2023

	On demand or less than one year	1 to 5 years	Over 5 years
Non-derivative financial liabilities			
Non-interest bearing liabilities	$ 1,059,372	$ 6,231	$ 4,020
Lease liabilities	45,158	58,626	-
Variable interest rate instruments	17,454	37,815	59,664
Fixed interest rate instruments	190,689	553	-
	$ 1,312,673	$ 103,225	$ 63,684

b) Financing facilities

	March 31, 2024	December 31, 2023	March 31, 2023
Bank loan facilities			
- Amount undrawn	$ 1,576,359	$ 1,556,240	$ 1,443,328

26. Related Party Transactions

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

a. Related party name and category

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

b. Other payables (March 31, 2024 and December 31, 2023: None)

Related party type	March 31, 2023
Same chairman	$ 153

c. Remuneration of key management personnel

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Short-term employee benefits	$ 15,802	$ 9,838
Post-employment benefits	750	453
Share-based payments	267	233
	$ 16,819	$ 10,524

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

27. Pledged Assets

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

	March 31, 2024	December 31, 2023	March 31, 2023
Restricted bank deposits	$ 13	$ 12	$ 237
Property, plants, and equipment - net	212,232	213,186	216,044
	$ 212,245	$ 213,198	$ 216,281

28. Significant or Contingent Liabilities and Unrecognized Commitments

As of March 31, 2024, December 31, 2023, and March 31, 2023, the Group's unused letters of credit amounted to NT$118 thousand, NT$14,498 thousand, and NT$5,741 thousand, respectively.

29. Significant Assets and Liabilities Denominated in Foreign Currencies

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

March 31, 2024

	Foreign currencies (in thousands)	Exchange rate	Carrying amount
Foreign currency assets			
Monetary items			
USD	$ 22,389	7.095 (USD: RMB)	$ 716,448
USD	30,856	7.826 (USD: HKD)	987,400
USD	3,394	32.000 (USD: NTD)	108,617
EUR	3,154	8.428 (EUR: HKD)	108,681
			$ 1,921,146

(Continued on next page)

(Continued from previous page)

	Foreign currencies (in thousands)	Exchange rate	Carrying amount
Foreign currency liabilities			
Monetary items			
USD	$ 2,660	7.095 (USD: RMB)	$ 85,117
USD	8,871	7.826 (USD: HKD)	283,868
USD	3,931	32.000 (USD: NTD)	125,793
RMB	90,350	1.103 (RMB: HKD)	407,491
			$ 902,269

December 31, 2023

	Foreign currencies (in thousands)	Exchange rate	Carrying amount
Foreign currency assets			
Monetary items			
USD	$ 18,861	7.083 (USD: RMB)	$ 579,138
USD	30,440	7.815 (USD: HKD)	934,661
USD	4,113	30.705 (USD: NTD)	126,298
EUR	3,775	8.649 (EUR: HKD)	128,290
			$ 1,768,387
Foreign currency liabilities			
Monetary items			
USD	1,307	7.083 (USD: RMB)	$ 40,134
USD	9,843	7.815 (USD: HKD)	302,219
USD	4,641	30.705 (USD: NTD)	142,512
RMB	93,051	1.103 (RMB: HKD)	403,406
			$ 888,271

March 31, 2023

	Foreign currencies (in thousands)	Exchange rate	Carrying amount
Foreign currency assets			
Monetary items			
USD	$ 15,279	6.872 (USD: RMB)	$ 465,237
USD	36,269	7.850 (USD: HKD)	1,104,386
USD	6,150	30.450 (USD: NTD)	187,260
EUR	4,098	8.546 (EUR: HKD)	135,835
			$ 1,892,718
Foreign currency liabilities			
Monetary items			
USD	$ 1,972	6.872 (USD: RMB)	$ 60,035
USD	14,105	7.850 (USD: HKD)	429,499
USD	3,844	30.450 (USD: NTD)	117,059
EUR	2,404	8.546 (EUR: HKD)	79,704
RMB	75,595	1.142 (RMB: HKD)	334,986
			$ 1,021,283

The net gain/loss on foreign exchange for the three months ended March 31, 2024 and 2023, were NT$4,249 thousand and NT$(5,441) thousand, respectively. It is impractical to disclose net foreign exchange gains or losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

30. Separately Disclosed Items

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

1) Financing provided. (Table 1)

2) Endorsements/guarantees provided. (Table 2)

3) Marketable securities held. (Table 3)

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

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

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

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

8) Receivables from related parties amounted to at least NT$100 million or 20% of the paid-in capital or more. (Table 5)

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

10) Others: The business relationship between the parent and the subsidiaries and significant transactions between them. (Table 8)

11) Information on investees. (Table 6)

c. Information on Investments in China:

1) The name of the investee in China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on the amount of investment in China. (Table 7)

2) Any of the following significant transactions with investee companies in China, either directly or indirectly through a third party, as well as their prices, payment terms, and unrealized gains or losses: (Tables 2, 4, 5, and 7)

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

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

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

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

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

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

d. Information on major shareholders: List of all shareholders with ownership of 5% or greater displaying the shareholder’s name, the number of shares owned, and percentage of ownership of each shareholder. (Table 9)

31. Segment Information

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

Segment revenue and results

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

	From January 1 to March 31, 2024			
	Asia	Europe and America	Elimination of inter-segment revenue	Total
Revenue from external customers	$ 785,241	$ 289,363	$ -	$ 1,074,604
Inter-segment revenue	450,720	3,077	(453,797)	-
Consolidated revenue	$ 1,235,961	$ 292,440	($ 453,797)	$ 1,074,604
Segment income	$ 95,880	$ 1,148	$ -	$ 97,028
Interest income				6,414
Other income				2,060
Other gains and losses				3,378
Interest expenses				(373)
Net income before tax				$ 108,507

	From January 1 to March 31, 2023			
	Asia	Europe and America	Elimination of inter-segment revenue	Total
Revenue from external customers	$ 811,557	$ 359,481	$ -	$ 1,171,038
Inter-segment revenue	546,123	3,899	(550,022)	-
Consolidated revenue	$ 1,357,680	$ 363,380	($ 550,022)	$ 1,171,038
Segment income	$ 86,390	$ 14,618	$ -	$ 101,008
Interest income				3,586
Other income				6,274
Other gains and losses				(3,824)
Interest expenses				(2,879)
Net income before tax				$ 104,165

Segment income represents the profit before tax earned by each segment excluding interest income, other income, other gains and losses, and interest expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

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

Ventec International Group Co., Ltd. and Subsidiaries

Financing Provided

From January 1 to March 31, 2024

Table 1

Unit: In Thousands of NTD, Unless Specified Otherwise

No. (Note 1)	Lender	Borrower	Financial statement account	Related parties	Highest balance for the period (Note 4)	Ending balance (Note 4)	Actual borrowing amount (Note 4)	Interest rate	Nature for financing (Note 2)	Business transaction amount	Reason for short-term financing	Allowance for bad debts	Collateral		Financing limit for each borrower (Notes 3 and 4)	Financing company's total financing amount limits (Notes 3 and 4)	Note
													Item	Value			
1	VT HK	VIG SAMOA	Other receivables	Yes	$ 448,000 (USD 14,000)	$ 448,000 (USD 14,000)	$ 422,816 (USD 13,213)	-	2	$ -	Operating capital needed	$ -	(None)	$ -	$ 3,053,420 (USD 95,419)	$ 6,106,840 (USD 190,838)	
1	VT HK	VLL	Other receivables	Yes	64,000 (USD 2,000)	64,000 (USD 2,000)	58,912 (USD 1,841)	-	2	-	Operating capital needed	-	(None)	-	3,053,420 (USD 95,419)	6,106,840 (USD 190,838)	
1	VT HK	VT UK	Other receivables	Yes	112,000 (USD 3,500)	112,000 (USD 3,500)	22,592 (USD 706)	3.80%	2	-	Operating capital needed	-	(None)	-	3,053,420 (USD 95,419)	6,106,840 (USD 190,838)	
1	VT HK	VT USA	Other receivables	Yes	128,000 (USD 4,000)	128,000 (USD 4,000)	-	-	2	-	Operating capital needed	-	(None)	-	3,053,420 (USD 95,419)	6,106,840 (USD 190,838)	
1	VT HK	VT DE	Other receivables	Yes	128,000 (USD 4,000)	128,000 (USD 4,000)	77,088 (USD 2,409)	3.80%	2	-	Operating capital needed	-	(None)	-	3,053,420 (USD 95,419)	6,106,840 (USD 190,838)	

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

Note 2: Types of financing were as follows:

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

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

1. Financing provided by the Company cannot exceed 50% of the Company's net asset value.
2. The financing limits where the Company directly and indirectly holds voting right shares of subsidiaries at 100% are as follows: The total and individual financing amount cannot exceed 20 times and 10 times of the Company's net asset value, respectively. The calculation of net asset value was based on lender's net asset value as of March 31, 2024.

Note 4: The calculation was based on the spot exchange rate of USD to NTD on March 31, 2024.

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

Ventec International Group Co., Ltd. and Subsidiaries

Endorsements/Guarantees Provided

From January 1 to March 31, 2024

Table 2

Unit: In Thousands of NTD, Unless Specified Otherwise

No. (Note 1)	Endorser/guarantor	Endorsee/guarantee		Limit on endorsements/guarantees provided to a single party (Notes 2 and 3)	Maximum amount endorsed/guaranteed for the period (Note 3)	Outstanding endorsement/guarantee at the end of period (Note 3)	Actual borrowing amount (Note 3)	Amount endorsed/guaranteed by Collateral	Ratio of accumulated endorsement/guarantee to net equity in the latest financial statements	Maximum endorsed/guaranteed amount (Notes 2 and 3)	Parent company to subsidiary (Note 4)	Subsidiary to parent company (Note 4)	Parent company to subsidiary in China (Note 4)	Note
		Name	Relationship											
0	VIG CAYMAN	VT HK	Subsidiary	$ 6,348,240 (USD 198,382)	$ 528,000 (USD 16,500)	$ 528,000 (USD 16,500)	$ 13,952 (USD 436)	$ -	16.63%	$ 12,696,480 (USD 396,764)	Y	N	N	
0	VIG CAYMAN	VT TW	Subsidiary	6,348,240 (USD 198,382)	946,112 (USD 29,566)	880,000 (USD 27,500)	106,944 (USD 3,342)	-	27.72%	12,696,480 (USD 396,764)	Y	N	N	
0	VIG CAYMAN	VT SZ	Subsidiary	6,348,240 (USD 198,382)	64,000 (USD 2,000)	64,000 (USD 2,000)	-	-	2.02%	12,696,480 (USD 396,764)	Y	N	Y	
1	VIG HK	VT UK	Fellow subsidiary	268,556 (USD 8,392)	9,216 (USD 288)	9,216 (USD 288)	-	-	0.34%	537,112 (USD 16,785)	N	N	N	
2	VT TW	VT HK	Fellow subsidiary	2,338,835 (USD 73,090)	480,000 (USD 15,000)	480,000 (USD 15,000)	-	-	102.62%	2,806,602 (USD 87,708)	N	N	N	

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

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

1. For VIG CAYMAN, the total amount of endorsement/guarantee provided and the limit on endorsement/guarantee amounts provided to each guaranteed party cannot exceed 400% and 200% of the Company’s net asset value, respectively. This net asset value is based on March 31, 2024 net value.
2. For VIG HK, the total amount of endorsement/guarantee provided and the limit on endorsement/guarantee amounts provided to each guaranteed party cannot exceed 20% and 10% of the Company’s net asset value, respectively. This net asset value is based on March 31, 2024 net value.
3. For VT TW, the total amount of endorsement/guarantee provided and the limit on endorsement/guarantee amounts provided to each guaranteed party cannot exceed 600% and 500% of the Company’s net asset value, respectively. This net asset value is based on March 31, 2024 net value.

Note 3: The calculation was based on the spot exchange rate of USD to NTD on March 31, 2024.

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

Ventec International Group Co., Ltd. and Subsidiaries

Marketable securities held at the end of the period

March 31, 2024

Table 3

Unit: In Thousands of NTD, Unless Specified Otherwise

Securities held by	Type and name of security	Relationship with the securities issuer	General ledger account	End of period				Note
				Number of shares	Carrying amount (Notes 1 and 2)	Percentage of ownership (%)	Fair value (Notes 1 and 2)	
VT HK	Corporate bonds							
	Wells Fargo & Company	-	Financial assets at amortized cost - Non-current	-	$ 10,017 (USD 313)	-	$ 10,017 (USD 313)	
	Morgan Stanley	-	Financial assets at amortized cost - Non-current	-	9,765 (USD 305)	-	9,765 (USD 305)	

Note 1: The calculation was based on the spot exchange rate of USD to NTD on March 31, 2024.

Note 2: Net value is calculated at amortized cost.

Ventec International Group Co., Ltd. and Subsidiaries

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

From January 1 to March 31, 2024

Table 4

Unit: In Thousands of NTD, Unless Specified Otherwise

Company name	Counterparty	Relationship	Transaction details				Circumstances and reasons for the differences of the trading terms from the general ones		Notes/accounts receivables (payables)		Note
			Purchase/sale	Amount (Note 1)	Ratio to total purchase/sale (%)	Payment terms	Unit price	Payment terms	Balance (Note 2)	Ratio to total notes/accounts receivable (payable) (%)	
VT HK	VT SZ	The same ultimate parent	Purchase	($ 246,590 USD 7,837)	95%	120 days	No major difference	No major difference	(($ 551,576) USD 17,237)	98%	
VT SZ	VT HK	The same ultimate parent	Sale	(246,590 USD 7,837)	31%	120 days	No major difference	No major difference	(551,576 USD 17,237)	42%	

Note 1: The calculation was based on the average exchange rate of USD to NTD from January 1, 2024 to March 31, 2024.

Note 2: The calculation was based on the spot exchange rate of USD to NTD on March 31, 2024.

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

Ventec International Group Co., Ltd. and Subsidiaries

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

March 31, 2024

Table 5

Unit: In Thousands of NTD, Unless Specified Otherwise

Name	Counterparty	Relationship	Balance of receivables from related parties (Note 2)	Turnover rate	Overdue receivables from related parties		Amounts received from related parties after the balance sheet date (Notes 1 and 2)	Allowance for bad debts
					Amount (Note 2)	Actions taken		
VT SZ	VT HK	The same ultimate parent	$ 551,576 (USD 17,237)	1.75	$ 204,160 (USD 6,380)	Improve collection efforts	$ 19,200 (USD 600)	$ -
VT HK	VT TW	The same ultimate parent	105,922 (USD 3,310)	1.57	41,664 (USD 1,302)	Improve collection efforts	8,321 (USD 260)	-

Note 1: The amounts received from related parties after the balance sheet date refer to those recovered on April 29, 2024.

Note 2: The calculation was based on the spot exchange rate of USD to NTD on March 31, 2024.

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

Ventec International Group Co., Ltd. and Subsidiaries

Information on Investees

From January 1 to March 31, 2024

Table 6

Unit: In Thousands of NTD, Unless Specified Otherwise

Investor	Investee	Location	Main business operation	Initial investment amount		Shares held at the end of period			Profit (loss) of the investee for the period (Note 2)	Gain and loss on investment recognized in the period (Notes 2 and 3)	Note
				End of the period (Note 1)	End of last year (Note 1)	Number of shares	%	Carrying amount (Notes 1 and 3)			
VIG CAYMAN	VIG SAMOA	Samoa	General investment	$ 1,491,200 (USD 46,600)	$ 1,491,200 (USD 46,600)	46,600,000	100	$ 3,264,732 (USD 102,023)	$ 102,042 (USD 3,241)	$ 102,042 (USD 3,241)	Subsidiary
VIG SAMOA	VIG HK	Hong Kong	General investment	995,241 (USD 31,101)	995,241 (USD 31,101)	31,110,000	100	2,685,558 (USD 83,924)	102,927 (USD 3,269)	102,927 (USD 3,269)	Subsidiary
	VLL	British Virgin Islands	General investment	256,344 (USD 8,011)	256,344 (USD 8,011)	8,010,000	100	34,503 (USD 1,078)	(3,405) (USD -107)	(3,405) (USD -107)	Subsidiary
	VT HK	Hong Kong	International trade	76,841 (USD 2,401)	76,841 (USD 2,401)	10,000	100	305,342 (HKD 74,674)	(6,521) (HKD -1,627)	(6,521) (HKD -1,627)	Subsidiary
	VT TW	Taiwan	Manufacturing and sales of CCL, IMS, and prepreg	365,079 (USD 11,409)	365,079 (USD 11,409)	10,000,000	100	467,767	3,762	3,762	Subsidiary
	VT UK	United Kingdom	Sale of CCL, IMS, and prepreg	42,397 (USD 1,325)	42,397 (USD 1,325)	807,334	100	102,608 (GBP 2,540)	807 (GBP 20)	807 (GBP 20)	Subsidiary
	VT DE	Germany	Sale of CCL, IMS, and prepreg	220,907 (USD 6,903)	220,907 (USD 6,903)	400,000	100	82,956 (EUR 2,407)	2,884 (EUR 84)	2,884 (EUR 84)	Subsidiary
VLL	VT USA	United States	Sale of CCL, IMS, and prepreg	237,594 (USD 7,425)	237,594 (USD 7,425)	-	100	93,405 (USD 2,919)	(3,405) (USD -107)	(3,405) (USD -107)	Subsidiary

Note 1: The calculation was based on the spot exchange rate of each foreign currency to NTD on March 31, 2024.

Note 2: The calculation was based on the average exchange rate of each foreign currency on for the three months ended March 31, 2024.

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

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

Ventec International Group Co., Ltd. and Subsidiaries

Information on Investments in China

From January 1 to March 31, 2024

Table 7

Unit: In Thousands of NTD, Unless Specified Otherwise

Name of the investee in China	Main business operation	Paid-in capital (Notes 1 and 3)	Investment method	Accumulated remittance from Taiwan to China at the beginning of the period	Remittance from Taiwan to China or remittance back to Taiwan for the period		Accumulated remittance from Taiwan to China at the end of the period	Profit (loss) of the investee for the period (Note 2)	Shareholding ratio of the Company's direct or indirect investment (%)	Gain and (loss) on investment recognized in the period (Notes 2 and 4)	Carry amount of investments at the end of period (Notes 3 and 4)	Remittance of investment gains back to Taiwan as of the end of the period
					Remittance to China	Remittance back to Taiwan						
VT SZ	Research and development, manufacturing, and sales of CCL, IMS, and prepreg	$ 1,328,104 (USD 36,600) (RMB 294,466)	Indirect investment	$ -	$ -	$ -	$ -	$ 107,503 (RMB 24,224)	100%	$ 107,503 (RMB 24,224)	$ 2,684,642 (RMB 595,237)	$ -
VT JY	Manufacturing and sales of CCL, IMS, and prepreg	128,786 (USD 3,000) (RMB 28,554)	Indirect investment	-	-	-	-	5,913 (RMB 1,354)	100%	5,913 (RMB 1,354)	137,187 (RMB 30,417)	-
VT SZWT (Note 5)	Manufacturing and sales of CCL, and sales of IMS, and prepreg	-	Indirect investment	-	-	-	-	-	-	-	-	-

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

Note 1: It is calculated based on historical cost.

Note 2: The calculation was based on the average exchange rate of each foreign currency on for the three months ended March 31, 2024.

Note 3: The calculation was based on the spot exchange rate of each foreign currency to NTD on March 31, 2024.

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

Note 5: VT SZWT completed liquidation and de-registration in March 2024.

Ventec International Group Co., Ltd. and Subsidiaries

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

From January 1 to March 31, 2024

Table 8

Unit: In Thousands of NTD, Unless Specified Otherwise

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Transactions details				
				Financial statement accounts	Amount	Amount (USD)	Transaction terms	Ratio of total sales or assets (%)
1	VT HK	VT TW	3	Accounts receivable	$ 105,922	$ 3,310	No major difference	2%
1	VT HK	VT DE	3	Accounts receivable	34,624	1,082	No major difference	1%
1	VT HK	VT US	3	Accounts receivable	69,947	2,186	No major difference	1%
1	VT HK	VT UK	3	Accounts receivable	36,287	1,134	No major difference	1%
1	VT HK	VT SZ	3	Accounts payable	551,576	17,237	No major difference	11%
1	VT HK	VT DE	3	Other receivables	80,564	2,518	No major difference	2%
1	VT HK	VLL	3	Other receivables	58,912	1,841	No major difference	1%
1	VT HK	VIG SAMOA	3	Other receivables	422,816	13,213	No major difference	9%
1	VT HK	VT US	3	Other payables	53,125	1,660	No major difference	1%
1	VT HK	VT TW	3	Sale	42,141	1,342	No major difference	4%
1	VT HK	VT DE	3	Sale	46,873	1,489	No major difference	4%
1	VT HK	VT UK	3	Sale	36,518	1,161	No major difference	4%
1	VT HK	VT SZ	3	Purchase	246,590	7,837	No major difference	23%
2	VT SZ	VT JY	3	Accounts payable	73,115	2,285	No major difference	2%
2	VT SZ	VT JY	3	Purchase	38,610	1,231	No major difference	4%
3	VT TW	VT US	3	Accounts receivable	65,847	2,058	No major difference	1%

Note 1: The number 0 represents the parent company. The other numbers indicate subsidiaries.

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

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

Ventec International Group Co., Ltd. and Subsidiaries

Information on Major Shareholders

March 31, 2024

Table 9

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

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

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