

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

**Consolidated Financial Statements for the
Quarter 2 of 2024 and 2023 and
Independent Auditors' Report**

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Notice to Reader:

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

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Independent Auditors' Report

To Ventec International Group Co., Ltd.,

Qualified opinion

We have audited the accompanying consolidated financial statements of Ventec International Group Co., Ltd. (hereinafter referred to as the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as at June 30, 2024 and 2023 and for April 1 to June 30, 2024 and 2023, the consolidated statements of comprehensive income for January 1 to June 30, 2024 and 2023, consolidated statement of changes in equity and consolidated cash flow statement for January 1 to June 30, 2024 and 2023, and Notes to the Consolidated Financial Statement (including material accounting policies).

In our opinion, except for the potential impact of matters described in the "Basis for a qualified opinion," the accompanying consolidated financial statements present fairly, in all material respects, the Group's consolidated financial position as at June 30, 2024 and 2023, consolidated financial performance for April 1 to June 30, 2024 and 2023, and consolidated financial performance and consolidated cash flows for January 1 to June 30, 2024 and 2023, 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.

Basis of a qualified opinion

As stated in Note 10 to the consolidated financial statements, the total assets of non-material subsidiaries, as of June 30, 2024 and 2023, were \$641,818 thousand and \$705,025 thousand, respectively, accounting for 13% and 14% of the total consolidated assets, respectively. Their total liabilities were \$152,513 thousand and \$183,961 thousand, respectively, accounting for 9% and 10% of the total consolidated liabilities, respectively. For April 1 to June 30, 2024 and 2023 and January 1 to June 30, 2024 and 2023, the total comprehensive income was \$(7,205) thousand, \$5,442 thousand, \$(6,919) thousand, and \$15,185 thousand, respectively, accounting for (5%), 7%, (2%), and 9% of the total consolidated comprehensive income, respectively. We did not have

access to financial information on some non-material subsidiaries and their management, and could not obtain sufficient appropriate audit evidence for the amounts. Hence, we are unable to determine if the amounts need any adjustment.

We conducted the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. Personnel of our accounting firm who are required to comply with independence regulations have all maintained total independence from the Group, and also fulfill other responsibilities specified in the regulations. We believe that we have obtained sufficient and suitable audit evidence as the basis for a qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2024 Q2 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matters described in the "Basis of a qualified opinion," we have decided to include the following matters as key audit matters:

Key audit matters of the Group's 2024 Q2 consolidated financial statements are described below:

Authenticity of specific sales revenue

There was a significant change in the Group's specific sales revenue in 2024 Q2. Hence, the authenticity of specific sales revenue was included as a key audit matter.

Please refer to Note 4 of the consolidated financial statements for the Group's accounting policy for recognizing revenue.

We have carried out the following audit procedures to verify the authenticity of sales revenue from specific customers described above:

1. Understand and test the design of the internal control system and effectiveness of implementation for verifying the authenticity of sales revenue from specific customers.
2. Sample transaction documents for the sales revenue from specific customers, including purchase orders, shipping documents, and collection documents.
3. Sample payees and the collection situation of specific customers to verify the authenticity of sales revenue.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Group's governance units (including Audit Committee) are responsible for supervising the financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

We utilized our professional judgment and maintained professional skepticism during the audit according to the Standards on Auditing. We also performed the following tasks:

1. Identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. Designed and implemented suitable response measures for the risks that were assessed. Obtained sufficient and suitable audit evidence as the basis for the audit opinion. Since fraud may involve collusion, forgery, intentional omission, untrue statements, or overstepping internal controls, the risk of material misstatement from failing to detect fraud is higher than from error.
2. We gained necessary understanding of internal controls that are of concern to the audit to design audit procedures suitable for the situation. However, the purpose is not to express an opinion on the effectiveness of the Group's internal controls.
3. We evaluated the appropriateness of accounting policies adopted by management and the reasonableness of accounting estimates and related disclosures.
4. Based on the audit evidence we obtained, we reached a conclusion on the appropriateness of management using the going concern basis of accounting, and whether there is material uncertainty of events or circumstances that may be cause for major concern about the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence we obtained as of the audit report date. Nevertheless, future events and circumstances may still cause the Group to lose its ability to continue as a going concern.
5. We evaluated the overall presentation, structure, and contents of the consolidated financial statements (including related notes), and whether or not the consolidated financial statements fairly present related transactions and events.
6. We obtained sufficient and appropriate audit evidence regarding the financial information of entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group's audit. We remain solely responsible for our audit opinion.

Matters we communicated with the governance unit include the scope and time of the audit, as well as major findings in the audit (including significant deficiencies in internal control identified in the audit process).

We also provided the governance unit with a statement that personnel of our firm who are required to maintain independence according to the Code of Professional Ethics have maintained independence, and communicated all relationships and other matters (including related preventive measures) that may affect the independence of auditors with the governance unit.

We determined key audit matters of the Group's 2024 Q2 consolidated financial statements from matters communicated with the governance unit. We describe the matters in the audit report, unless they are specific matters not permitted to be disclosed by the law, or in extremely rare circumstances, we decide not to communicate the specific matters in the audit report because the negative impact from the communication can be expected to be greater than the public benefit.

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

August 12, 2024

Ventec International Group Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
June 30, 2024, December 31, 2023, and June 30, 2023

Unit: In Thousands of NTD

Code	Assets	June 30, 2024		December 31, 2023		June 30, 2023	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and Cash Equivalents (Note 6)	\$ 713,779	14	\$ 808,517	17	\$ 754,455	15
1136	Financial assets at amortized cost - Current (Notes 7 and 27)	612,167	12	86,534	2	130,801	3
1150	Notes receivable (Notes 8 and 19)	105,241	2	105,349	2	97,044	2
1170	Accounts receivable (Notes 8 and 19)	1,182,740	24	1,187,416	26	1,358,382	28
1200	Other receivables (Note 8)	50,326	1	40,403	1	38,406	1
1310	Inventories (Note 9)	817,479	16	758,429	16	808,852	16
1410	Prepayments	61,272	1	48,375	1	44,386	1
1479	Other current assets	7,794	-	5,259	-	54	-
11XX	Total current assets	<u>3,550,798</u>	<u>70</u>	<u>3,040,282</u>	<u>65</u>	<u>3,232,380</u>	<u>66</u>
	Non-current assets						
1535	Financial assets at amortized cost - Non-current (Note 7)	247,691	5	378,140	8	430,956	9
1600	Property, plant and equipment (Notes 11, 15, and 27)	972,441	19	965,609	21	973,953	20
1755	Right-of-use assets (Note 12)	155,747	3	148,843	3	157,188	3
1805	Goodwill (Note 13)	73,635	2	69,676	2	70,663	1
1801	Intangible assets (Note 14)	6,441	-	7,658	-	9,029	-
1840	Deferred tax assets (Note 4)	48,172	1	43,058	1	42,903	1
1920	Refundable deposits	9,883	-	9,836	-	9,244	-
1990	Other non-current assets	1,022	-	1,151	-	1,765	-
15XX	Total non-current assets	<u>1,515,032</u>	<u>30</u>	<u>1,623,971</u>	<u>35</u>	<u>1,695,701</u>	<u>34</u>
1XXX	Total assets	<u>\$ 5,065,830</u>	<u>100</u>	<u>\$ 4,664,253</u>	<u>100</u>	<u>\$ 4,928,081</u>	<u>100</u>
	Liabilities and equity						
	Current liabilities						
2100	Short-term borrowings (Note 15)	\$ -	-	\$ -	-	\$ 155,073	3
2170	Accounts payable	536,312	11	460,174	10	540,153	11
2200	Other payables (Note 16)	687,187	13	496,306	11	727,750	15
2280	Lease liabilities - Current (Note 12)	44,537	1	45,371	1	42,374	1
2230	Current tax liabilities (Note 4)	13,753	-	32,312	1	38,717	1
2320	Current portion of long-term borrowings (Notes 11, 15, and 27)	10,038	-	15,466	-	17,819	-
2399	Other current liabilities (Note 19)	1,543	-	4,031	-	1,883	-
21XX	Total current liabilities	<u>1,293,370</u>	<u>25</u>	<u>1,053,660</u>	<u>23</u>	<u>1,523,769</u>	<u>31</u>
	Non-current liabilities						
2540	Long-term borrowings (Notes 11, 15, and 27)	84,275	2	87,778	2	94,302	2
2570	Deferred tax liabilities (Note 4)	198,932	4	161,976	3	167,476	3
2580	Lease liabilities - Non-current (Note 12)	42,710	1	37,608	1	48,054	1
2640	Net defined benefit liabilities - Non-current (Notes 4 and 17)	86,101	2	78,432	2	55,967	1
2670	Other non-current liabilities	24,901	-	26,318	-	26,663	1
25XX	Total non-current liabilities	<u>436,919</u>	<u>9</u>	<u>392,112</u>	<u>8</u>	<u>392,462</u>	<u>8</u>
2XXX	Total liabilities	<u>1,730,289</u>	<u>34</u>	<u>1,445,772</u>	<u>31</u>	<u>1,916,231</u>	<u>39</u>
	Equity (Notes 10, 18, and 23)						
3100	Common stock	714,347	14	714,347	15	714,347	15
3200	Capital surplus	884,861	17	884,861	19	884,861	18
	Retained earnings						
3310	Legal reserve	325,027	7	283,957	6	283,957	6
3320	Special reserve	352,105	7	314,580	7	314,580	6
3350	Unappropriated earnings	1,082,800	21	1,177,006	25	989,461	20
3300	Total retained earnings	<u>1,759,932</u>	<u>35</u>	<u>1,775,543</u>	<u>38</u>	<u>1,587,998</u>	<u>32</u>
	Other equity						
3410	Exchange differences in translating the financial statements of foreign operations	(22,273)	-	(152,105)	(3)	(166,994)	(4)
3490	Unearned employee benefits	(1,326)	-	(4,165)	-	(8,362)	-
3400	Total other equity	<u>(23,599)</u>	<u>-</u>	<u>(156,270)</u>	<u>(3)</u>	<u>(175,356)</u>	<u>(4)</u>
3XXX	Total equity	<u>3,335,541</u>	<u>66</u>	<u>3,218,481</u>	<u>69</u>	<u>3,011,850</u>	<u>61</u>
	Total liabilities and equity	<u>\$ 5,065,830</u>	<u>100</u>	<u>\$ 4,664,253</u>	<u>100</u>	<u>\$ 4,928,081</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the review report issued by Deloitte & Touche on August 12, 2024)

Chairman: Wang, Yu-Tzu

Manager: Chung, Chien-Jen

Chief Accounting Officer: Chiao-Wei Tu

Ventec International Group Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
From April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023
Unit: In Thousands of NTD, Except Earnings Per Share

Code		From April 1 to June 30, 2024		From April 1 to June 30, 2023		From January 1 to June 30, 2024		From January 1 to June 30, 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4100	Sales revenue (Notes 19 and 31)	\$ 1,119,473	100	\$ 1,234,644	100	\$ 2,194,077	100	\$ 2,405,682	100
5110	Cost of sales (Notes 9 and 20)	<u>745,806</u>	<u>67</u>	<u>852,386</u>	<u>69</u>	<u>1,447,546</u>	<u>66</u>	<u>1,666,826</u>	<u>69</u>
5900	Gross profit	<u>373,667</u>	<u>33</u>	<u>382,258</u>	<u>31</u>	<u>746,531</u>	<u>34</u>	<u>738,856</u>	<u>31</u>
	Operating expenses (Notes 8 and 20)								
6100	Sales and marketing expenses	152,429	14	156,107	13	290,506	13	305,227	13
6200	General and administrative expenses	49,609	4	68,646	6	109,948	5	120,789	5
6300	Research and development expenses	72,274	6	54,123	4	149,943	7	106,974	4
6450	Expected credit loss (reversal of impairment loss)	(<u>1,149</u>)	<u>-</u>	(<u>1,216</u>)	<u>-</u>	(<u>1,398</u>)	<u>-</u>	<u>260</u>	<u>-</u>
6000	Total operating expenses	<u>273,163</u>	<u>24</u>	<u>277,660</u>	<u>23</u>	<u>548,999</u>	<u>25</u>	<u>533,250</u>	<u>22</u>
6900	Net operating income	<u>100,504</u>	<u>9</u>	<u>104,598</u>	<u>8</u>	<u>197,532</u>	<u>9</u>	<u>205,606</u>	<u>9</u>
	Non-operating income and expenses (Note 20)								
7100	Interest income	14,928	1	7,417	-	21,342	1	11,003	-
7010	Other income	3,502	-	8,862	1	5,562	-	15,136	1
7020	Other gains and losses	8,100	1	34,973	3	11,478	1	31,149	1
7510	Interest expenses	(<u>789</u>)	<u>-</u>	(<u>2,771</u>)	<u>-</u>	(<u>1,162</u>)	<u>-</u>	(<u>5,650</u>)	<u>-</u>
7000	Total non-operating income and expenses	<u>25,741</u>	<u>2</u>	<u>48,481</u>	<u>4</u>	<u>37,220</u>	<u>2</u>	<u>51,638</u>	<u>2</u>
7900	Net income before tax	126,245	11	153,079	12	234,752	11	257,244	11
7950	Income tax expense (gain) (Notes 4 and 21)	(<u>8,231</u>)	(<u>1</u>)	<u>6,016</u>	<u>-</u>	<u>11,057</u>	<u>1</u>	<u>34,085</u>	<u>2</u>
8200	Net income for the period	<u>134,476</u>	<u>12</u>	<u>147,063</u>	<u>12</u>	<u>223,695</u>	<u>10</u>	<u>223,159</u>	<u>9</u>
	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	44,950	4	68,187	6	177,068	8	41,229	2
8360	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences in translating the financial statements of foreign operations	(<u>19,424</u>)	(<u>2</u>)	(<u>133,960</u>)	(<u>11</u>)	(<u>47,236</u>)	(<u>2</u>)	(<u>93,643</u>)	(<u>4</u>)
8300	Other comprehensive income for the period	<u>25,526</u>	<u>2</u>	(<u>65,773</u>)	(<u>5</u>)	<u>129,832</u>	<u>6</u>	(<u>52,414</u>)	(<u>2</u>)
8500	Total comprehensive income for the period	<u>\$ 160,002</u>	<u>14</u>	<u>\$ 81,290</u>	<u>7</u>	<u>\$ 353,527</u>	<u>16</u>	<u>\$ 170,745</u>	<u>7</u>
	Earnings Per Share (Note 22)								
9750	Basic	<u>\$ 1.89</u>		<u>\$ 2.07</u>		<u>\$ 3.15</u>		<u>\$ 3.15</u>	
9850	Diluted	<u>\$ 1.88</u>		<u>\$ 2.05</u>		<u>\$ 3.11</u>		<u>\$ 3.11</u>	

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the review report issued by Deloitte & Touche on August 12, 2024)

Chairman: Wang, Yu-Tzu

Manager: Chung, Chien-Jen

Chief Accounting Officer: Chiao-Wei Tu

Ventec International Group Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
From January 1 to June 30, 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)		
		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
Code										
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									
B1	Legal reserve	-	-	-	46,705	-	(46,705)	-	-	-
B3	Special reserve	-	-	-	-	(29,272)	29,272	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	(257,165)	-	-	(257,165)
D1	Net income from January 1 to June 30, 2023	-	-	-	-	-	223,159	-	-	223,159
D3	Other comprehensive income after tax from January 1 to June 30, 2023	-	-	-	-	-	-	(52,414)	-	(52,414)
D5	Total comprehensive income from January 1 to June 30, 2023	-	-	-	-	-	223,159	(52,414)	-	170,745
N1	Issuance of ordinary shares under employee restricted shares	-	-	-	-	-	-	-	4,710	4,710
T1	Cancellation of employee restricted shares	(19)	(196)	(1,250)	-	-	-	-	1,446	-
Z1	Balance on June 30, 2023	71,435	\$ 714,347	\$ 884,861	\$ 283,957	\$ 314,580	\$ 989,461	(\$ 166,994)	(\$ 8,362)	\$ 3,011,850
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									
B1	Legal reserve	-	-	-	41,070	-	(41,070)	-	-	-
B3	Special reserve	-	-	-	-	37,525	(37,525)	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	(239,306)	-	-	(239,306)
D1	Net income from January 1 to June 30, 2024	-	-	-	-	-	223,695	-	-	223,695
D3	Other comprehensive income after tax from January 1 to June 30, 2024	-	-	-	-	-	-	129,832	-	129,832
D5	Total comprehensive income from January 1 to June 30, 2024	-	-	-	-	-	223,695	129,832	-	353,527
N1	Issuance of ordinary shares under employee restricted shares	-	-	-	-	-	-	-	2,839	2,839
Z1	Balance on June 30, 2024	71,435	\$ 714,347	\$ 884,861	\$ 325,027	\$ 352,105	\$ 1,082,800	(\$ 22,273)	(\$ 1,326)	\$ 3,335,541

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the review report issued by Deloitte & Touche on August 12, 2024)

Chairman: Wang, Yu-Tzu

Manager: Chung, Chien-Jen

Chief Accounting Officer: Chiao-Wei Tu

Ventec International Group Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

From January 1 to June 30, 2024 and 2023

Unit: In Thousands of NTD

Code		From January 1 to June 30, 2024	From January 1 to June 30, 2023
	Cash flows from operating activities		
A10000	Net income before tax for the period	\$ 234,752	\$ 257,244
A20010	Income and expense item		
A20100	Depreciation expenses	92,395	89,612
A20200	Amortization expenses	1,419	1,355
A20300	Expected credit loss (reversal of impairment loss)	(1,398)	260
A20900	Interest expenses	1,162	5,650
A21200	Interest income	(21,342)	(11,003)
A21900	Compensation costs of employee restricted shares	2,839	4,710
A22500	Net loss on disposal of property, plant and equipment	56	17
A22900	Gain on disposal of right-of-use assets	-	(5)
A23800	Inventory valuation and obsolescence losses	2,024	5,511
A24100	Net gain on foreign currency exchange	(6,086)	(30,627)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	239	4,229
A31150	Accounts receivable	60,259	(32,135)
A31180	Other receivables	(8,047)	(8,722)
A31200	Inventories	(30,367)	118,534
A31230	Prepayments	(10,431)	12,613
A31240	Other current assets	(2,214)	25
A32150	Accounts payable	53,422	(97,781)
A32180	Other payables	(62,692)	(21,907)
A32230	Other current liabilities	(2,842)	(5,839)
A32240	Net defined benefit liabilities	<u>3,158</u>	<u>3,024</u>
A33000	Cash generated from operations	306,306	294,765
A33100	Interest received	21,342	11,003
A33300	Interest paid	(1,162)	(5,678)
A33500	Income tax paid	(<u>5,723</u>)	(<u>22,576</u>)
AAAA	Net cash inflow from operating activities	<u>320,763</u>	<u>277,514</u>

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<u>Code</u>		<u>From January 1 to June 30, 2024</u>	<u>From January 1 to June 30, 2023</u>
	Cash flows from investing activities		
B00040	Decrease (increase) in financial assets at amortized cost	(\$ 365,058)	\$ 37,779
B02700	Acquisition of property, plants, and equipment	(50,556)	(38,521)
B02800	Proceeds from disposal of property, plants, and equipment	778	79
B03700	Decrease in guarantee deposits	375	630
B06800	Decrease in other non-current assets	<u>160</u>	<u>313</u>
BBBB	Net cash inflow (outflow) from investing activities	(<u>414,301</u>)	<u>280</u>
	Cash flows from financing activities		
C00100	Decrease in short-term borrowings	-	(118,289)
C01700	Repayments of long-term borrowings	(8,964)	(8,832)
C03100	Decrease in refundable deposits	(950)	(211)
C04020	Repayments of the principal portion of lease liabilities	(24,982)	(24,085)
C04300	Decrease in other non-current liabilities	(<u>1,734</u>)	(<u>1,704</u>)
CCCC	Net cash outflow from financing activities	(<u>36,630</u>)	(<u>153,121</u>)
DDDD	Effects of exchange rate changes on cash and cash equivalents	<u>35,430</u>	(<u>159</u>)
EEEE	Net increase (decrease) in cash and cash equivalents	(94,738)	124,514
E00100	Opening balance of cash and cash equivalents	<u>808,517</u>	<u>629,941</u>
E00200	Ending balance of cash and cash equivalents	<u>\$ 713,779</u>	<u>\$ 754,455</u>

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

(Please refer to the review report issued by Deloitte & Touche on August 12, 2024)

Chairman: Wang, Yu-Tzu

Manager: Chung, Chien-Jen

Chief Accounting Officer: Chiao-Wei Tu

Ventec International Group Co., Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
From January 1 to June 30, 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 August 12, 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 endorsed by the FSC that are applicable in 2025

New, Amended, and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)

Note 1: 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.

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.

- c. 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)
"Annual Improvements to IFRS Accounting Standards — Volume 11"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
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
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

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.

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:

- 1) The income statement should divide income and expense items into operating, investing, financing, income tax and discontinued operations.
- 2) The income statement should include the operating income, income before financing and income tax, as well as the subtotal and total of income.

- 3) 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.
- 4) 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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Cash on hand and working capital	\$ 134	\$ 125	\$ 122
Checking accounts and demand deposits	713,645	630,590	754,333
Cash equivalents			
Time deposits (maturity date within 3 months)	-	177,802	-
	<u>\$ 713,779</u>	<u>\$ 808,517</u>	<u>\$ 754,455</u>

The interest rate of time deposits was 1.49%~5.29% per annum as of December 31, 2023.

7. Financial assets at amortized cost

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Current</u>			
Restricted bank deposits (Note 27)	\$ 13	\$ 12	\$ 13
Time deposits (maturity date over 3 months) (a)	612,154	86,522	130,788
	<u>\$ 612,167</u>	<u>\$ 86,534</u>	<u>\$ 130,801</u>
<u>Non-current</u>			
Time deposits (maturity date over 1 year) (a)	\$ 227,659	\$ 368,493	\$ 430,956
Corporate bonds (b)	20,032	9,647	-
	<u>\$ 247,691</u>	<u>\$ 378,140</u>	<u>\$ 430,956</u>

a. As of June 30, 2024, December 31, 2023, and June 30, 2023, the information on bank time deposit durations and interest rate range are as follows:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Maturity date	October 2024 to March 2027	February 2024 to November 2025	August 2023 to November 2025
Annual interest rate	1.29%~5.43%	3.10%~4.80%	3.10%~4.84%

- b. As of June 30, 2024 and December 31, 2023, information on the maturity period, par value, coupon rate, and effective interest rate of corporate bonds is as follows:

June 30, 2024

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

December 31, 2023

<u>Maturity date</u>	<u>Par value (in thousands)</u>	<u>Coupon rate</u>	<u>Effective interest rate</u>
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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Notes receivable</u>			
Arising from operations	<u>\$ 105,241</u>	<u>\$ 105,349</u>	<u>\$ 97,044</u>
<u>Accounts receivable</u>			
At amortized cost			
Total carrying amount	\$ 1,207,698	\$ 1,212,743	\$ 1,381,189
Less: Loss allowance	(<u>24,958</u>)	(<u>25,327</u>)	(<u>22,807</u>)
	<u>\$ 1,182,740</u>	<u>\$ 1,187,416</u>	<u>\$ 1,358,382</u>
<u>Other receivables</u>			
Tax refund receivables	\$ 2,619	\$ 2,186	\$ 390
Others	<u>47,707</u>	<u>38,217</u>	<u>38,016</u>
	<u>\$ 50,326</u>	<u>\$ 40,403</u>	<u>\$ 38,406</u>

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:

June 30, 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	\$ 1,178,499	\$ 7,521	\$ 791	\$ 20,887	\$ 1,207,698
Loss allowance (lifetime ECLs)	(3,813)	(398)	(236)	(20,511)	(24,958)
Amortized cost	<u>\$ 1,174,686</u>	<u>\$ 7,123</u>	<u>\$ 555</u>	<u>\$ 376</u>	<u>\$ 1,182,740</u>

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	<u>\$ 1,177,096</u>	<u>\$ 8,056</u>	<u>\$ 1,747</u>	<u>\$ 517</u>	<u>\$ 1,187,416</u>

June 30, 2023

	<u>Not past due</u>	<u>Past due 1 to 90 Days</u>	<u>Past due 91 to 180 Days</u>	<u>Pas due over 181 Days</u>	<u>Total</u>
Total carrying amount	\$ 1,351,279	\$ 10,468	\$ 1,920	\$ 17,522	\$ 1,381,189
Loss allowance (lifetime ECLs)	(<u>4,137</u>)	(<u>799</u>)	(<u>576</u>)	(<u>17,295</u>)	(<u>22,807</u>)
Amortized cost	<u>\$ 1,347,142</u>	<u>\$ 9,669</u>	<u>\$ 1,344</u>	<u>\$ 227</u>	<u>\$ 1,358,382</u>

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

	<u>From January 1 to June 30, 2024</u>	<u>From January 1 to June 30, 2023</u>
Opening balance	\$ 25,327	\$ 22,430
Add: Impairment loss for the period (reversal)	(1,398)	260
Less: Actual amount written off in the current period	(120)	(588)
Foreign exchange gains and losses	<u>1,149</u>	<u>705</u>
Ending balance	<u>\$ 24,958</u>	<u>\$ 22,807</u>

b. Other receivables

Upon assessment, the Group's other receivables as of June 30, 2024 and December 31, 2023 and June 30, 2023 do not require an allowance for expected credit losses.

9. Inventories

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Finished goods	\$ 366,446	\$ 391,601	\$ 430,603
Work in process	53,717	67,029	62,477
Raw materials	<u>397,316</u>	<u>299,799</u>	<u>315,772</u>
	<u>\$ 817,479</u>	<u>\$ 758,429</u>	<u>\$ 808,852</u>

The cost of goods sold from April 1 to June 30, 2024 and 2023, and January 1 to June 30, 2024 and 2023 was \$745,806 thousand, \$852,386 thousand, \$1,447,546 thousand, and \$1,666,826 thousand, respectively. The cost of goods sold from April 1 to June 30, 2024 and 2023 and from January 1 to June 30, 2024 and 2023 includes loss on inventory devaluation and slow-moving inventory (gain on value recovery) in the amount of \$(6,453) thousand, \$6,728 thousand, \$2,024 thousand, and \$5,511 thousand. The reversal of net realizable value of inventories was due to the rise of sales prices in specific markets.

10. Subsidiary

Subsidiaries included in the consolidated financial statements are as follows:

Investor	Name of Subsidiary	Nature of business activities	Proportion of ownership (%)		
			June 30, 2024	December 31, 2023	June 30, 2023
Ventec International Group Co., Ltd.(CAYMAN)	Ventec International Group Limited(SAMOA)	General investment	100.00%	100.00%	100.00%
(“VIG CAYMAN”)	(“VIG SAMOA”)				
VIG SAMOA	Ventec International Group Limited(HK)	General investment	100.00%	100.00%	100.00%
	(“VIG HK”)				
“	Ventec Logistics Limited	General investment	100.00%	100.00%	100.00%
	(“VLL”)				
“	Ventec Electronics (HK) Co., Ltd.	International trade	100.00%	100.00%	100.00%
	(“VT HK”)				
“	Ventec Electronics Corporation	Manufacturing and sale of CCL, IMS, and prepreg	100.00%	100.00%	100.00%
	(“VT TW”)				
“	Ventec Europe Ltd.	Sale of CCL, IMS, and prepreg	100.00%	100.00%	100.00%
	(“VT UK”)				
“	Ventec Central Europe GmbH.	Sale of CCL, IMS, and prepreg	100.00%	100.00%	100.00%
	(“VT DE”)				
VIG HK	Ventec Electronics (Suzhou) Co., Ltd.	Research and development, manufacturing, and sale of CCL, IMS, and prepreg	100.00%	100.00%	100.00%
	(“VT SZ”)				
“	Ventec Electronics (Jiangyin) Co., Ltd.	Manufacturing and sale of CCL, IMS, and prepreg	100.00%	100.00%	100.00%
	(“VT JY”)				
VT SZ	Ventec Electronics (Shenzhen) Co., Ltd. (“VT SZWT”)	Manufacturing and sales of CCL, and sales of IMS, and prepreg	-	100.00%	100.00%
	(Note)				
VLL	Ventec USA, LLC	Sale of CCL, IMS, and prepreg	100.00%	100.00%	100.00%
	(“VT USA”)				

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 for January 1 to June 30, 2024 and 2023 were not audited by an accountant.

11. Property, plant and equipment

	Land	Buildings	Machinery and equipment	Office equipment	Leasehold improvements	Other equipment	Construction in progress and equipment under installation	Total
<u>Cost</u>								
Balance on January 1, 2024	\$ 118,840	\$ 501,688	\$ 1,904,976	\$ 43,642	\$ 55,471	\$ 176,518	\$ 25,831	\$ 2,826,966
Additions	-	-	5,261	781	-	8,284	27,504	41,830
Reclassification	-	-	19,560	314	-	6,224	(26,098)	-
Disposals	-	(358)	(6,317)	(487)	(6,732)	(2,815)	-	(16,709)
Foreign exchange gains and losses	-	18,255	90,755	2,241	2,627	7,060	1,051	121,989
Balance on June 30, 2024	118,840	519,585	2,014,235	46,491	51,366	195,271	28,288	2,974,076
<u>Accumulated depreciation</u>								
Balance on January 1, 2024	-	241,717	1,433,055	33,614	40,743	112,228	-	1,861,357
Depreciation expenses	-	11,202	39,245	2,278	5,140	8,865	-	66,730
Disposals	-	(358)	(5,516)	(457)	(6,733)	(2,811)	-	(15,875)
Foreign exchange gains and losses	-	10,065	70,266	1,772	1,995	5,325	-	89,423
Balance on June 30, 2024	-	262,626	1,537,050	37,207	41,145	123,607	-	2,001,635
Net Amount on June 30, 2024	\$ 118,840	\$ 256,959	\$ 477,185	\$ 9,284	\$ 10,221	\$ 71,664	\$ 28,288	\$ 972,441
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

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	Land	Buildings	Machinery and equipment	Office equipment	Leasehold improvements	Other equipment	Construction in progress and equipment under installation	Total
<u>Cost</u>								
Balance on January 1, 2023	\$ 118,840	\$ 509,112	\$ 1,906,463	\$ 42,255	\$ 53,497	\$ 148,915	\$ 12,978	\$ 2,792,060
Additions	-	-	2,781	1,273	186	9,495	9,357	23,092
Reclassification	-	-	2,307	-	-	2,421	24,253	28,981
Disposals	-	(1,211)	(2,393)	(349)	-	(151)	-	(4,104)
Foreign exchange gains and losses	-	(8,361)	(34,650)	156	501	(2,865)	(365)	(45,584)
Balance on June 30, 2023	<u>118,840</u>	<u>499,540</u>	<u>1,874,508</u>	<u>43,335</u>	<u>54,184</u>	<u>157,815</u>	<u>46,223</u>	<u>2,794,445</u>
<u>Accumulated depreciation</u>								
Balance on January 1, 2023	-	224,205	1,408,753	29,620	29,626	100,060	-	1,792,264
Depreciation expenses	-	11,066	38,843	2,485	5,443	6,969	-	64,806
Disposals	-	(1,211)	(2,321)	(325)	-	(151)	-	(4,008)
Foreign exchange gains and losses	-	(4,352)	(26,573)	255	221	(2,121)	-	(32,570)
Balance on June 30, 2023	-	<u>229,708</u>	<u>1,418,702</u>	<u>32,035</u>	<u>35,290</u>	<u>104,757</u>	-	<u>1,820,492</u>
Net Amount on June 30, 2023	<u>\$ 118,840</u>	<u>\$ 269,832</u>	<u>\$ 455,806</u>	<u>\$ 11,300</u>	<u>\$ 18,894</u>	<u>\$ 53,058</u>	<u>\$ 46,223</u>	<u>\$ 973,953</u>

According to the Group's assessment, there was no sign of impairment for property, plant and equipment on June 30, 2024, December 31, 2023, and June 30, 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

	June 30, 2024	December 31, 2023	June 30, 2023
Carrying amount of right-of-use assets			
Land	\$ 70,991	\$ 68,841	\$ 69,765
Buildings	74,663	70,755	81,149
Office equipment	131	151	79
Transportation equipment	<u>9,962</u>	<u>9,096</u>	<u>6,195</u>
	<u>\$ 155,747</u>	<u>\$ 148,843</u>	<u>\$ 157,188</u>
	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024
Addition to right-of-use assets			<u>\$ 25,967</u>
			<u>\$ 5,422</u>
Depreciation for right-of-use assets			
Land	\$ 704	\$ 668	\$ 1,393
Buildings	11,461	10,248	22,388
Office equipment	9	12	19
Transportation equipment	<u>1,002</u>	<u>1,346</u>	<u>1,865</u>
	<u>\$ 13,176</u>	<u>\$ 12,274</u>	<u>\$ 25,665</u>
			<u>\$ 24,806</u>

Except for the addition and depreciation, the right-of-use assets of the Group were not significantly subleased or impaired from January 1 to June 30, 2024 and 2023.

b. Lease liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
Carrying amount of lease liabilities			
Current	<u>\$ 44,537</u>	<u>\$ 45,371</u>	<u>\$ 42,374</u>
Non-current	<u>\$ 42,710</u>	<u>\$ 37,608</u>	<u>\$ 48,054</u>

Range of discount rates for lease liabilities was as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Land	1.43%	1.43%	1.43%
Buildings	1.60%~4.75%	1.60%~4.35%	1.60%~4.35%
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%~4.35%

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 April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Short term lease expenses	\$ 874	\$ 40	\$ 1,755	\$ 40
Total cash outflow for leases			\$ 27,350	\$ 24,737

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 June 30, 2024	From January 1 to June 30, 2023
<u>Cost</u>		
Opening balance	\$ 69,676	\$ 69,686
Net exchange difference	3,959	977
Ending balance	\$ 73,635	\$ 70,663

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 June 30, 2024 and 2023, there was no sign of significant impairment loss.

14. Intangible assets

	Computer software	Customer relationship	Total
<u>Cost</u>			
Balance on January 1, 2024	\$ 2,109	\$ 13,924	\$ 16,033
Net exchange difference	45	389	434
Balance on June 30, 2024	<u>\$ 2,154</u>	<u>\$ 14,313</u>	<u>\$ 16,467</u>
<u>Accumulated amortization</u>			
Balance on January 1, 2024	\$ 2,109	\$ 6,266	\$ 8,375
Amortization expenses	-	1,419	1,419
Net exchange difference	45	187	232
Balance on June 30, 2024	<u>2,154</u>	<u>7,872</u>	<u>10,026</u>
Net Amount on June 30, 2024	<u>\$ -</u>	<u>\$ 6,441</u>	<u>\$ 6,441</u>
Net amount as of January 1, 2024 and December 31, 2023	<u>\$ -</u>	<u>\$ 7,658</u>	<u>\$ 7,658</u>
<u>Cost</u>			
Balance on January 1, 2023	\$ 2,031	\$ 13,355	\$ 15,386
Net exchange difference	67	536	603
Balance on June 30, 2023	<u>\$ 2,098</u>	<u>\$ 13,891</u>	<u>\$ 15,989</u>
<u>Accumulated amortization</u>			
Balance on January 1, 2023	\$ 2,025	\$ 3,339	\$ 5,364
Amortization expenses	6	1,349	1,355
Net exchange difference	67	174	241
Balance on June 30, 2023	<u>2,098</u>	<u>4,862</u>	<u>6,960</u>
Net Amount on June 30, 2023	<u>\$ -</u>	<u>\$ 9,029</u>	<u>\$ 9,029</u>

According to the Group's assessment, there was no sign of impairment for intangible assets on June 30, 2024, December 31, 2023, and June 30, 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 (June 30, 2024 and December 31, 2023: None)

	June 30, 2023
<u>Unsecured borrowings</u>	
Bank loans	<u>\$ 155,073</u>

As of June 30, 2023, the range of interest rate on short-term borrowings was 3.81%-4.80%.

b. Long-term borrowings

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Taiwan Cooperative Bank</u>			
Secured borrowings - from July 31, 2019 to July 31, 2034, each month is considered 1 period, divided into 180 installments	\$ 92,285	\$ 96,404	\$ 100,496
Secured borrowings - from August 12, 2019 to August 12, 2024, each month is considered 1 period, divided into 60 installments	1,556	6,196	10,796
<u>Nissan Motor Acceptance Corporatic</u>			
Secured borrowings - from February 12, 2020 to January 12, 2025, each month is considered 1 period, divided into 59 installments	\$ 121	\$ 210	\$ 287
<u>Toyota Forklift</u>			
Secured borrowings - from February 05, 2021 to February 05, 2026, each month is considered 1 period, divided into 60 installments	351	434	542
	94,313	103,244	112,121
Less: Current portion	(10,038)	(15,466)	(17,819)
	<u>\$ 84,275</u>	<u>\$ 87,778</u>	<u>\$ 94,302</u>

As of June 30, 2024, December 31, 2023, and June 30, 2023, the ranges of interest rates on long-term borrowings were 1.88%~4.21%, 1.75%~4.21%, and 1.75%~4.21%, respectively.

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

16. Other payables

	June 30, 2024	December 31, 2023	June 30, 2023
Dividends payable	\$ 240,297	\$ 991	\$ 257,861
Salaries and bonuses payable	171,586	225,961	180,349
Social security and provident funds payable	34,369	32,280	30,494
Taxes payable	26,143	29,055	28,039
Construction and equipment payable	18,515	26,236	17,118
Others	196,277	181,783	213,889
	<u>\$ 687,187</u>	<u>\$ 496,306</u>	<u>\$ 727,750</u>

17. Post-retirement Benefit Plans

a. Defined contribution plans

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

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

b. Defined benefit plans

The pension plan "Salary and Welfare Measures for Employees in Taiwan and Hong Kong," set by the Company of the Group, is a defined benefit plan. Pension benefits are calculated on the basis of the terms set out in the regulation and the average monthly salaries of the 6 months before retirement. The pension expenses related to the defined benefit plans from April 1 to June 30, 2024 and 2023, and January 1 to June 30, 2024 and 2023 calculated at the pension cost rate actuarially determined on December 31, 2023 and 2022 were \$1,601 thousand, \$1,519 thousand, \$3,158 thousand and \$3,024 thousand, respectively.

18. Equity

a. Capital stock

	June 30, 2024	December 31, 2023	June 30, 2023
Authorized shares (in thousand shares)	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>
Authorized capital	<u>\$ 900,000</u>	<u>\$ 900,000</u>	<u>\$ 900,000</u>
Shares issued and fully paid (in thousand shares)	<u>71,435</u>	<u>71,435</u>	<u>71,435</u>
Issued capital	<u>\$ 714,347</u>	<u>\$ 714,347</u>	<u>\$ 714,347</u>

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital</u>			
Shares issued at a premium	\$ 865,159	\$ 865,159	\$ 850,383
<u>May not be used for any purpose</u>			
Employee restricted shares	<u>19,702</u>	<u>19,702</u>	<u>34,478</u>
	<u>\$ 884,861</u>	<u>\$ 884,861</u>	<u>\$ 884,861</u>

- 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 (NT\$)	\$ 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 2023 and 2022 have been approved by the resolution of the general shareholders' meeting on June 21, 2024 and June 16, 2023.

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 June 30, 2024	From January 1 to June 30, 2023
Opening balance	(\$ 4,165)	(\$ 14,518)
Recognized share-based payment expenses	2,839	4,710
Cancellation for the period	-	1,446
Ending balance	(\$ 1,326)	(\$ 8,362)

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.

	June 30, 2024	December 31, 2023	June 30, 2023	January 1, 2023
Contract liabilities (recognized under other current liabilities)	\$ 1,023	\$ 3,539	\$ 1,369	\$ 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 April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Net gain on foreign currency exchange	\$ 8,849	\$ 39,255	\$ 13,098	\$ 33,814
Net loss on disposal of property, plant and equipment	(43)	(14)	(56)	(17)
Others	(706)	(4,268)	(1,564)	(2,648)
	<u>\$ 8,100</u>	<u>\$ 34,973</u>	<u>\$ 11,478</u>	<u>\$ 31,149</u>

b. Interest expenses

	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Interest on bank loans	\$ 453	\$ 2,418	\$ 549	\$ 5,038
Interest on lease liabilities	336	353	613	612
	<u>\$ 789</u>	<u>\$ 2,771</u>	<u>\$ 1,162</u>	<u>\$ 5,650</u>

c. Depreciation and amortization

	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Property, plant and equipment	\$ 33,712	\$ 32,270	\$ 66,730	\$ 64,806
Right-of-use assets	13,176	12,274	25,665	24,806
Intangible assets	717	683	1,419	1,355
	<u>\$ 47,605</u>	<u>\$ 45,227</u>	<u>\$ 93,814</u>	<u>\$ 90,967</u>
An analysis of depreciation by function				
Operating costs	\$ 28,810	\$ 26,759	\$ 56,549	\$ 53,468
Operating expenses	18,078	17,785	35,846	36,144
	<u>\$ 46,888</u>	<u>\$ 44,544</u>	<u>\$ 92,395</u>	<u>\$ 89,612</u>
An analysis of amortization by function				
Sales and marketing expenses	<u>\$ 717</u>	<u>\$ 683</u>	<u>\$ 1,419</u>	<u>\$ 1,355</u>

d. Employee benefits expenses

	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Post-employment benefits				
Defined contribution plans	\$ 1,141	\$ 977	\$ 2,218	\$ 2,076
Defined benefit plans	<u>1,601</u>	<u>1,519</u>	<u>3,158</u>	<u>3,024</u>
	<u>2,742</u>	<u>2,496</u>	<u>5,376</u>	<u>5,100</u>
Share-based payments				
Equity-settled	<u>1,419</u>	<u>2,840</u>	<u>2,839</u>	<u>4,710</u>
Other employee benefits	<u>225,687</u>	<u>221,792</u>	<u>445,226</u>	<u>426,148</u>
Total employee benefits expenses	<u>\$ 229,848</u>	<u>\$ 227,128</u>	<u>\$ 453,441</u>	<u>\$ 435,958</u>
An analysis by function				
Operating costs	\$ 115,351	\$ 110,336	\$ 227,210	\$ 213,708
Operating expenses	<u>114,497</u>	<u>116,792</u>	<u>226,231</u>	<u>222,250</u>
	<u>\$ 229,848</u>	<u>\$ 227,128</u>	<u>\$ 453,441</u>	<u>\$ 435,958</u>

e. Compensation of employees and remuneration of directors

Under the Company's Articles of Incorporation, the Company shall allocate 5% to 10% as compensation of employees and no more than 2% provided as remuneration to directors of the pre-tax benefit deducting employee's compensation and director's remuneration for the current year.

The estimated compensation of employees and remuneration of directors from April 1 to June 30, 2024 and 2023, and January 1 to June 30, 2024 and 2023 are as follows:

Percentage for estimation

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Employees' compensation	9.0%	9.0%
Directors' remuneration	2.0%	2.0%

Amount

	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Employees' compensation	\$ 13,585	\$ 14,860	\$ 22,607	\$ 22,559
Directors' remuneration	3,018	3,301	5,023	5,012

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 (gain) are as follows:

	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Current income tax				
Current period	\$ 18,368	\$ 24,844	\$ 22,318	\$ 43,652
Additional surtax on undistributed earnings	1,334	2,188	1,334	2,188
Adjustments in the previous year	(44,437)	(32,862)	(44,437)	(32,862)
	(24,735)	(5,830)	(20,785)	(12,978)
Deferred tax				
Current period	16,504	11,846	31,842	21,107
Income tax expense recognized in profit or loss (gain)	(\$ 8,231)	\$ 6,016	\$ 11,057	\$ 34,085

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 April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Basic earnings per share	<u>\$ 1.89</u>	<u>\$ 2.07</u>	<u>\$ 3.15</u>	<u>\$ 3.15</u>
Diluted earnings per share	<u>\$ 1.88</u>	<u>\$ 2.05</u>	<u>\$ 3.11</u>	<u>\$ 3.11</u>

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

Net income for the period

	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Net income for the period	<u>\$ 134,476</u>	<u>\$ 147,063</u>	<u>\$ 223,695</u>	<u>\$ 223,159</u>

Number of shares

Unit: In Thousand Shares

	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
The weighted average of ordinary shares used to estimate basic earnings per share	71,126	70,894	71,126	70,894
Effect of potentially diluted ordinary shares:				
Employee restricted shares	294	441	294	447
Employees' compensation	<u>268</u>	<u>254</u>	<u>455</u>	<u>485</u>
The weighted average of ordinary shares used to estimate diluted earnings per share	<u>71,688</u>	<u>71,589</u>	<u>71,875</u>	<u>71,826</u>

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 be 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:

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
	Number of shares (in thousand shares)	Number of shares (in thousand shares)
<u>Employee restricted shares</u>		
Outstanding amount at the beginning of the period	309	560
Cancellation for the period	-	(19)
Outstanding amount at the end of the period	<u>309</u>	<u>541</u>

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

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

The costs of compensation from April 1 to June 30, 2024 and 2023, and January 1 to June 30, 2024 and 2023 was \$1,419 thousand, \$2,840 thousand, \$2,839 thousand and \$4,710 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

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial assets</u>			
At amortized cost (Note 1)	\$ 2,919,208	\$ 2,614,009	\$ 2,818,898
<u>Financial liabilities</u>			
Measured at amortized cost (Note 2)	883,602	808,242	1,072,239

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

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

c. Financial risk management objectives and policies

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

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

1) Market risk

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

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

a) Foreign currency risk

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

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

Sensitivity analysis

The Group's sensitivity analysis mainly focuses on the foreign currency risk of U.S. dollars at the end of the reporting period. When the Group's functional currency appreciate/depreciate against U.S. Dollars by 1%, the Group's net income before tax from January 1 to June 30, 2024 and 2023 would have decreased/increased by \$13,096 thousand and \$12,833 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:

	June 30, 2024	December 31, 2023	June 30, 2023
Fair value interest rate risk			
- Financial assets	\$ 859,845	\$ 464,662	\$ 561,744
- Financial liabilities	87,719	83,624	246,330
Cash flow interest rate risk			
- Financial assets	713,658	808,404	754,346
- Financial liabilities	93,841	102,599	111,292

Sensitivity analysis of interest rates

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

If interest rates had increased by 0.25% and all other variables were held constant, the Group's net income before tax from January 1 to June 30, 2024 and 2023 would have increased by \$775 thousand and \$804 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 June 30, 2024, December 31, 2023, and June 30, 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.

June 30, 2024

	On demand or less than one year	1 to 5 years	Over 5 years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing liabilities	\$ 1,031,568	\$ 6,229	\$ 3,062
Lease liabilities	45,454	43,461	-
Variable interest rate instruments	9,733	34,527	49,581
Fixed interest rate instruments	305	167	-
	<u>\$ 1,087,060</u>	<u>\$ 84,384</u>	<u>\$ 52,643</u>

December 31, 2023

	On demand or less than one year	1 to 5 years	Over 5 years
<u>Non-derivative financial liabilities</u>			
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	-
	<u>\$ 769,860</u>	<u>\$ 79,089</u>	<u>\$ 56,534</u>

June 30, 2023

	On demand or less than one year	1 to 5 years	Over 5 years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing liabilities	\$ 1,067,167	\$ 6,566	\$ 4,070
Lease liabilities	43,284	48,714	-
Variable interest rate instruments	17,460	35,461	58,371
Fixed interest rate instruments	155,432	470	-
	<u>\$ 1,283,343</u>	<u>\$ 91,211</u>	<u>\$ 62,441</u>

(2) Financing facilities

	June 30, 2024	December 31, 2023	June 30, 2023
Bank loan facilities			
- Amount undrawn	<u>\$ 1,616,356</u>	<u>\$ 1,556,240</u>	<u>\$ 1,486,883</u>

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:

Remuneration of key management personnel

	From April 1 to June 30, 2024	From April 1 to June 30, 2023	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Short-term employee benefits	\$ 15,286	\$ 16,084	\$ 31,088	\$ 25,922
Post-employment benefits	774	506	1,524	959
Share-based payments	<u>267</u>	<u>652</u>	<u>534</u>	<u>885</u>
	<u>\$ 16,327</u>	<u>\$ 17,242</u>	<u>\$ 33,146</u>	<u>\$ 27,766</u>

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:

	June 30, 2024	December 31, 2023	June 30, 2023
Restricted bank deposits	\$ 13	\$ 12	\$ 13
Property, plants, and equipment			
- net	<u>211,279</u>	<u>213,186</u>	<u>215,091</u>
	<u>\$ 211,292</u>	<u>\$ 213,198</u>	<u>\$ 215,104</u>

28. Significant or Contingent Liabilities and Unrecognized Commitments (June 30, 2024: None)

As of December 31, 2023 and June 30, 2023, the Group's unused letters of credit amounted to NT\$14,498 thousand, and NT\$11,367 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:

June 30, 2024

Foreign currency assets	Foreign currencies (in thousands)	Exchange rate	Carrying amount
<u>Monetary items</u>			
USD	\$ 22,831	7.127 (USD: RMB)	\$ 740,854
USD	29,851	7.810 (USD: HKD)	968,642
USD	3,002	32.450 (USD: NTD)	97,418
EUR	2,628	8.354 (EUR: HKD)	91,210
			<u>\$ 1,898,124</u>
 Foreign currency liabilities			
<u>Monetary items</u>			
USD	1,719	7.127 (USD: RMB)	\$ 55,772
USD	9,498	7.810 (USD: HKD)	308,218
USD	4,110	32.450 (USD: NTD)	133,368
RMB	92,244	1.096 (RMB: HKD)	419,984
			<u>\$ 917,342</u>

December 31, 2023

	Foreign currencies (in thousands)	Exchange rate	Carrying amount
Foreign currency assets			
<u>Monetary items</u>			
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
			<u>\$ 1,768,387</u>

Foreign currency liabilities			
<u>Monetary items</u>			
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
			<u>\$ 888,271</u>

June 30, 2023

	Foreign currencies (in thousands)	Exchange rate	Carrying amount
Foreign currency assets			
<u>Monetary items</u>			
USD	\$ 19,949	7.226 (USD: RMB)	\$ 621,217
USD	34,467	7.836 (USD: HKD)	1,073,297
USD	5,367	31.140 (USD: NTD)	167,116
EUR	4,651	8.508 (EUR: HKD)	157,250
			<u>\$ 2,018,880</u>

(Continued on next page)

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Foreign currency liabilities	Foreign currencies (in thousands)	Exchange rate	Carrying amount
<u>Monetary items</u>			
USD	14,419	7.836 (USD: HKD)	\$ 449,003
USD	4,154	31.140 (USD: NTD)	129,356
RMB	94,516	1.084 (RMB: HKD)	<u>407,308</u>
			<u>\$ 985,667</u>

The net gain on foreign exchange from April 1 to June 30, 2024 and 2023, and January 1 to June 30, 2024 and 2023, was \$8,849 thousand, \$39,255 thousand, \$13,098 thousand and \$33,814 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 at the end of the period. (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 June 30, 2024			
	Asia	Europe and America	Elimination of inter-segment revenue	Total
Revenue from external customers	\$ 1,622,212	\$ 571,865	\$ -	\$ 2,194,077
Inter-segment revenue	<u>866,264</u>	<u>5,861</u>	(<u>872,125</u>)	<u>-</u>
Consolidated revenue	<u>\$ 2,488,476</u>	<u>\$ 577,726</u>	(<u>\$ 872,125</u>)	<u>\$ 2,194,077</u>
Segment income	<u>\$ 202,347</u>	(<u>\$ 4,815</u>)	<u>\$ -</u>	\$ 197,532
Interest income				21,342
Other income				5,562
Other gains and losses				11,478
Interest expenses				(<u>1,162</u>)
Net income before tax				<u>\$ 234,752</u>

	From January 1 to June 30, 2023			
	Asia	Europe and America	Elimination of inter-segment revenue	Total
Revenue from external customers	\$ 1,727,522	\$ 678,160	\$ -	\$ 2,405,682
Inter-segment revenue	<u>1,101,462</u>	<u>7,017</u>	(<u>1,108,479</u>)	<u>-</u>
Consolidated revenue	<u>\$ 2,828,984</u>	<u>\$ 685,177</u>	(<u>\$ 1,108,479</u>)	<u>\$ 2,405,682</u>
Segment income	<u>\$ 190,421</u>	<u>\$ 15,185</u>	<u>\$ -</u>	\$ 205,606
Interest income				11,003
Other income				15,136
Other gains and losses				31,149
Interest expenses				(<u>5,650</u>)
Net income before tax				<u>\$ 257,244</u>

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 June 30, 2024

Table 1Unit: 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	\$ 454,300 (USD 14,000)	\$ 454,300 (USD 14,000)	\$ 428,762 (USD 13,213)	-	2	\$ -	Operating capital needed	\$ -	(None)	\$ -	\$ 3,202,770 (USD 98,700)	\$ 6,405,540 (USD 197,400)	
1	VT HK	VLL	Other receivables	Yes	64,900 (USD 2,000)	64,900 (USD 2,000)	59,740 (USD 1,841)	-	2	-	Operating capital needed	-	(None)	-	3,202,770 (USD 98,700)	6,405,540 (USD 197,400)	
1	VT HK	VT UK	Other receivables	Yes	113,575 (USD 3,500)	113,575 (USD 3,500)	22,910 (USD 706)	2.17%	2	-	Operating capital needed	-	(None)	-	3,202,770 (USD 98,700)	6,405,540 (USD 197,400)	
1	VT HK	VT USA	Other receivables	Yes	129,800 (USD 4,000)	129,800 (USD 4,000)	-	-	2	-	Operating capital needed	-	(None)	-	3,202,770 (USD 98,700)	6,405,540 (USD 197,400)	
1	VT HK	VT DE	Other receivables	Yes	129,800 (USD 4,000)	129,800 (USD 4,000)	77,880 (USD 2,400)	2.17%	2	-	Operating capital needed	-	(None)	-	3,202,770 (USD 98,700)	6,405,540 (USD 197,400)	

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 June 30, 2024.

Note 4: The calculation was based on the spot exchange rate of USD to NTD on June 30, 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 June 30, 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	\$ 6,671,082 (USD 205,582)	\$ 535,425 (USD 16,500)	\$ 405,625 (USD 12,500)	\$ -	\$ -	12.16%	\$ 13,342,164 (USD 411,164)	Y	N	N	
0	VIG CAYMAN	VT TW	Subsidiary	6,671,082 (USD 205,582)	959,417 (USD 29,566)	886,761 (USD 27,327)	93,845 (USD 2,892)	-	26.59%	13,342,164 (USD 411,164)	Y	N	N	
0	VIG CAYMAN	VT SZ	Subsidiary	6,671,082 (USD 205,582)	129,800 (USD 4,000)	129,800 (USD 4,000)	-	-	3.89%	13,342,164 (USD 411,164)	Y	N	Y	
1	VIG HK	VT UK	Fellow subsidiary	284,375 (USD 8,764)	9,378 (USD 289)	9,378 (USD 289)	-	-	0.33%	568,749 (USD 17,527)	N	N	N	
2	VT TW	VT HK	Fellow subsidiary	2,375,660 (USD 73,210)	486,750 (USD 15,000)	486,750 (USD 15,000)	-	-	102.44%	2,850,792 (USD 87,852)	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 June 30, 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 June 30, 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 June 30, 2024 net value.

Note 3: The calculation was based on the spot exchange rate of USD to NTD on June 30, 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
June 30, 2024

Table 3Unit: 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	<u>Corporate bonds</u>							
	Wells Fargo & Company	-	Financial assets at amortized cost - Non-current	-	\$ 10,138 (USD 312)	-	\$ 10,138 (USD 312)	
	Morgan Stanley	-	Financial assets at amortized cost - Non-current	-	9,894 (USD 305)	-	9,894 (USD 305)	

Note 1: The calculation was based on the spot exchange rate of USD to NTD on June 30, 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 June 30, 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	\$ 485,685 (USD 15,227)	98%	120 days	No major difference	No major difference	(\$ 577,733) (USD 17,804)	100%	
VT SZ	VT HK	The same ultimate parent	Sale	(485,685) (USD 15,227)	30%	120 days	No major difference	No major difference	577,733 (USD 17,804)	43%	

Note 1: The calculation was based on the average exchange rate of USD to NTD from January 1, 2024 to June 30, 2024.

Note 2: The calculation was based on the spot exchange rate of USD to NTD on June 30, 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
June 30, 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	\$ 577,733 (USD 17,804)	1.69	\$ 242,399 (USD 7,470)	Improve collection efforts	\$ 16,063 (USD 495)	\$ -
VT HK	VT TW	The same ultimate parent	107,126 (USD 3,301)	1.54	53,347 (USD 1,644)	Improve collection efforts	43,775 (USD 1,349)	-

Note 1: The amounts received from related parties after the balance sheet date refer to those recovered on August 2, 2024.

Note 2: The calculation was based on the spot exchange rate of USD to NTD on June 30, 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 June 30, 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	Ratio (%)	Carrying amount (Notes 1 and 3)			
VIG CAYMAN	VIG SAMOA	Samoa	General investment	\$ 1,512,152 (USD 46,600)	\$ 1,512,152 (USD 46,600)	46,600,000	100	\$ 3,442,884 (USD 106,099)	\$ 253,346 (USD 7,917)	\$ 253,346 (USD 7,917)	Subsidiary
VIG SAMOA	VIG HK	Hong Kong	General investment	1,009,225 (USD 31,101)	1,009,225 (USD 31,101)	31,110,000	100	2,843,747 (USD 87,636)	236,159 (USD 7,387)	236,159 (USD 7,387)	Subsidiary
	VLL	British Virgin Islands	General investment	259,946 (USD 8,011)	259,946 (USD 8,011)	8,010,000	100	29,065 (USD 896)	(9,310) (USD -290)	(9,310) (USD -290)	Subsidiary
	VT HK	Hong Kong	International trade	77,921 (USD 2,401)	77,921 (USD 2,401)	10,000	100	320,277 (HKD 77,083)	3,470 (HKD 782)	3,470 (HKD 782)	Subsidiary
	VT TW	Taiwan	Manufacturing and sales of CCL, IMS, and prepreg	370,209 (USD 11,409)	370,209 (USD 11,409)	10,000,000	100	475,132	11,127	11,127	Subsidiary
	VT UK	United Kingdom	Sale of CCL, IMS, and prepreg	42,993 (USD 1,325)	42,993 (USD 1,325)	807,334	100	103,803 (GBP 2,529)	332 (GBP 9)	332 (GBP 9)	Subsidiary
	VT DE	Germany	Sale of CCL, IMS, and prepreg	224,011 (USD 6,903)	224,011 (USD 6,903)	400,000	100	82,735 (EUR 2,384)	2,059 (EUR 60)	2,059 (EUR 60)	Subsidiary
	VT USA	United States	Sale of CCL, IMS, and prepreg	240,932 (USD 7,425)	240,932 (USD 7,425)	-	100	88,795 (USD 2,736)	(9,310) (USD -290)	(9,310) (USD -290)	Subsidiary

Note 1: The calculation was based on the spot exchange rate of each foreign currency to NTD on June 30, 2024.

Note 2: The calculation was based on the average exchange rate of each foreign currency from January 1 to June 30, 2024.

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

Note 4: Please refer to Table 7 for information on investees in China.

Ventec International Group Co., Ltd. and Subsidiaries
Information on Investments in China
From January 1 to June 30, 2024

Table 7Unit: 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	\$ 1,340,755 (USD 36,600) (RMB 294,466)	Indirect investment	\$ -	\$ -	\$ -	\$ -	\$ 256,930 (RMB 57,050)	100%	\$ 256,930 (RMB 57,050)	\$ 2,859,677 (RMB 628,063)	\$ -
VT JY	Manufacturing and sales of CCL, IMS, and prepreg	130,013 (USD 3,000) (RMB 28,554)	Indirect investment	-	-	-	-	4,935 (RMB 1,140)	100%	4,935 (RMB 1,140)	137,519 (RMB 30,203)	-
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 from January 1 to June 30, 2024.

Note 3: The calculation was based on the spot exchange rate of each foreign currency to NTD on June 30, 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 June 30, 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	\$ 107,126	\$ 3,301	No major difference	2%
1	VT HK	VT DE	3	Accounts receivable	42,090	1,297	No major difference	1%
1	VT HK	VT US	3	Accounts receivable	60,782	1,873	No major difference	1%
1	VT HK	VT UK	3	Accounts receivable	34,557	1,065	No major difference	1%
1	VT HK	VT SZ	3	Accounts payable	577,733	17,804	No major difference	11%
1	VT HK	VT DE	3	Other receivables	81,788	2,520	No major difference	2%
1	VT HK	VLL	3	Other receivables	59,740	1,841	No major difference	1%
1	VT HK	VIG SAMOA	3	Other receivables	428,762	13,213	No major difference	8%
1	VT HK	VT US	3	Other payables	53,872	1,660	No major difference	1%
1	VT HK	VT TW	3	Sale	83,230	2,612	No major difference	4%
1	VT HK	VT DE	3	Sale	81,048	2,545	No major difference	4%
1	VT HK	VT UK	3	Sale	69,388	2,177	No major difference	3%
1	VT HK	VT SZ	3	Purchase	485,685	15,227	No major difference	22%
2	VT SZ	VT JY	3	Accounts payable	74,419	2,293	No major difference	1%
2	VT SZ	VT JY	3	Purchase	68,255	2,147	No major difference	3%
3	VT TW	VT US	3	Accounts receivable	83,896	2,585	No major difference	2%
3	VT TW	VT US	3	Sale	48,633	1,514	No major difference	2%

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

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

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

Ventec International Group Co., Ltd. and Subsidiaries
Information on Major Shareholders
June 30, 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.