PLANET TECHNOLOGY CORPORATION
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023
AND INDEPENDENT AUDITORS' REVIEW REPORT

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INDEPENDENT AUDITORS' REVIEW REPORT

NO.10711131CEA

PLANET Technology Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Planet Technology Corporation and its subsidiaries ("the Group"), as of March 31, 2024 and 2023 and the consolidated statements of comprehensive income for the three months ended March 31, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the three months ended March 31, 2024 and 2023, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Baker Tilly Clock & Co

Yung-Chi Lai , CPA

Hsin-Liang Wu ,CPA

May 8 , 2024

Notes to Readers

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

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

PLANET TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

MARCH 31,2024 , DECEMBER 31,2023 AND MARCH 31,2023

(Expressed in thousands of New Taiwan Dollars)

ASSETS	NOTES	March 31,2024		December 31,2023		March 31,2023	
		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							
Cash and cash equivalents	6	$ 1,714,153	74	$ 1,625,945	74	$ 1,673,905	79
Current financial assets at fair value through profit or loss	7	10,968	—	10,935	1	10,840	1
Notes receivable, net	8	—	—	10	—	—	—
Accounts receivable, net	8	109,263	5	113,235	5	108,436	5
Other receivables		7,771	—	8,348	—	9,356	—
Inventories	9	273,942	12	278,166	13	260,907	12
Prepayments		9,431	—	7,248	—	12,062	1
Other current assets		51	—	73	—	35	—
Total current assets		2,125,579	91	2,043,960	93	2,075,541	98
NON-CURRENT ASSETS							
Non-current financial assets at fair value through other comprehensive income	10	50,000	2	—	—	—	—
Property, plant and equipment	11	16,164	1	16,294	1	13,675	1
Right-of-use assets	12	127,277	6	133,373	6	12,430	1
Intangible assets	13	2,141	—	2,308	—	2,066	—
Deferred tax assets	4	2,432	—	3,579	—	2,238	—
Prepayments for business facilities		377	—	377	—	365	—
Guarantee deposits paid		7,197	—	7,187	—	6,308	—
Total non-current assets		205,588	9	163,118	7	37,082	2
TOTAL ASSETS		$ 2,331,167	100	$ 2,207,078	100	$ 2,112,623	100

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

PLANET TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

MARCH 31,2024 , DECEMBER 31,2023 AND MARCH 31,2023

(Expressed in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	NOTES	March 31,2024		December 31,2023		March 31,2023	
		Amount	%	Amount	%	Amount	%
CURRENT LIABILITIES							
Current contract liabilities	18	$ 41,558	2	$ 37,196	2	$ 47,008	2
Notes payable	14	50,554	2	60,306	3	57,228	3
Accounts payable	14	94,811	4	93,506	4	120,786	6
Other payables	15	91,883	4	98,995	5	76,869	4
Current tax liabilities	4	143,832	6	118,379	5	129,458	6
Current lease liabilities	12	23,059	1	22,769	1	9,978	—
Receipts in advance		50	—	—	—	38	—
Other current liabilities		1,466	—	2,246	—	1,209	—
Total current liabilities		447,213	19	433,397	20	442,574	21
NON-CURRENT LIABILITIES							
Deferred tax liabilities	4	—	—	—	—	82	—
Non-current lease liabilities	12	105,722	5	111,616	5	2,229	—
Non-current net defined benefit liability	4	4,414	—	4,414	—	3,729	—
Total non-current liabilities		110,136	5	116,030	5	6,040	—
Total liabilities		557,349	24	549,427	25	448,614	21
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT							
Share capital	17	625,010	27	625,010	28	625,010	29
Ordinary share		625,010	27	625,010	28	625,010	29
Capital surplus	17	11,202	—	11,202	1	11,202	1
Retained earnings	17	1,137,606	49	1,021,439	46	1,027,797	49
Legal reserve		478,424	21	478,424	22	434,450	21
Unappropriated retained earnings	22	659,182	28	543,015	24	593,347	28
Total equity attributable to owners of parent		1,773,818	76	1,657,651	75	1,664,009	79
Total equity		1,773,818	76	1,657,651	75	1,664,009	79
TOTAL LIABILITIES AND EQUITY		$ 2,331,167	100	$ 2,207,078	100	$ 2,112,623	100

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

PLANET TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in thousands of New Taiwan Dollars, Except Earnings Per Share)

Items	NOTES	For the Three Months Ended March 31			
		2024		2023	
		Amount	%	Amount	%
OPERATING REVENUE	18	$ 425,862	100	$ 435,767	100
OPERATING COSTS	9	(231,536)	(54)	(248,727)	(57)
GROSS PROFIT		194,326	46	187,040	43
OPERATING EXPENSES					
Selling expenses		(19,982)	(5)	(19,772)	(5)
Administrative expenses		(15,329)	(4)	(14,162)	(3)
Research and development expenses		(26,239)	(6)	(23,885)	(5)
Total operating expenses		(61,550)	(15)	(57,819)	(13)
NET OPERATING INCOME		132,776	31	129,221	30
NON-OPERATING INCOME AND EXPENSES					
Interest income	19	4,800	1	4,257	1
Other income	20	2,508	–	3,149	1
Other gains and losses	21	3,416	1	1,674	–
Finance costs		(733)	–	(61)	–
Total non-operating income and expenses		9,991	2	9,019	2
PROFIT BEFORE TAX		142,767	33	138,240	32
TAX EXPENSE	4,22	(26,600)	(6)	(25,277)	(6)
PROFIT		116,167	27	112,963	26
TOTAL COMPREHENSIVE INCOME		$ 116,167	27	$ 112,963	26
PROFIT ATTRIBUTABLE TO：					
Owners of parent		$ 116,167	27	$ 112,963	26
Non-controlling interests		–	–	–	–
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO：					
Owners of parent		$ 116,167	27	$ 112,963	26
Non-controlling interests		–	–	–	–
EARNINGS PER SHARE (NT$)					
Basic earnings per share	23	$ 1.86		$ 1.81	
Diluted earnings per share	23	$ 1.85		$ 1.80	

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

PLANET TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in thousands of New Taiwan Dollars)

Items	Equity Attributable to Owners of the Parent					Non-controlling Interests	Total Equity
	Capital Stock	Capital Surplus	Retained Earnings		Total		
			Legal Reserve	Unappropriated Retained Earnings			
BALANCE, JANUARY 1, 2023	$ 625,010	$ 11,202	$ 434,450	$ 480,384	$ 1,551,046	$ —	$ 1,551,046
Profit	—	—	—	112,963	112,963	—	112,963
BALANCE, MARCH 31, 2023	$ 625,010	$ 11,202	$ 434,450	$ 593,347	$ 1,664,009	$ —	$ 1,664,009
BALANCE, JANUARY 1, 2024	$ 625,010	$ 11,202	$ 478,424	$ 543,015	$ 1,657,651	$ —	$ 1,657,651
Profit	—	—	—	116,167	116,167	—	116,167
BALANCE, MARCH 31, 2024	$ 625,010	$ 11,202	$ 478,424	$ 659,182	$ 1,773,818	$ —	$ 1,773,818

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

PLANET TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in thousands of New Taiwan Dollars)

Items	For the Three Months Ended March 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	$ 142,767	$ 138,240
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	7,732	6,111
Amortization expense	258	319
Net gain on financial assets at fair value through profit or loss	(33)	(29)
Interest income	(4,800)	(4,257)
Interest expense	733	61
Gain on disposal of property, plant and equipment	(34)	(119)
Changes in operating assets and liabilities		
Notes receivable	10	—
Accounts receivable	3,972	954
Other receivables	696	235
Inventories	4,224	(10,650)
Prepayments	(2,183)	(3,650)
Other current assets	22	12
Contract liabilities	4,362	(6,640)
Notes payable	(9,752)	(14,139)
Accounts payable	1,305	13,945
Other payables	(4,961)	(9,611)
Receipts in advance	50	38
Other current liabilities	(780)	(882)
Net defined benefit liabilities	—	(46)
Cash inflow generated from operations	143,588	109,892
Interest paid	(733)	(61)
Income taxes paid	—	(3)
Net cash flows from operating activities	142,855	109,828
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(50,000)	—
Acquisition of property, plant and equipment	(3,657)	(2,850)
Acquisition of Intangible Assets	(91)	(58)
Proceeds from disposal of property, plant and equipment	34	120
Increase in guarantee deposits paid	(10)	—
Increase in prepayments for business facilities	—	(301)
Interest received	4,681	4,156
Net cash flows (used in) from investing activities	(49,043)	1,067
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(5,604)	(4,799)
Net cash used in financing activities	(5,604)	(4,799)
NET INCREASE IN CASH AND CASH EQUIVALENTS	88,208	106,096
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,625,945	1,567,809
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 1,714,153	$ 1,673,905

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

PLANET TECHNOLOGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Amounts in thousands of New Taiwan dollars, unless specified otherwise)

1. GENERAL

Planet Technology Corporation (collectively as "the Company") was established in January 1993 in accordance with the Company Act and other relevant laws and regulations. The Company is mainly engaged in the business of import and export of computers and peripheral equipment, internet equipment and software, as well as research and development, manufacturing and trading. The Company's shares were publicly issued since July 2001 under the approval of the Securities and Futures Bureau of the Financial Supervisory Commission. Besides, the company's shares were approved over-the-counter by the Securities and Futures Bureau of Financial Supervisory Commission on June 13, 2003 and shares were listed as a general stock on the Taipei Exchange on September 17, 2003.

The consolidated financial statements were included Planet Technology Corporation and its subsidiaries (collectively as "the Group").

The consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollars.

2. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors and authorized for issued on May 8, 2024.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission ("FSC")

The IFRSs of new standards, interpretations and amendments endorsed by FSC effective from 2024 are as follow:

New, Revised or Amended Standards, and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 16 "Leases Liability in a Sale and leaseback"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024

The Group believes that the adoption of the above IFRSs won't have any material impact on its consolidated financial statements.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

The IFRSs of new standards, interpretations and amendments endorsed by FSC effective from 2025 are as follow: None.

(3) The IFRSs issued by IASB but not yet endorsed by FSC

As of the date the following IFRSs that have been issued by the IASB, but not yet endorsed by the FSC:

New, Revised or Amended Standards, and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027

The Group is evaluating the impact of its initial adoption of the abovementioned standards and interpretations on its consolidated financial position and consolidated financial performance. The related impact will be disclosed when the Group completes the evaluation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. The consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements prepared under the IFRSs endorsed.

(2) Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for the financial instruments at fair value through profit or loss and defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

(3) Basis of Consolidation

A. The basis of preparation and the basis for the consolidated financial statements:

The basis of preparation and the basis for the consolidated financial statements applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2023.

Inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

B. The Subsidiaries in the consolidated financial statements:

Name of Investor	Name of Investee	Main Businesses and Products	Establishment and Operating Location
Planet Technology Corporation.	PLANET INTERNATIONAL INC.	International trade business	Samoa

Name of Investee	Percentage of Ownership		
	March 31, 2024	December 31, 2023	March 31, 2023
PLANET INTERNATIONAL INC.	100%	100%	100%

The data of the subsidiaries included in the consolidated financial statements in the above table are prepared based on the financial statements reviewed by the certified public accountant during the same period.

C. Subsidiaries excluded from consolidated financial statement: None.

(4) Other Significant Accounting Policies

Except for the following, the summary of significant accounting policies, please refer to the consolidated financial statements for the year ended December 31, 2023.

A. Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations and for significant plan amendments, settlements, or other significant one-off events for current period.

B. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. The interim period income taxes expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

C. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent considerate on recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments at FVTOCI are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimation uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2023.

6. CASH AND CASH EQUIVALENTS

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand	$ 159	$ 170	$ 133
Cash in bank	1,713,994	1,625,775	1,673,772
Total	$ 1,714,153	$ 1,625,945	$ 1,673,905

7. CURRENT FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2024	December 31, 2023	March 31, 2023
Non-derivative financial assets-Funds	$ 10,968	$ 10,935	$ 10,840

8. NOTES AND ACCOUNTS RECEIVABLE- NET

	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable	$ —	$ 10	$ —
Accounts receivable	109,371	113,343	108,544
Loss allowance	(108)	(108)	(108)
Net	$ 109,263	$ 113,235	$ 108,436

(1) In principle, the payment term granted to customers is due 30 days from the invoice date, and some customers have a monthly settlement for a period of 45 to 60 days.

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

The Group has applied the simplified approach to provisions for expected credit losses prescribed by IFRS 9, which permits the use of a lifetime expected credit losses provision for all accounts receivable. The evaluation of the lifetime expected credit loss is made by considering past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions. GDP forecasts and the outlook of the industry are also considered.

(2) Aging analysis of notes and accounts receivable

	March 31, 2024	December 31, 2023	March 31, 2023
Neither past due nor impaired	$ 109,263	$ 109,209	$ 108,432
Past due but not impaired			
within 30 days	—	4,036	4
31 to 180 days	—	—	—
over 181 days	—	—	—
Subtotal	—	4,036	4
Total	$ 109,263	$ 113,245	$ 108,436

(3) Movements of the loss allowance for notes and accounts receivable were as follows:

	For the Three Months Ended March 31	
	2024	2023
Balance on January 1	$ 108	$ 108
Provision	—	—
Amount written off	—	—
Balance on March 31	$ 108	$ 108

The Group's recognized impairment loss of the receivables is judged on a group basis, and there is no individual judgment on the impairment loss of any individual receivable.

9. INVENTORIES

	March 31, 2024	December 31, 2023	March 31, 2023
Raw materials	$ 66,717	$ 59,896	$ 73,037
Work in process	64,213	51,024	67,925
Finished goods	143,012	167,246	119,945
Total	$ 273,942	$ 278,166	$ 260,907

(1)The allowance for inventory devaluation losses (including idle products) was $4,179 thousand, $4,179 thousand and $3,679 thousand as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

(2) The cost of inventories recognized as cost of sales for the three months ended March 31, 2024 and 2023 were as follows:

	For the Three Months Ended March 31	
	2024	2023
The cost of goods sold	$ 231,536	$ 248,727
Gain on physical inventory	—	—
Operating costs	$ 231,536	$ 248,727

10. NON-CURRENT FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2024
Equity instrument	
Unlisted (counter) stocks	50,000
Less: adjustment of financial assets for transaction	—
Total	$ 50,000

The Group invests in the bonds and stocks according to the medium and long-term strategic purpose, and expects to make profits through long-term investment. Accordingly, the management elected to designate these investments in equity instruments as at financial assets at fair value through other comprehensive income.

11. PROPERTY, PLANT AND EQUIPMENT

Item	For the Three Months Ended March 31, 2024 Balance, Beginning of year	Additions	Disposals	Balance, End of year
Cost				
Machinery and equipment	$ 25,558	$ 33	$ –	$ 25,591
Furniture and fixtures	9,746	461	(51)	10,156
Other facilities	21,935	1,012	(56)	22,891
Subtotal	57,239	1,506	(107)	58,638
Accumulated depreciation and impairment				
Machinery and equipment	19,756	454	–	20,210
Furniture and fixtures	5,876	300	(51)	6,125
Other facilities	15,313	882	(56)	16,139
Subtotal	$ 40,945	$ 1,636	$ (107)	$ 42,474
Net	$ 16,294			$ 16,164

Item	For the Three Months Ended March 31, 2023 Balance, Beginning of year	Additions	Disposals	Balance, End of year
Cost				
Machinery and equipment	$ 22,104	$ 2,086	$ (2)	$ 24,188
Furniture and fixtures	7,300	2,111	(35)	9,376
Other facilities	17,521	626	(126)	18,021
Subtotal	46,925	4,823	(163)	51,585
Accumulated depreciation and impairment				
Machinery and equipment	18,159	408	(2)	18,565
Furniture and fixtures	4,984	220	(35)	5,169
Other facilities	13,527	774	(125)	14,176
Subtotal	$ 36,670	$ 1,402	$ (162)	$ 37,910
Net	$ 10,255			$ 13,675

12. Lease Agreement

(1) Right-of-use assets

Item	For the three months ended March 31, 2024 Balance, Beginning of year	Additions	Disposals	Balance, End of year
Cost				
Buildings	$ 136,990	$ —	$ —	$ 136,990
Transportation equipment	4,929	—	—	4,929
Subtotal	141,919	—	—	141,919
Accumulated depreciation and impairment				
Buildings	6,218	5,686	—	11,904
Transportation equipment	2,328	410	—	2,738
Subtotal	$ 8,546	$ 6,096	$ —	$ 14,642
Net	$ 133,373			$ 127,277

Item	For the three months ended March 31, 2023 Balance, Beginning of year	Additions	Disposals	Balance, End of year
Cost				
Buildings	$ 67,820	$ —	$ —	$ 67,820
Transportation equipment	4,929	—	—	4,929
Subtotal	72,749	—	—	72,749
Accumulated depreciation and impairment				
Buildings	54,925	4,299	—	59,224
Transportation equipment	685	410	—	1,095
Subtotal	$ 55,610	$ 4,709	$ —	$ 60,319
Net	$ 17,139			$ 12,430

(2) Lease liabilities

	March 31, 2024	March 31, 2023
Current	$ 23,059	$ 9,978
Non-current	$ 105,722	$ 2,229

Discount rate for lease liabilities was 2.1%~2.25% and 1.61%~2.1% in 2024 and 2023, respectively.

(3) Material lease-in activities and terms

The Group leases buildings and transportations equipment for the use of offices and business, the leasing period is from 2023 to 2029 and from 2022 to 2025. The Group does not have bargain purchase options to acquire the buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

(4) Other lease information

	For the three months ended March 31,2024	For the three months ended March 31,2023
Expenses relating to short-term leases	$ 2	$ 2
Expenses relating to low-value asset leases	$ 29	$ 29
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ —	$ —
Total cash outflow for leases	$ (5,635)	$ (4,830)

(A) The Group applies the recognition exemption to leases of safe deposit boxes qualifying as short-term leases and certain photocopier qualifying as low-value asset leases and does not recognize right-of-use assets and lease liabilities for these leases.

(B) The amount of lease commitments for short-term leases and low-value asset leases which the recognition exemption are applied as of March 31, 2024 and 2023 is $77 thousand and $86 thousand, respectively.

13. INTANGIBLE ASSETS

	For the Three Months Ended March 31, 2024			
Item	Balance, Beginning of year	Additions	Disposals	Balance, End of year
Cost				
Trademarks	$ 679	$ —	$ —	$ 679
Patents	2,041	56	—	2,097
Computer software	12,495	35	—	12,530
Subtotal	15,215	91	—	15,306
Accumulated amortization and impairment				
Trademarks	151	19	—	170
Patents	1,140	68	—	1,208
Computer software	11,616	171	—	11,787
Subtotal	12,907	$ 258	$ —	13,165
Net	$ 2,308			$ 2,141

Item	For the Three Months Ended March 31, 2023			
	Balance, Beginning of year	Additions	Disposals	Balance, End of year
Cost				
Trademarks	$ 679	$ —	$ —	$ 679
Patents	1,734	22	—	1,756
Computer software	11,494	36	(33)	11,497
Subtotal	13,907	58	(33)	13,932
Accumulated amortization and impairment				
Trademarks	76	19	—	95
Patents	904	58	—	962
Computer software	10,600	242	(33)	10,809
Subtotal	11,580	$ 319	$ (33)	11,866
Net	$ 2,327			$ 2,066

14. NOTES PAYABLE AND ACCOUNTS PAYABLE

	March 31, 2024	December 31, 2023	March 31, 2023
Notes payable	$ 50,554	$ 60,306	$ 57,228
Accounts payable	94,811	93,506	120,786
Total	$ 145,365	$ 153,812	$ 178,014
Current	$ 145,365	$ 153,812	$ 178,014

(1) The average credit purchase period of payables is 30 to 60 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

(2) For the disclosure of the Group's payables exposing currency and liquidity risks and other payables, please refer to Note 26.

15. OTHER PAYABLES

	March 31, 2024	December 31, 2023	March 31, 2023
Salary and wages payable	$ 13,281	$ 29,000	$ 4,350
Employee Bonus payable	49,273	40,013	43,785
Compensation due to directors	12,318	10,003	10,946
Advertising payable	1,123	3,924	604
Export fee payable	1,844	2,142	3,124
Other accrued expenses	11,605	11,474	11,621
Payable for annual leave	2,439	2,439	2,439
Total	$ 91,883	$ 98,995	$ 76,869
Current	$ 91,883	$ 98,995	$ 76,869

16. RETIRED BENEFIT PLANS

(1) Defined contribution plans

The plan under the R.O.C. Labor Pension Act ("the Act") is deemed a defined contribution plan. Pursuant to the Act, the Company makes monthly contributions equal to 6% of each employee's monthly salary to employees' pension accounts. Accordingly, the Company recognized expenses of $1,656 thousand and $1,466 thousand in the consolidated statements of comprehensive income for the three months ended March 31, 2024 and 2023, respectively.

(2) Defined benefit plans

The Company has a defined benefit plan under the Labor Standards Law, which provides benefits based on an employee's length of service and average monthly salaries of the last six months prior to retirement. The Company contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee.

Relevant pension costs for defined benefit plans which were determined by the pension cost rates of actuarial valuation as of December 31, 2023 and 2022 were as follows：

	For the Three Months Ended March 31	
	2024	2023
Operating costs	$ 18	$ 18
Selling expenses	20	20
Administrative expenses	15	15
Research and development expenses	39	39
Total	$ 92	$ 92

17. EQUITY

(1) Capital stock

	March 31, 2024	December 31, 2023	March 31, 2023
Shares authorized	$ 1,000,000	$ 1,000,000	$ 1,000,000
Shares issued	$ 625,010	$ 625,010	$ 625,010

(A) A holder of issued common shares with par value of NT$10 per share is entitled to vote and to receive dividends.

(B) The company issued Employee Stock Warrants with the approval of the competent authority on August 25, 2023.

(2) Capital surplus

	March 31, 2024	December 31, 2023	March 31, 2023
Additional paid-in capital	$ 11,022	$ 11,022	$ 11,022
Other	180	180	180
Total	$ 11,202	$ 11,202	$ 11,202

Under the relevant laws, the capital surplus can only be used to offset a deficit. However, the capital surplus from donations and the excess of the issuance price over par value of capital stock (including the stock issued for new capital, mergers, convertible bonds and treasury stock transactions) may be capitalized or shall be distributed by cash, on a certain percentage of the Company's paid-in capital every year. Also, the capital surplus from long-term investments, employee share options and share options may not be used for any purpose.

(3) Retained earnings and dividend policy

(A) Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve, unless the accumulated amount of the legal reserve has reached the total issued capital of the Company. The remaining balance is to be set aside or reverse or rotation as special reserve if necessary. According to the dividend policy, bonus distributed shall be proposed by the Board of Directors and resolved by the stockholders' meeting. In accordance with the provisions of Article 240, Item 5 of the Company Act, the company may explicitly stipulate to authorize the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

(B) The Company adopts the residual dividend policy in order to meet the growth characteristics of the industry and the capital needs of the Company's long-term financial planning and operation expansion. That is, the surplus earnings distribution is handled according to Article 20 of the Articles of Association. The shareholder dividends are based on the principle of balanced distribution between stock and cash dividends. The board of directors proposes to set aside from the distributable surplus the dividends to be distributed, with the amount of the distribution no less than 30% of the distributable surplus in the current year, and distributed according to the Company's Articles of Incorporation. Stock dividends have the priority in order to retain the required funds, and the remaining surplus is to be distributed in the form of cash dividends; however, the proportion of cash dividends shall not be less than 10% of the total dividends. In accordance with Article 241 of the Company Act, Company distributes its legal reserve and the following capital reserve, in whole or in part, by issuing new shares which shall be distributable as dividend shares to its original shareholders in proportion to the number of shares being held by each of them or by cash, after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

(C) According to the Company Act, the appropriation for legal reserve shall be made until the reserve equals the Company's paid-in capital. The reserve may be used to offset a deficit, or be distributed as dividends in cash or stocks for the portion in excess of 25% of the paid-in capital if the Company incurs no loss.

(D) Pursuant to existing regulations, The Company is required to set aside additional special reserve equivalent to the net debit balance of the other components of shareholders' equity items (including exchange differences on translating foreign operations, unrealized gain or loss on available-for-sale financial assets, and the gain or loss on the hedging instrument relating to the effective portion of a cash flow hedge, but excluding treasury stock). For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed.

(E) The appropriations of 2023 and 2022 earnings have been approved by the Company's Board of Directors in its meeting held on April 2, 2024 and by the Company's shareholders in its meeting held on May 24, 2023, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends per Share(NT$)	
	2023	2022	2023	2022
Legal reserve	$ 50,661	$ 43,974		
Cash dividends	462,507	400,006	7.4	6.4
Total	$ 513,168	$ 443,980		

The appropriations of earnings for 2023 are expected to be presented for approval in the shareholders' meeting which will be held on May 24, 2024.

18. OPERATING REVENUE

	For the Three Months Ended March 31	
	2024	2023
Net revenue from sales of goods	$ 425,862	$ 435,767

(1) Breakdown of revenue from contracts with customers

	For the Three Months Ended March 31	
	2024	2023
Europe	$ 213,871	$ 208,840
America	81,102	97,813
Asia	81,413	75,131
Others	49,476	53,983
Total	$ 425,862	$ 435,767

(2) Contract liabilities

	March 31, 2024	March 31, 2023
Contract liabilities-advance sales receipts	$ 41,558	$ 47,008

For the three months ended March 31, 2024 and 2023, the company recognized $22,172 thousand and $37,394 thousand in revenue from the beginning balance of contract liability, respectively.

19. INTEREST INCOME

	For the Three Months Ended March 31	
	2024	2023
Interest income from bank deposits	$ 4,800	$ 4,257

20. OTHER INCOME

	For the Three Months Ended March 31	
	2024	2023
Rent income	$ 29	$ 22
Other income, others	2,479	3,127
Total	$ 2,508	$ 3,149

21. OTHER GAINS AND LOSSES

	For the Three Months Ended March 31	
	2024	2023
Gains on disposal of property, plant and equipment	$ 34	$ 119
Gains on financial assets at fair value through profit or losses	33	29
Foreign exchange gains	3,349	1,526
Total	$ 3,416	$ 1,674

22. INCOME TAX

(1) Income tax recognized in profit or loss

A. Income tax expense consisted of the following:

	For the Three Months Ended March 31	
	2024	2023
Tax expenses	$ 28,553	$ 27,648
Net change in deferred income tax	164	(365)
Investment tax credits	(2,117)	(2,006)
Income tax expense recognized in profit or loss	$ 26,600	$ 25,277

B. Income tax expense consisted of the following:

	For the Three Months Ended March 31	
	2024	2023
Tax expenses	$ 26,600	$ 25,277
Adjustments for prior year's income tax	–	–
Income tax expense recognized in profit or loss	$ 26,600	$ 25,277

(2) Income tax expense (benefit) recognized in other comprehensive income: None.

(3) Unappropriated retained earnings:

	March 31, 2024	December 31,2023	March 31, 2023
1998 to 2009	$ 32,002	$ 32,002	$ 32,002
after 2010	627,180	511,013	561,345
Total	$ 659,182	$ 543,015	$ 593,347

(4) Income tax assessments

The Company's income tax returns through 2021 have been assessed by the tax authorities.

23. EARNINGS PER SHARE

	For the Three Months Ended March 31	
	2024	2023
Basic EPS(NT$)	$ 1.86	$ 1.81
Diluted EPS(NT$)	$ 1.85	$ 1.80

EPS is computed as follows:

(1) Basic earnings per share

Used to calculate the basic earnings per share and the weighted average number of ordinary shares as follow:

	For the Three Months Ended March 31	
	2024	2023
Profit attributable to ordinary shareholders of the parent (in thousand)	$ 116,167	$ 112,963
Weighted average number of ordinary shares outstanding (in thousand shares)	62,501	62,501
Basic EPS(NT$)	$ 1.86	$ 1.81

(2) Diluted earnings per share

Used to calculate the diluted earnings per share and the weighted average number of ordinary shares as follow:

	For the Three Months Ended March 31	
	2024	2023
Profit attributable to ordinary shareholders of the parent (in thousand)	$ 116,167	$ 112,963
Weighted average number of ordinary shares outstanding (in thousand shares)	62,501	62,501
Effect of potentially dilutive ordinary shares- Employees' remuneration (in thousand shares)	218	313
Weighted average number of dilutive ordinary shares outstanding (in thousand shares)	62,719	62,814
Diluted EPS(NT$)	$ 1.85	$ 1.80

Due to the employee remuneration may be paid in the form of company shares, it is assumed that the employee's remuneration will be issued by means of shares when calculating the earnings per share. When the potential ordinary shares have a dilution effect, they are included in the weighted average number of outstanding shares to calculate the diluted earnings per share. When the shareholders' meeting decides the number of shares in the employee's remuneration for the previous year by calculating the basic earnings per share, the number of shares will be included in the weighted average number of outstanding shares in the resolution of the shareholder's meeting. Moreover, since the capital increase from employee remuneration is no longer a free share allotment, no retroactive adjustment is required for the calculation of the basic and diluted earnings per share.

24. ADDITIONAL INFORMATION OF EXPENSES BY NATURE

The followings were the summary statement of employee benefits, depreciation and amortization expenses by function for the three months ended March 31, 2024 and 2023:

	For the Three Months Ended March 31, 2024			For the Three Months Ended March 31, 2023		
	Classified as operating cost	Classified as operating expenses	Total	Classified as operating cost	Classified as operating expenses	Total
Employee benefits	$ 9,220	$ 41,615	$ 50,835	$ 8,972	$ 39,044	$ 48,016
Payroll expense	7,644	35,963	43,607	7,558	34,219	41,777
Insurance expense	808	2,866	3,674	756	2,571	3,327
Pension	336	1,412	1,748	314	1,244	1,558
Others	432	1,374	1,806	344	1,010	1,354
Depreciation	2,169	5,563	7,732	1,471	4,640	6,111
Amortization	—	258	258	—	319	319

According to the Articles of Incorporation of the Company, a ratio of profit of the current year distributable after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 5% for employees' compensation and shall not be higher than 2% for directors' remuneration.

The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period. 6% is applied to employees' compensation, and 1.5% is applied to director's remuneration that were expensed under operating costs or operating expenses during the three months ended March 31, 2024 and 2023.

The estimated amounts are as follows:

	For the Three Months Ended March 31			
	2024		2023	
Employees’ compensation	$	9,260	$	8,965
Remuneration to directors		2,315		2,241

If there is a change in the proposed amounts after the annual parent company only financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate. If the board of directors decides to pay the employee remuneration in the form of company shares, the number of dividend shares is determined by dividing the amount of the dividend by the fair value of the share. The fair value of the share is based on the closing price of the day before the resolution date of the shareholders' meeting, with the ex-dividend impact considered.

The 2023 and 2022 employees’ compensation and director's remuneration were respectively resolved in the board meeting on February 29, 2024 and February 23, 2023 as follows.

	For the Year Ended December 31			
	2023		2022	
Employees’ compensation	$	40,013	$	34,820
Remuneration to directors		10,003		8,705

There is no difference between the 2023 and 2022 employees’ compensation and director's remuneration and the Company’s 2023 and 2022 recognized fee estimates.

The information about appropriations of the Company’s employees’ compensation and remuneration to directors is available on the Market Observation Post System website.

25. CAPITAL MANAGEMENT

The Group plans its working capital required for the future in accordance with the characteristics currently existing in its industry and its future development status while it also considers the changes in the external environment, so as to ensure its sustainable operations. In so doing, the Group will be able to concurrently protect the interests of its shareholders and other related parties, maintain the optimal capital structure, and elevate the stockholder value. As a whole, the Group adopts a prudent risk management strategy. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, issue new shares or return capital to shareholders.

26. FINANCIAL INSTRUMENTS

(1) Categories of financial instruments

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets			
Financial assets at fair value through profit or loss	$ 10,968	$ 10,935	$ 10,840
Financial assets at fair value through other comprehensive income	50,000	—	—
Amortized cost			
Cash and cash equivalents	1,714,153	1,625,945	1,673,905
Notes and accounts receivable	109,263	113,245	108,436
Other receivables	7,771	8,348	9,356
Guarantee deposits paid	7,197	7,187	6,308
Total	$ 1,899,352	$ 1,765,660	$ 1,808,845
Financial liabilities			
Amortized cost			
Notes and accounts payable	$ 145,365	$ 153,812	$ 178,014
Other payables	91,883	98,995	76,869
Lease liabilities	128,781	134,385	12,207
Total	$ 366,029	$ 387,192	$ 267,090

(2) Fair value of financial instruments

A. Fair value of financial instruments that are not measured at fair value

Among the financial assets and financial liabilities that are not measured at fair value, the management of the Group considers that there is no significant difference between the carrying amounts and the fair values.

B. Fair value as recognized in the balance sheet

According to IFRS 13, the Group's fair values of the assets or liabilities are estimated based on the fair values assessed by major market participants. Considering the fair value assumptions of market participants, the observable fair value measurements can be divided into the following three levels:

(a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

(c) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(d) For the assets and liabilities recognized in the financial statements on a repetitive basis, the classification is re-evaluated at the end of each reporting period to determine whether there is a transfer between the levels of the fair value hierarchy.

(e) The Group has no financial assets or liabilities that are measured at fair value on a non-repetitive basis. The financial assets and liabilities measured at fair value on a repetitive basis are presented below:

	March 31,2024			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Funds	$ 10,968	$ —	$ —	$ 10,968
Financial assets at fair value through other comprehensive income				
Stock not classified to listed	$ —	$ —	$ 50,000	$ 50,000
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	$ —	$ —	$ —	$ —

	December 31,2023			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Funds	$ 10,935	$ —	$ —	$ 10,935
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	$ —	$ —	$ —	$ —

	March 31,2023			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Funds	$ 10,840	$ —	$ —	$ 10,840
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	$ —	$ —	$ —	$ —

For the three months ended March 31, 2024 and 2023, there was no transfer between Level 1 and Level 2.

C. Valuation techniques and assumptions used in fair value measurement

The fair values of financial assets and financial liabilities are determined as follows:

Monetary funds are closed-end funds with standard terms and conditions; investors may request the fund management companies for redemption at any time, and the fair values are based on the net values of the funds.

D. Financial assets and liabilities which are not measured at fair value, but the fair values need to be disclosed: None.

(3) Financial risk management objectives

The Group's objectives of financial risk management are to manage its exposure to currency risk, interest rate risk, credit risk and liquidity risk related to the operating activities. To reduce the related financial risks, the Group engages in identifying, assessing and avoiding the market uncertainties with the objective to reduce the potentially adverse effects on its financial performance by the market change.

The Group's major financial activities are reviewed by the board of directors in accordance with the related regulations and internal control system. During the financial plan execution period, the Group must comply with the financial operation procedures that provide guiding principles for overall financial risk management and segregation of duties.

(4) Market risk

The Group is exposed to the market risks arising from changes in foreign currency rates and interest rates, and not utilizes derivative financial instruments to reduce the related risks.

A. Foreign currency risk

The Group's operating activities and investment in foreign are mainly denominated in foreign currencies and exposed to foreign currency risk. The Group did not engage in any hedging.

The Group's sensitivity analysis to foreign currency risk mainly focuses on the net foreign currency assets and liabilities monetary items at the end of the reporting period. The significant financial assets and liabilities denominated in foreign currencies were as follows:

	March 31, 2024			
	Foreign currencies	Exchange Rate	Book Value (NTD)	Sensitivity analysis (Variance 1%) Effect on profit or loss
Financial assets				
Monetary items				
USD	$ 3,791	32.00	$ 119,515	$ 1,195
EUR	386	34.46	13,297	133
Non-monetary items	—	—	—	—
Financial liabilities				
Monetary items				
USD	1,604	32.00	50,522	505
Non-monetary items	—	—	—	—

	December 31, 2023			
	Foreign currencies	Exchange Rate	Book Value (NTD)	Sensitivity analysis (Variance 1%) Effect on profit or loss
Financial assets				
Monetary items				
USD	$ 4,922	30.705	$ 154,294	$ 1,543
EUR	230	33.98	7,807	78
Non-monetary items				
Financial liabilities				
Monetary items				
USD	1,930	30.705	61,380	614
Non-monetary items	—	—	—	—

	March 31, 2023						
	Foreign currencies		Exchange Rate	Book Value (NTD)		Sensitivity analysis (Variance 1%) Effect on profit or loss	
Financial assets							
Monetary items							
USD	$	4,520	30.45	$	137,709	$	1,377
EUR		245	33.15		8,109		81
Non-monetary items		—	—		—		—
Financial liabilities							
Monetary items							
USD		2,255	30.45		68,663		687
Non-monetary items		—	—		—		—

B. Interest rate risk

Interest rate risk refers the risk caused by the change in the fair value of financial instruments as a result of change of the market interest rate. The interest rate risk of the Group is mainly from the floating-rate time deposit investment. As the current market interest rate is already low, it is expected that there is no significant interest rate risk, and therefore the Group is not engaged in any hedging.

Regarding the sensitivity analysis of the interest rate risk, the calculation is made according to the amount of changes in fair value of fixed income investment at the end of the report period, If the interest rate increased or decreased by 0.25%, the Group's profit or loss for the three months ended March 31, 2024 and 2023 would increase or decrease $1,054 thousand and $1,025 thousand respectively.

C. Other price risk

The Group is exposed to equity instrument price risk arising from financial assets at fair value through profit or loss, mandatorily measured at fair value. Except for investments made through venture capital funds, all other major equity investments are to be approved by the board of directors of the Group in advance.

The sensitivity analysis for the equity instruments is based on the change in fair value as of the reporting date. Assuming a hypothetical increase or decrease of 5% in prices of the equity instrument at the end of the reporting period for the three months ended March 31, 2024 and 2023, the income would have increased /decreased by $3,048 thousand and $542 thousand, respectively.

(5) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from operating activities, primarily accounts receivable, and from financing activities of fixed-income deposits investments. Credit risk is managed separately for business related and financial related exposures.

A. Business related credit risk

In order to maintain quality of accounts receivable, the Group has set up operation related credit risk management procedure.

The individual customer risk assessment covers the factors of an individual customer's financial status and credit rating agency's ratings, the Group's internal credit ratings and historical transaction records and current economic status, etc. which may affect customer's solvency capacity. In addition, the Group will also use some credit enhancement instruments, such as advance sales receipts and accounts receivable insurance, etc, at an appropriate time to reduce the credit risk of some specific customers. The management of the Group has delegated a person responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up actions is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts.

As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group's top ten customers accounted for 46.04%, 27.52% and 41.76% of accounts receivable, respectively. The Group believes the concentration of credit risk is insignificant for the remaining accounts receivable.

B. Financial credit risk

The credit risk of bank deposits, fixed income investments and other financial instruments is measured and monitored by the Group's financial department. The Group's transaction counterparts and contract performance parties are the financial institutions with good credit, and the Group has diversified its risk by dealing with multiple financial institutions, so there shall be no significant credit risk caused by too much concentration on some financial institutions and no significant doubt about contract performance. As such, the Group shall have no material credit risk.

(6) Liquidity risk management

The Group's goal in managing liquidity risk is to control capital expenditures and working capital.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	March 31, 2024			
	Less Than 1 year	1-5 year	Over 5 year	Total
Non-derivative financial liabilities				
Notes and accounts payable	$ 145,359	$ —	$ 6	$ 145,365
Other payables	91,883	—	—	91,883
Lease liabilities	25,671	98,745	12,290	136,706
Subtotal	262,913	98,745	12,296	373,954
Derivative financial liabilities	—	—	—	—
Total	$ 262,913	$ 98,745	$ 12,296	$ 373,954

	December 31, 2023			
	Less Than 1 year	1-5 year	Over 5 year	Total
Non-derivative financial liabilities				
Notes and accounts payable	$ 153,806	$ —	$ 6	$ 153,812
Other payables	98,995	—	—	98,995
Lease liabilities	25,510	99,098	18,435	143,043
Subtotal	278,311	99,098	18,441	395,850
Derivative financial liabilities	—	—	—	—
Total	$ 278,311	$ 99,098	$ 18,441	$ 395,850

	March 31, 2023			
	Less Than 1 year	1-5 year	Over 5 year	Total
Non-derivative financial liabilities				
Notes and accounts payable	$ 178,008	$ —	$ 6	$ 178,014
Other payables	76,869	—	—	76,869
Lease liabilities	10,067	2,258	—	12,325
Subtotal	264,944	2,258	6	267,208
Derivative financial liabilities	—	—	—	—
Total	$ 264,944	$ 2,258	$ 6	$ 267,208

27. RELATED PARTY TRANSACTIONS

The transaction amount and balance between the Company and its subsidiaries (the related persons of the Company) have been eliminated in the preparation of the consolidated financial statements and are not disclosed in this note.

The transaction details of the Company and other related parties are disclosed as follows:

(1)Planet Technology Corporation is the ultimate controller of the consolidated company.

(2) Compensation of key management personnel

The compensation to directors and other key management personnel compensation comprised:

	For the Three Months Ended March 31	
	2024	2023
Short-term benefits	$ 4,621	$ 4,896
Post-employment benefits	30	30
Total	$ 4,651	$ 4,926

The compensation to directors and other key management personnel were determined by the Compensation Committee of the Company in accordance with the individual performance and the standard level of the industry.

28. PLEDGED ASSETS: None.

29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS: None.

30. SIGNIFICANT DISASTER LOSS: None.

31. SUBSEQUENT EVENTS: None.

32. OTHER:

Non-cash transactions.

Investing activities with partial cash payments：

	For the Three Months Ended March 31	
	2024	2023
Purchase of property, plant and equipment	$ 1,506	$ 4,823
Add：Beginning balance of payable for equipment	2,805	199
Less：Ending balance of payable for equipment	(654)	(2,172)
Cash paid during the period	$ 3,657	$ 2,850

33. ADDITIONAL DISCLOSURES

When preparing the consolidated financial statements, the major transactions between the parent and subsidiary companies and their balances have been fully eliminated.

(1) Information on significant transactions:

(A) Financing provided to others: None;

(B) Endorsements/guarantees provided: None;

(C) Marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities): Please see Table 1 attached;

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

(E) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None;

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

(G) Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: None;

(H) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None;

(I) Information about the derivative instruments transaction: None;

(J)Other: Intercompany relationships and significant intercompany transactions: None.

(2) Information on investees:

(A) Names, locations, and related information of investee companies: Please see Table 2 attached;

(B) Significant transactions information: None.

(3) Information on investment in Mainland China: None.

(4) Information of major shareholders: list of all shareholders with ownership of 5% or greater showing the names and the number of shares and percentage of ownership held by each shareholder: Please see Table 3 attached.

TABLE 1

MARKETABLE SECURITIES HELD

Amount in Thousands of New Taiwan Dollars

Held Company Name	Marketable Securities Type	Marketable Securities Name	Relationship with the Company	Financial Statement Account	March 31, 2024				Note
					Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	
Planet Technology Corporation	Money market fund	Fuh Hwa Money Fund	—	Current financial assets at fair value through profit or loss	218,437.60	$ 3,240	—	$ 3,240	Note1
	〃	Yuanta Wan Tai Money Market Fund	—	〃	210,029.60	3,277	—	3,277	〃
	〃	Eastspring Investments Well Pool Money Market Fund	—	〃	317,883.00	4,451	—	4,451	〃
	Stock	ESSENCE TECHNOLOGY SOLUTION INC.	—	Non-current financial assets at fair value through profit or loss	42,000.00	—	1.56	—	
	Stock	JiaTech International Investment Co., Ltd.	—	Non-current financial assets at fair value through other comprehensive income	5,000,000.00	50,000	10.00	50,000	

Note1: The market price is the net value of March 31, 2024.

TABLE 2

INFORMATION ON INVESTEES

Amount in Thousands of New Taiwan Dollars, United States Dollars

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment		Balance as of March 31, 2024			Net Income (Losses) of the Investee	Shares of Profits/Losses of Investee	Notes
				March 31,2024	December 31, 2023	Shares	Percentage of ownership	Carrying value			
Planet Technology Corporation	PLANET INTERNATIONAL INC.	Samoa	International trade business	US$ 100,000	US$ 100,000	100,000	100%	$ 3,515	$ 168	$ 168	Notes

Notes：

1.The investment income (loss) is recognized based on the investee’s financial statements that were reviewed and attested by parent company’s CPA for the year ended March 31, 2024.

2. Merged for reversal when preparing the consolidated report.

TABLE 3

Information of major shareholders

Shares / Shareholders	Total Shares owned	Ownership Percentage
Puyan Investment Co., Ltd	16,856,237	26.97%
CHEN, CHING-KANG	4,211,978	6.74%

34. SEGMENT INFORMATION

(1) The Group focuses on the research, development, manufacturing and sales of network equipment and peripheral equipment, and operates in only a single industry; besides, the Group's operational decision-making system assesses performance and allocates resources as a whole, and it is identified that the Group has only a single department which needs to be reported.

Items	For the Three Months Ended March 31, 2024		
	Single Operating Department	Adjustment and Elimination	Total
Net revenue from external customers	$ 425,862	$ —	$ 425,862
Revenue from other departments within the company	—	—	—
Segment profit (Income before income tax)	142,767	—	142,767
Segment assets	2,331,167	—	2,331,167

Items	For the Three Months Ended March 31, 2023		
	Single Operating Department	Adjustment and Elimination	Total
Net revenue from external customers	$ 435,767	$ —	$ 435,767
Revenue from other departments within the company	—	—	—
Segment profit (Income before income tax)	138,240	—	138,240
Segment assets	2,112,623	—	2,112,623