



Stock Code : 6263

PLANET TECHNOLOGY CORPORATION

2021 Annual Report

Company Website: <https://planet.com.tw/tw>

Taiwan Stock Exchange Market Observation Post System:

<http://mops.twse.com.tw>

Printed on May 10, 2022

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the Shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Spokesperson

Name: Natalie Lin

Title: CFO

Tel: (02)2219-9518

E-mail: natalie@planet.com.tw

Deputy Spokesperson

Name: Shallon Wu

Title: COO

Tel: (02)2219-9518

E-mail: shallon@planet.com.tw

Headquarters, Branches and Plant

Address: B1F, 2F, 7F~11F., No. 96, Minquan Rd., Xindian Dist., New Taipei City 231, Taiwan
(R.O.C)

Tel: (02)2219-9518

Stock Transfer Agent

Yuanta Securities

Address: B1F., No. 210, Sec. 3, Chengde Rd., Datong Dist., Taipei City 103, Taiwan (R.O.C.)

Website: <http://www.yuanta.com.tw>

Tel: (02)2586-5859

Auditors

Baker Tilly Clock & Co

Auditors: Lai, Yung-Chi, Wu, Hsin-Liang

Address: 14F., No. 111, Sec. 2, Nanjing E. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)

Website: <http://www.clockcpa.com.tw>

Tel.: (02)2516-5255

Overseas Securities Exchange

None

Corporate Website

<http://www.planet.com.tw>

Table of Contents

	<u>PAGE</u>
One. Letter to Shareholders	1
I. Operating Performance in 2021	1
II. Summary of 2022 Business Plan.....	2
III. Strategies for the future development of the company	3
IV. Impact of the external competition, regulatory environment and overall business environment.	4
Two. Company Profile.....	5
I. Date of incorporation	5
II. Company history	5
Three. Corporate Governance Report	13
I. Organizational structure.....	13
II. Directors, Supervisors and Management Team.....	14
III. Remunerations paid to directors, supervisors, the CEO and vice presidents in the last year.....	26
IV. Corporate governance.....	31
V. Disclosure of auditors' remuneration.....	119
VI. Information regarding independent auditor replacement: in the recent two fiscal years and the before/after the period, there was only internal adjustment of accountant, but no accounting firm was changed.....	120
VII. Information About Chairman, CEO, and Financial or Accounting Manager of the Company Who Has Worked with the CPA Firm Which Conducts the Audit of the Company or Affiliate to Such Firm in the Most Recent One Year.....	120
VIII. Any transfer of equity interests and pledge of change in equity interests by a director, supervisor, managerial officer or shareholder with a stake of more than 10 percent in the most recent year and until to the date of publication of the annual report.....	120
IX. Relationships characterized as spouse or second-degree relatives or closer among top-ten shareholders	122
X. The number of shares held by the Company and the Company's directors, supervisors and managers, and the number of shares invested in a single company which are held by the entities directly or indirectly controlled by the Company, and calculating the consolidated shareholding percentage of the above categories	123
Four. Status of Fund Raising.....	124
I. Capital and shares	124
II. Disclosure relating to corporate bonds.....	136
III. Disclosure relating to preferential shares.....	136
IV. Disclosure relating to depository receipts.....	136
V. Disclosure relating to employee stock options.....	136
VI. Disclosure relating to restricted stock awards (RSA).....	136

VII. Disclosure relating to new shares issued for the acquisition or transfer of other company's shares	136
VIII. Implementation of fund utilization.....	136
Five. Overview of Operation	137
I. Business contents.....	137
II. Overview of market and production & marketing	147
III. Information about the employees in the recent two years and as of the printing date of the annual report	157
IV. Environmental protection expenditure information.....	157
V. Employee relations.....	159
VI. Information and Communication Security Management.....	168
VII. Important contract	170
Six. Overview of Finance Positions.....	171
I. Condensed financial information in the most recent five years.....	171
II. Condensed financial analysis in the most recent five years	176
III. Audit committee's report in the most recent year.....	179
IV. Financial statements in the most recent year.....	181
V. Parent company only financial statements in the most recent year	242
VI. In the case of any insolvency of the company and its affiliates in the most recent year and up to the publication date of the annual report, specify its effect on the company's financial status.....	314
Seven. Review, Analysis, and Assessment of Overview of Finance Status and Performance, and Risk Management	314
I. Financial position.....	314
II. Financial performance	315
III. Cash flow	315
IV. Major capital expenditure and its impact on the financial operations of the company in the most recent year	316
V. Reinvestment policy in the most recent year, the main reasons for profit or loss and the corrective action plan and investment plan for the coming year	316
VI. Risk Analyses and Assessment for the recent year and up to the printing date of the annual report	316
VII. Other important disclosures:.....	321
Eight. Special Notes.....	322
I. Information on affiliated enterprises	322
II. Consolidated financial statements of affiliates: please refer to the consolidated financial reports of the parent company and subsidiaries	325
III. Holding or disposal of the Company's shares by subsidiaries in the last final year, up till the publication date of annual report.....	325
IV. Other required supplementary explanation: the Company does not apply hedge accounting,	

and thus not applicable.....	325
Nine. Matters with Significant Influence.....	325

One. Letter to Shareholders

Dear Shareholders, Ladies and Gentlemen, K

I. Operating Performance in 2021

Facing the great challenges brought on by the COVID-19 pandemic in the global market during the past two years, PLANET proactively innovated its network and communications equipment and solutions to enhance the global competitiveness and value of its brands. Meanwhile, the company successfully adjusted its business strategies in response to the epidemic situation to ensure its normal operation and sustainable development. Thanks to the joint effort and hard work of all its employees, PLANET's consolidated revenue in 2021 reached NT\$1,427,100,000, which was a record high and 16.3% higher than the consolidated revenue in 2020. For the past year, the company's gross margin was 40% and net profit after tax was NT\$321,150,000, up 18.8% from 2020, meanwhile the after-tax earnings per share was NT\$5.14, also hitting a new record high.

PLANET has always maintained a good corporate constitution, actively promoted sustainable governance, and constantly strengthened its risk control and operations management, thus greatly enhancing the company's ESG (Environmental, Social and Governance) practices. In 2021, PLANET was ranked first among the leading enterprises for the "2021 Corporate Citizen Award", and was ranked in the top 5% of OTC-listed companies in the 7th "Corporate Governance Evaluation" by the Taiwan Stock Exchange and OTC Exchange. In the same year, PLANET was recognized as a benchmarking enterprise in the "2021 ESG Enterprise Yearbook", which greatly strengthened the brand value and sustainable competitiveness of the company.

In terms of promoting brand awareness worldwide, PLANET has actively participated in international exhibitions related to networking, communications, and more. It has since turned to online exhibitions when the COVID-19 pandemic began two years ago. PLANET would digitally display its products and solutions in every international exhibition it has signed for, thus further exposing its brand image worldwide. In the aspect of R&D and innovation, PLANET deeply understands the need for remote communication in the post COVID-19 era and the trend of smart Internet of Things and information security. In accordance with its green product development principle, in 2021, PLANET innovatively developed a number of impressive products, including carrier-grade network security switch, 5G IoT gateway, industrial network equipment certified by the heavy industry sector, smart network management controller for renewable energy power supply, Wi-Fi 6 wireless base station and so on. Combined with smart central network management platform, these technologies can improve the efficiency of network management and accelerate the connectivity of 5G network, IIoT (Industrial

Internet of Things) and AIoT (Artificial Intelligence & Internet of Things). So far, PLANET's innovative products have won the "Taiwan Excellence Award" for 19 consecutive years, and won the "2021 Computex Best Choice Award - Smart City Category Award" and the "2021 International Innovation Award" as recognition of the company's achievement in product innovation. The total R&D expenditure of the company in 2021 is NT\$79,629,000, and the main R&D achievements are summarized as follows:

(1) Industrial-grade network product line: PLANET launched a series of industrial network management switches with level of protection required by the heavy industry, which can be applied in unmanned factories and smart transportation. In addition, the industrial-grade 5G IoT gateway meets the needs for security, mobile application and controllable instant messaging required by the Internet of Things, of which the innovative design won the "2022 Taiwan Excellence Award".

(2) Information security product line: PLANET launched the integrated VPN/SD-WAN security gateway of carrier and enterprise networks, which can provide Ethernet power supply, ultra-high speed wireless networking, fiber optic networking and central management platform support, which is beneficial to the flexible construction of IoT edge computing in a wide range of applications.

(3) Renewable energy network equipment and central management system: PLANET is the first in the industry to develop the smart network management controller for renewable energy power supply, which can improve the efficiency of renewable energy network and power management. This innovation has been patented and won three innovation awards at home and abroad in 2021, namely the "Taiwan Excellence Award", the "Computex Best Choice Award - Smart City Category Award" and the "International Innovation Award".

(4) 5G and Wi-Fi communication product line: PLANET has fully upgraded its wireless network equipment to the latest standard, 802.11ax Wi-Fi 6 design. The company provides 5GHz maximum connection rate of 2400Mbps, integrates 5G communication, improves wireless transmission efficiency, and has WPA3 wireless encryption, and MESH fiber interface, which can be built at secure and high-speed network sites in large number of enterprises, restaurants and factories.

II. Summary of 2022 Business Plan

(1) Business policy

1. To realize the digital transformation of the company's brand, to enhance the professional image of its network and communication technologies, and to expand the international brand marketing
2. To focus on innovation and R&D of key technologies and products to expand

competitive advantages with differentiation.

3. To strengthen risk management and team operation efficiency, and to maintain the continuous operations of the enterprise.
4. To take active actions to mitigate climate change, to improve performance of ESG practices, and to create sustainable business value.

(2) Important production and marketing policies

1. Marketing strategy

- (1) To actively carry out brand innovation and digital promotion to enhance the professional image and market position of the company's brand.
- (2) To actively participate in professional international technology exhibitions, to strategically integrate resources of transnational distribution channels, and to enlarge the market share of the company.
- (3) To actively expand its market with large projects with the support of innovative products and technical services.
- (4) To maintain the brand and intellectual property of the company and to strengthen global brand value.

2. Production, R&D and product development strategies

- (1) To be customer demand-oriented and comply with the trend of smart network application, and to actively develop IIoT, AIoT, and all kinds of network infrastructure equipment for Internet of Vehicles and solutions.
- (2) To realize a systematic deployment of patents and differentiated R&D and design, to strengthen network security function, and to enhance the competitive advantages of the company's brand.
- (3) To carry out an overall deployment of green network and communication designs and to push forward environmentally sustainable development.
- (4) To control the supply of key components, to improve productivity efficiency and to adhere to quality improvement.

III. Strategies for the future development of the company

1. To fully understand the market demand and the application trend of AIoT, to carry out flexible brand marketing and product promotion, and to create brand value.
2. To constantly perform innovation in R&D of network and communication equipment and green energy products, to enhance competitive advantages with differentiation, and to

generate high gross profit.

3. To strategically deploy global distribution channels and to consolidate the professional image and value of the company's brand in the international market.
4. To fulfill the company's corporate social responsibility, to promote sustainable development of ESG, and to create sustainable value of the enterprise.

IV. Impact of the external competition, regulatory environment and overall business environment

Thanks to the popularization of the COVID-19 vaccination in 2021, the global economic vitality has gradually recovered. Meanwhile, with the continuous expansion of digital technologies and services such as 5G and remote smart applications, countries have continued to invest in network infrastructures. PLANET will continue to give full play to the innovative capabilities of Taiwan's technology brands and develop user-friendly, intelligently-managed and energy-efficient network and communication equipment to meet customers' needs for network infrastructure.

However, the overall global economic growth in 2022 will still be affected by the pandemic, and the development of the international market will face many risks and challenges, including unstable material supply, the sharp increase in the cost of international raw materials and goods transportation, the appreciation of the Taiwan dollar exchange rate against the US dollar, geopolitics, climate change, and the new trend of net zero carbon emissions. PLANET will adhere to the business philosophy of innovation and sustainable development by enhancing the competitive advantages of its brand, ensuring steady business operations and creating continuous growth and sustainable value.

Finally, on behalf of the board of directors and all employees, I would like to thank all the shareholders for their support and trust. All our colleagues will continue to create profit growth with our innovation capability and strength of the team. At the same time, we will continue to be committed to sustainable enterprise development and work together to realize the vision of economic, social and environmental sustainability.

I wish you every success in your work!

Jack Chen
Chairman & CEO

Two. Company Profile

I. Date of incorporation: Jan. 5, 1993

II. Company history:

Time line	Past and Recent Developments
Jan. 1993	PLANT Technology Limited was incorporated (former PLANET Technology Corporation).
1996	Launched Fast Ethernet switches.
May 1996	Re-organized as PLANET Technology Corporation.
Jan. 1997	Firstly launched dual speed network hub, and thus officially entered the era of megabyte.
Feb.1997	Certified with ISO-9002 for the first time.
May 1997	Cash capitalized for Fifteen Million New Taiwan Dollars, and the paid-in capital was increased to Twenty Million New Taiwan Dollars.
Sep.1999	Launched Gigabit Ethernet products.
2000	Successfully launched broadband communication network products.
Dec.2000	Cash capitalized for Ninety Million New Taiwan Dollars, and the paid-in capital was increased to One Hundred and Ten Million New Taiwan Dollars.
Jan. 2001	Certified with ISO-9002 for the second time.
May 2001	Capitalization of retained earnings for Thirty Three Million and Four Hundred Thousand New Taiwan Dollars, and the paid-in capital was increased to One Hundred and Forty-Three Million and Four Hundred Thousand New Taiwan Dollars.
Jul. 2001	Launched Voice over IP gateways, and successfully applied the voice products to the internet.
Jul. 2001	The Company's shares were approved by the Securities and Futures Commission for public listing.
Dec. 2001	The Chairman, Mr. Chen, Ching-Kang, was awarded as "The Model of Chinese Young Entrepreneur, R.O.C".
2002	Launched Layer 3 Managed Routing Switches and multi-port VDSL switches.
Jul. 2002	Capitalization of retained earnings for Seventy Three Million and Two Hundred Thousand New Taiwan Dollars, and the paid-in capital was increased to Two Hundred and Sixteen Million and Six Hundred Thousand New Taiwan Dollars.
Aug. 2002	The employee stock options were approved for issuance of 500 units by the SFC.
Dec. 2002	The Company's shares were registered as the emerging shares at the TPEX.
Feb. 2003	On Feb. 18, 2003, the Company issued 450 units of employee stock options.
Jun. 2003	On Jun. 13, 2003, the Company was approved by the MOF and SFC for TPEX listing.
Jul. 2003	Capitalization of retained earnings for Sixty Three Million and Four Hundred Thousand New Taiwan Dollars, and the paid-in capital was increased to Two Hundred and Eighty Million New Taiwan Dollars.
Sep. 2003	On Sep.17, 2003, the Company was publicly listed in Taipei Stock Exchange (TPEX) Market.
Jan. 2004	Received "2003 Taiwan Excellence Award" from TAITRA by three products: Bandwidth Manager, Powerline to Ethernet Bridge with 4-port switch, and 48-port Stackable Ethernet Switch with 2 Gigabit slots.

Time line	Past and Recent Developments
Jun. 2004	PLANET VoIP Gateway with IP Sharing awarded with “Best Choice of COMPUTEX TAIPEI 2004”.
Aug. 2004	Capitalization of retained earnings for Sixty two Million New Taiwan Dollars, and the paid-in capital was increased to Three Hundred Forty-two Million New Taiwan Dollars.
Jan. 2005	Received “2005 Taiwan Excellence Award” from TAITRA by four products: Pan/Tilt Internet Camera, IEEE 802.3af Power Over Ethernet Adapter, Internet Telephony PBX System, 24-Port Gigabit Ethernet Security Switch.
Jan. 2005	Reinvested in subsidiary Planet International Inc.
Mar. 2005	143 units of employee stock options of 2002 were traded over-the-counter.
Apr. 2005	Conversion of employee options to 143,000 common shares, and the paid-in capital was Three Hundred and Forty-three Million and Four Hundred and Thirty Thousand New Taiwan Dollars.
Aug. 2005	Capitalization of retained earnings for Sixty Seven Million and Eight Hundred and Twenty Thousand New Taiwan Dollars, and the paid-in capital was increased to Four Hundred Eleven Million Two Hundred and Fifty Thousand New Taiwan Dollars.
Dec. 2005	Won the “2005 MIS Best Choice“, sponsored by Institute for Information Industry, the 1 st place in the enterprise wireless LAN segment, and the 3 rd place in the firewall devices segment.
Jan. 2006	The new enterprise slogan “Pioneer of IP Innovation”, and product slogan “Activating IP Power” were fully applied.
Mar. 2006	38 units of employee stock options of 2002 were traded over-the-counter.
Apr. 2006	Conversion of employee options to 38,000 common shares, and the paid-in capital was Four Hundred Eleven Million Two Hundred and Six Hundred Thirty Thousand New Taiwan Dollars.
Aug. 2006	Capitalization of retained earnings for Sixty Million and Twenty Thousand New Taiwan Dollars, and the paid-in capital was increased to Four Hundred Seventy-One Million Sixty Hundred and Fifty Thousand New Taiwan Dollars.
Aug. 2006	The outdoor wireless Mesh AP, and Internet Telephony PBX System won the “2006 Taiwan Excellence Award”.
Aug. 2006	Received the Certificate of conformity the communication facility from Russia.
Oct. 2006	Recognized “Asia’s 200 Best under a Billion” by Forbes Asia.
Feb. 2007	Certified with ISO 9001: 2000 for the second time.
Mar. 2007	Awarded by CommonWealth Magazine with the “2007 Taiwan’s Excellence in Corporate Social Responsibility Award”.
Apr. 2007	28 units of employee stock options of 2002 were traded over-the-counter.
May 2007	Conversion of employee options to 28,000 common shares, and the paid-in capital was Four Hundred Seventy-One Million Nine Hundred and Thirty Thousand New Taiwan Dollars.
Jun. 2007	SIP IP Phone with PSTN Connectivity, and VDSL2 Router were awarded with the “2007 Taiwan Excellence Award”
Aug. 2007	Capitalization of retained earnings for Forty-four Million and Four Hundred and Seventy Thousand New Taiwan Dollars, and the paid-in capital was increased to Five Hundred and Sixteen Million Four Hundred Thousand New Taiwan Dollars.
Oct. 2007	Received “Certification for Networking Products” from Belarus.
Dec. 2007	36 units of employee stock options of 2002 were traded over-the-counter.

Time line	Past and Recent Developments
Jan. 2008	<ul style="list-style-type: none"> ▪ Conversion of employee options to 36,000 common shares, and the paid-in capital was Five Hundred Sixteen Million Seven Hundred and Sixty Thousand New Taiwan Dollars. ▪ Brand new official website of PLANET was onboard. ▪ PoE/802.11g CMOS P/T IR Internet Camera was awarded with the “2008 Taiwan Excellence Award”.
Mar. 2008	Awarded again by Common Wealth Magazine with the “2008 Taiwan’s Excellence in Corporate Social Responsibility Award”.
Apr. 2008	RS-232/ RS-422/ RS-485 over Fast Ethernet Media Converter was selected as “Winner of Online Voting for Most Popular Product” by SecuTech Award 2008.
Sep. 2008	Capitalization of retained earnings for Thirty-Four Million and Five Hundred and Forth Thousand New Taiwan Dollars, and the paid-in capital was increased to Five Hundred and Fifty-One Million Three Hundred Thousand New Taiwan Dollars.
Oct. 2008	Passed the “CG6004 Corporate Governance System Evaluation Certification”, among one of the first certified TPEx listed companies.
Jan. 2009	To maintain the Company’s credit and the shareholders’ interests, treasury shares 310,000 shares were bought back.
Mar. 2009	<p>Received two corporate social responsibility (CSR) awards consecutively as recognition:</p> <p>(1) The “2009 Corporate Social Responsibility Award” by Global Views Monthly Magazine, as the Model of the TPEx listed companies.</p> <p>(2) Recognized by CommonWealth Magazine as the “2009 Taiwan’s Excellence in Corporate Social Responsibility Award” winner for the third time.</p>
Mar. 2009	Cancelled the treasury shares and thus reduce capital for Three Million and One Hundred New Taiwan Dollars, the paid-in capital became Five Hundred Forty-Eight Million and Two Hundred Thousand New Taiwan Dollars.
Sep. 2009	Capitalization of retained earnings for Sixteen Million and Four Hundred and Forty-Six Thousand New Taiwan Dollars, and the paid-in capital was increased to Five Hundred and Sixty-Four Million Six Hundred and Forty-Six Thousand New Taiwan Dollars.
Oct. 2009	Passed the ISO 9001 (renewal) and ISO 14001 (1 st time) certification without defect.
Dec. 2009	<ul style="list-style-type: none"> ▪ Passed the “CG6005 Corporate Governance System Evaluation Certification” again after review, and secured the highest scores among TPEx listed companies. ▪ Unified Office Gateway received the “2010 Taiwan Excellence Award”.
Feb. 2010	Five units of employee stock options of 2007 were traded over-the-counter.
Mar. 2010	<ul style="list-style-type: none"> ▪ Received the Fiver Star recognition of “Corporate Social Responsibility Award” by Global Views Monthly Magazine, as the 1st place of the TPEx listed companies. ▪ Conversion of employee options to 5,000 common shares, and the paid-in capital was Five Hundred Sixty-Four Million Six Hundred and Ninety-Six Thousand New Taiwan Dollars.
Apr. 2010	20 units of employee stock options of 2007 were traded over-the-counter.
Jun. 2010	Conversion of employee options to 20,000 common shares, and the paid-in capital was Five Hundred Sixty-Four Million Eight Hundred and Ninety-Six Thousand New Taiwan Dollars.
Aug.2010	Ranked 4th place of the “2010 Taiwan’s Excellence in Corporate Social Responsibility Award” under the medium-sized company (annual revenue within NT\$ 10 billion) by CommonWealth Magazine.

Time line	Past and Recent Developments
Sep. 2010	Capitalization of retained earnings for Sixteen Million and Nine Hundred and Forty-Six Thousand Eight Hundred and Eighty New Taiwan Dollars, and the paid-in capital was increased to Five Hundred and Eighty-One Million Eight Hundred and Forty-Two Thousand Eight Hundred and Eighty New Taiwan Dollars.
Oct. 2010	IP camera ICA-H312, fiber optic media converter FT-802S15, and Ethernet over VDSL2 converter VC-201A facilitated the rescue of Chilean miners to be successfully achieved.
Dec. 2010	VDSL2 IP DSLAM, and Professional PoE IP Phone with Expansion Function received the “2011 Taiwan Excellence Award“.
Apr. 2011	One of the six finalists under the “Education Promotion” category of the “Corporate Social Responsibility Award” by Global Views Monthly Magazine, and was the only TPEX listed company among all finalists.
May 2011	The IP surveillance solution won “PC3 Platinum Brand Award 2010” in Hong Kong.
Aug. 2011	Ranked 1 st place of the “2011 Taiwan’s Excellence in Corporate Social Responsibility Award” under the medium-sized company (annual revenue within NT\$ 10 billion) by CommonWealth Magazine.
Nov. 2011	The Wired Mega-Pixel Cube IP Camera (ICA-HM100) was awarded with “Editor’s Choice 2011” by PC Market Magazine in Hong Kong.
Dec. 2011	Five innovative network products received the “2012 Taiwan Excellence Award”, including IP67 Industrial M12 Fast Ethernet PoE Switch, Industrial VDSL2/PoE Ethernet Extender, PoE Solar Power System, Wireless Fisheye Panorama IP Camera, and Desktop Unified Office Gateway.
Jan. 2012	Selected as “The Top 10 Suppliers of 2011” by the largest ICT B2B e-commerce platform “Computex.biz”.
Feb. 2012	Honored the first term of “Excellent Corporate Award” under the “Social Responsibility” category by New Taipei City Government, Taiwan.
Jun. 2012	Passed the “CG6007 Corporate Governance System Evaluation Certification”.
Aug. 2012	<ul style="list-style-type: none"> ▪ Ranked 1st place of the “2012 Taiwan’s Excellence in Corporate Social Responsibility Award” under the medium-sized company (annual revenue within NT\$ 10 billion) again by CommonWealth Magazine. ▪ Received “Certification for Networking Products” from Belarus again.
Dec. 2012	Six innovative network products received the “2013 Taiwan Excellence Award”, including Industrial Solar Power PoE Switch, Industrial 802.11n 300Mbps Wireless Access Point, 8-Port Gigabit 802.3at PoE Switch, Gigabit SSL VPN Security Router, 4-Ch NVR with HDMI, and 24-Port Gigabit Fiber plus 4-Port 10G Fiber Managed Metro Ethernet Switch.
Jan. 2013	<ul style="list-style-type: none"> ▪ Ranked as the 1st place among “The Top 10 Suppliers of 2012” by the largest ICT B2B e-commerce platform “Computex.biz”. ▪ Passed the ISO 9001 and ISO 14001 certification without defect again.
Jun. 2013	Selected as “Top 10 Suppliers of 2013” in all three categories including “Most-inquired”, “Most-viewed”, and “Most Active” by the largest ICT B2B e-commerce platform “Computex.biz”.
Aug. 2013	<ul style="list-style-type: none"> ▪ Ranked 2nd place of the “Taiwan’s Excellence in Corporate Social Responsibility Award” under the medium-sized company (annual revenue within NT\$ 10 billion) by CommonWealth Magazine. ▪ Capitalization of retained earnings for Eleven Million and Six Hundred and Thirty Six Thousand Eight Hundred and Sixty New Taiwan Dollars, and the paid-in capital was increased to Five Hundred and Ninety-Three Million Four Hundred and Seventy-Nine Thousand Seven Hundred and Forty New Taiwan Dollars.

Time line	Past and Recent Developments
Oct. 2013	Conversion of employee options to 376,000 common shares, and the paid-in capital was Five Hundred Ninety-Seven Million Two Hundred and Thirty-Nine Thousand Seven Hundred and Forty New Taiwan Dollars.
Dec. 2013	Five innovative network products received the “2014 Taiwan Excellence Award”, including Layer 2/4 24-port Gigabit 802.3at PoE plus 4-port 10G SFP+ Intelligent Security Switch, Industrial 8-port Gigabit 802.3at PoE+ Managed Switch, Wireless Fisheye Cloud IP Camera, PoE over Coaxial Extenders, and HDMI/Video Wall over IP PoE Transmitter and Receiver.
Dec. 2013	Certified as “Smoke-free Workplace” by Health Promotion Administration.
Jan. 2014	Conversion of employee options to 350,000 common shares, and the paid-in capital was Six Hundred Million Seven Hundred and Thirty -Nine Thousand Seven Hundred and Forty New Taiwan Dollars.
Aug. 2014	Awarded by CommonWealth Magazine with the “Corporate Citizenship Awards”. In the eight-year history of this CSR award by CommonWealth Magazine, only twelve enterprises have won the award consecutively, among which, the Company was the only medium-sized enterprise (annual revenue within NT\$ 10 billion) listed.
Sep. 2014	Capitalization of retained earnings for Twelve Million Fourteen Thousand and Eight Hundred New Taiwan Dollars, and the paid-in capital was increased to Six Hundred and Twelve Million Seven Hundred and Fifty-Four Thousand Five Hundred and Forty New Taiwan Dollars.
Nov. 2014	Passed the ISO 9001 and ISO 14001 certification without defect.
Dec. 2014	Five innovative network products received the “2015 Taiwan Excellence Award”, including Industrial IP67 Rated Waterproof/Dustproof Gigabit Managed Switch with 4-port PoE+, Industrial 8-port Gigabit Wall-mounted Switch with 4-port 802.3at PoE+, 1200Mbps 802.11ac Dual Band Ceiling Mount Wireless Access Point, 5 Mega-pixel Wireless Fisheye IP Camera, and Industrial Internet Video Server.
Mar. 2015	Selected as “2015 Potential Taiwan Mittelstand Award” by MOEA, as well as the first enterprise won the “Taiwan Mittelstand Award for Gender Equality”.
Apr. 2015	Certified an ‘A+’ grade for information disclosure in the 2014 Information Disclosure and Transparency Ranking Evaluation in Taiwan.
May 2015	At the first term of “Corporate Governance Evaluation System” conducted by the Taiwan Stock Exchange (TWSE) and TPEx in 2014, the Company was ranked at the top 5% of all TPEx listed companies.
Aug. 2015	Ranked 3rd place of the “Taiwan’s Excellence in Corporate Social Responsibility Award” under the medium-sized company (annual revenue within NT\$ 10 billion) by CommonWealth Magazine.
Sep. 2015	Capitalization of retained earnings for Twelve Million and Two Hundred and Fifty Five Thousand One Hundred New Taiwan Dollars, and the paid-in capital was increased to Six Hundred Twenty Five Million Nine Thousand Six Hundred and Forty New Taiwan Dollars.
Nov. 2015	Passed the ISO 9001:2015 and ISO 14000:2015 certification without defect; leading the domestic enterprises.
Dec. 2015	Three innovative network products and solutions received the “2016 Taiwan Excellence Award”, including Smart Cloud Home Automation with VoIP Solution, Long Reach PoE/PoC Solution, and 16-port Ultra PoE Managed Gigabit Switch.
Apr. 2016	Certified to be in the top 5 percent of all TPEx listed companies in the 2015 Corporate Governance Evaluation System officially and jointly held by the TWSE and TPEx.
Aug. 2016	Ranked 2nd place of the “Taiwan’s Excellence in Corporate Social Responsibility Award” under the medium-sized company (annual revenue within NT\$ 10 billion) by CommonWealth Magazine.
Nov. 2016	Passed the ISO 9001:2015 and ISO 14001:2015 certification without defect.

Time line

Past and Recent Developments

Dec. 2016	Five innovative network products and solutions received the “2017 Taiwan Excellence Award”, including Renewable Energy Industrial 802.3at PoE Managed Ethernet Switch, Industrial Gigabit plus 20G Fiber Managed Switch Series, Industrial L2+ 24-Port 802.3at PoE+ plus 4-Port Shared Gigabit Fiber Managed Switch, L2+ Centralized Wireless APs Management Solution, and H.265 IP Surveillance Total Solution.
Apr. 2017	Certified to be in the top 6%~20% of all TPEX listed companies in the 2016 Corporate Governance Evaluation System officially and jointly held by the TWSE and TPEX.
Jun. 2017	The Auditing Committee was established voluntarily, to enhance the corporate governance mechanism.
Aug. 2017	Recognized by CommonWealth Magazine with the “Corporate Citizenship Awards”. The Company was the only TPEX listed company receiving this CSR award for the consecutive 11 th year.
Sep. 2017	Invited by MOEA to participate World Congress on Information Technology (WCIT) 2017 sponsored by Taiwan. In this Olympics of the world's information technology industry, PLANET Technology presented its innovative network transmission products and technologies to fulfill diversified market needs of network infrastructure of IoT and IIoT applications. The Company successfully demonstrated the development and trend of digital technology in Taiwan to the world.
Oct. 2017	Four innovative network products and solutions received the “2018 Taiwan Excellence Award”, including L2+ 2.5G 802.3at PoE+ Managed Multigigabit Switch, L2+ Managed Switch Series with Color Touch LCD, Industrial Modbus L2+ Ultra PoE Managed Ethernet Switch, and L2+ 12-Port 10GbE SFP+ Managed Switch with DC Redundant Power.
Jan. 2018	Certified with the Taiwantrade Supplier Business Information Verification by TÜV Rheinland, Germany, which recognized the good operating, R&D, and production capabilities of PLANET, as well as its compliance and management system, and thus improved the reputation of PLANET brand.
Apr. 2018	Certified to be in the top 5% of all TPEX listed companies in the 2017 Corporate Governance Evaluation System officially and jointly held by the TWSE and TPEX.
May 2018	Enterprise-class Wireless LAN Controller won “Best Choice Award 2018”, the official award of Computex Taipei.
Jun. 2018	Recognized as a global CSR model, PLANET is the only company in Taiwan receiving the first term of “Humane Entrepreneurship Award” by the International Council for Small Business (ICSB) for its outstanding performance in achieving the 17 SDGs of the United Nation.
Aug. 2018	Ranked 2nd place of the “Taiwan’s Excellence in Corporate Social Responsibility Award” under the medium-sized company (annual revenue within NT\$ 10 billion) by CommonWealth Magazine for the consecutive 12th year.
Nov. 2018	Color Touch LCD Wireless LAN Managed Switch won “2019 Taiwan Excellence Silver Award”, along with PLANET’s other three intuitive products being awarded “2019 Taiwan Excellence Award: Enterprise-class Wireless LAN Controller Series, Industrial Flat-type Smart Router with Color Touch LCD Screen, and Industrial Flat-type L2+ Managed Switch with Color Touch LCD Series. The Company received the “2019 Taiwan Excellence Achievement Award” for more than 50 PLANET products have been awarded the honor of Taiwan Excellence.

Time line

Past and Recent Developments

Feb. 2019	Received D&B D-U-N-S Certification.
Apr. 2019	Certified to be in the top 6%~20% of all TPEX listed companies in the 2018 Corporate Governance Evaluation System officially and jointly held by the TWSE and TPEX.
May 2019	Won the “Asia Responsible Enterprise Awards 2019 - Social Empowerment”, organized by Enterprise Asia.
Jun. 2019	The appearance design of products was innovated to enhance the brand identity and the professional technology brand image of PLANET. The renovation of product appearance design was recognized by MOEA CITD program, and debuted in 2019 Computex Taipei for the first time.
Jul. 2019	Set up the Corporate Governance Officer voluntarily, to enhance the corporate governance mechanism.
Aug. 2019	Selected as “2019 Potential Taiwan Mittelstand Award” by MOEA, and received the “Taiwan Mittelstand Award for Workplace Friendliness” again.
Sep. 2019	Ranked 2nd place of the “Taiwan’s Excellence in Corporate Social Responsibility Award” under the medium-sized company (annual revenue within NT\$ 10 billion) by CommonWealth Magazine for the consecutive 13th year.
Oct. 2019	Chen, Ching-Kang, the Chairman, won the “Asia Pacific Entrepreneurship Awards 2019” under the Outstanding category, organized by Enterprise Asia.
Nov. 2019	Three smart network products and solutions won the “2020 Taiwan Excellence Award”: Universal Network Management System, L3 Industrial 8-Port 90-Watt PoE++ Managed Ethernet Switch with 20G SFP+ Uplink, and Industrial VPN Security Gateway Series.
Nov. 2019	Chen, Ching-Kang, the Chairman, received the “2019 Taiwan EY Sustainable Leader Entrepreneur of the Year” from EY Taiwan.
Mar. 2020	Due to the global outbreak of COVID-19, the Company has established the “Contingency Task Force for Pandemic”, as the decision-making unit for the Company-wide containment measures, and various possible operating patterns responding to the outbreak development, so that the employees’ health is well guarded and the Company may operate as usual.
Apr. 2020	Certified to be in the top 6%~20% of all TPEX listed companies in the 2019 Corporate Governance Evaluation System officially and jointly held by the TWSE and TPEX.
Aug. 2020	Started to use a new corporate slogan of “Shaping Future Networking” to highlight the core spirit of PLANET, which lies on continuous innovation in the transmission technology and equipment of digital network, seamless connection between Internet application and service platform to create a new technology era with futuristic intelligence, friendliness and sustainability.
Sep. 2020	Recognized by CommonWealth Magazine with the “2020 Corporate Citizenship Awards” for 14 successive years.

Time line

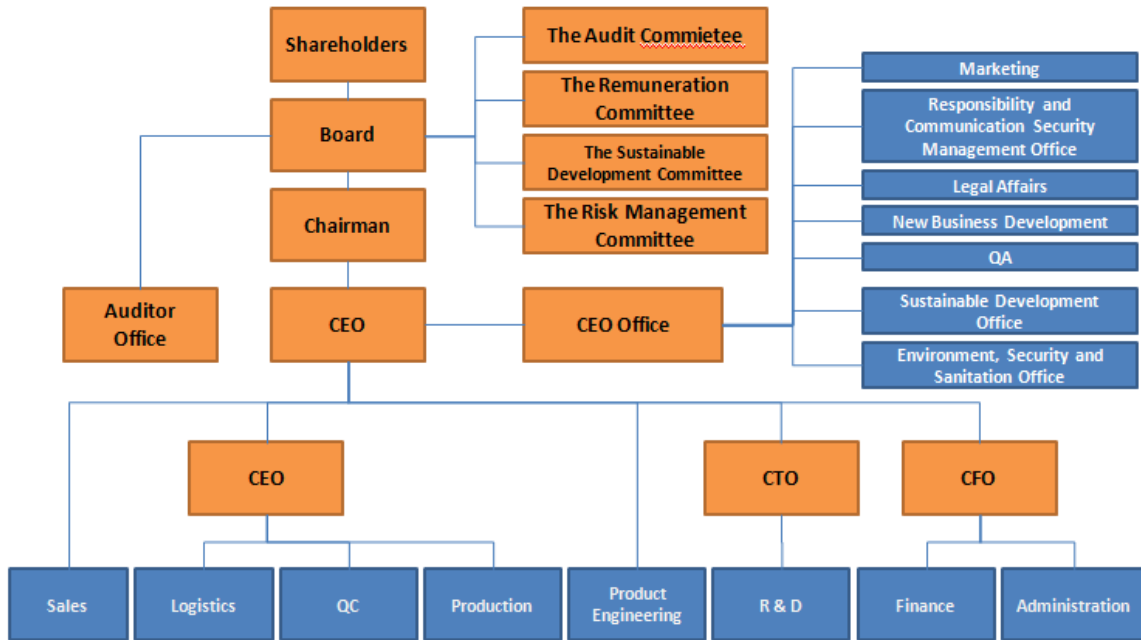
Past and Recent Developments

Nov. 2020	Won “Taiwan Excellence Award” for 18 successive years! Four innovative network products were granted the “2021 Taiwan Excellence Award”- Renewable energy for power supply intelligent network management controller series, industrial 4G LTE IOT gateway series, layer-3 gateway 24-port 95-watt 802.3 bt Ethernet power supply switch with 2,400 watt double-slot hot plug power supply.
Dec. 2020	Independently established functional committees including Corporate Social Responsibility Committee and Risk Management Committee to strengthen the corporate governance.
Dec. 2020	Established Occupational Safety and Health (OSH) Management Committee to improve the management of occupational safety and health.
Apr. 2021	Certified to be in the top 5% of all TPEX listed companies in the 2020 Corporate Governance Evaluation System officially and jointly held by the TWSE and TPEX.
Sep. 2021	Obtained the first prize of backbone enterprise groups of “2021 Sustainable Citizen Award” of the <i>Commonwealth</i> Magazine and also one of the top 100 typical backbone enterprises included in the sustainable list for 15 consecutive years.
Nov. 2021	Industrial 5G NR IoT gateway series (ICG-2515-NR series) was granted “the 13 th Taiwan Excellence Award”.
Dec. 2021	The friendly and innovation design of “intelligent webmaster controller NMS-360V of renewable energy power supply” was granted many awards at home and abroad: “2021 Best Choice Award - Smart City Category Award”, COMPUTEX’s official award.
Dec. 2021	Passed 2021 health workplace certification ~ Health Start Mark.
Feb. 2022	The board of directors agreed to change the name of “Corporate Social Responsibilities Committee” into “Sustainable Development Committee”.
Apr. 2022	Certified to be in the top 5% of all TPEX listed companies in the 2021 Corporate Governance Evaluation System officially and jointly held by the TWSE and TPEX.

Three. Corporate Governance Report

I. Organizational structure

(I) Current organizational structure



(II) Operations and functions of the major department:

Auditor Office:

Internal control system audit, assessing the effectiveness of operations, and suggestions for continuous improvement

CEO Office:

Company objectives and strategies, decision-making of product developments and global branding, managing documents, security management of networking and communications, intellectual properties, ISO system implementation and oversight, promoting and implementing the occupational health and safety, implementing sustainable development policies, handling public relations, and expanding new business opportunities

Sales Dept.:

In charge of managing domestic and overseas markets, and distribution channels; managing sales orders, shipment and payment; and handling customer complaints

Logistics Dept.:

In charge of production and material outsourcing, inventory managing, shipping arrangement and custom declaration

Quality Control Dept.:

Product and raw material inspection to ensure high product quality

Production Dept.:

Managing production scheduling and processes of the outsourced plants and onsite production monitoring

Product Engineering:

Deciding product strategies; developing new technologies and new products; validation of the reliability and functions of products; giving technical support to customers, and trainings to employees and customers

R&D:

In charge of the design of product hardware and software

Finance Dept.:

Planning and dispatching funds, risk management, cashier, handling accounting affairs, and reviewing the annual budgets and settlements

Management:

In charge of human resource recruitment and training, employee welfare planning and implementation, general affairs and safety management of the workplace

II. Directors, Supervisors and Management Team

(I) Directors and Supervisors

Unit: shares

Information about directors & supervisors (1)

Mar. 28, 2022

Title	Nationality/ Country of Origin	Name	Gender /Age	Date Elected	Term(Years)	Inauguration Date	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Education and Experience	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remarks
							Shares	%	Shares (Note 6)	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C.	Chen, Ching- Kang	M 61~70 years old	2020.6.10	3 years	1993.1.5	4,211,978	6.74%	4,211,978	6.74%	3,030,241	4.85%	—	—	PhD, Business Administration, Macau University of Science and Technology Chief of International Marketing, Wang Laboratories Member of Industry -- Education Consultation Committee of International Economy & Trade Strategy Group of Executive Yuan Chief Supervisor of National Innovation and Entrepreneurship Association, R.O.C.	CEO of PLANET Technology Corporation. Director of Puyang Investment Co., Ltd Founder of the Public Trust Planet Education Fund President of National Innovation and Entrepreneurship Association, R.O.C.	Director	Hsu, Hwa- Lin	Spouse	(Note 5)
Director	R.O.C	Hsu, Hwa- Lin	F 61~70 years old	2020.6.10	3 years	1993.1.5	3,030,241	4.85%	3,030,241	4.85%	4,211,978	6.74%	—	—	B.A., Department of Music, Chinese Culture University	Vice President of PLANET Technology Corporation. Chairman of Puyang Investment Co., Ltd Representative Director of Planet International Inc. Director of First Commercial Bank Culture and Education Foundation	Chairman	Chen, Ching- Kang	Spouse	

Title	Nationality/ Country of Origin	Name	Gender /Age	Date Elected	Term(Years)	Inauguration Date	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Education and Experience	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remarks
							Shares	%	Shares (Note 6)	%	Shares	%	Shares	%			Title	Name	Relation	
Director	R.O.C.	Representative of Puyang Investment Co., Ltd	M 51~60 years old	2020.6.10	3 years	2001.8.8	16,856,237	26.97%	16,856,237	26.97%	—	—	—	—	PhD, Business Administration, Macau University of Science and Technology EMBA, National Taiwan University Associate Vice President, Audit Office and Dept. of Finance, Pacific Sogo Department	President of Zhang Yue Construction Corporate President of Lan Bou Wan Development Co., Ltd.	N/A	N/A	N/A	
	R.O.C.	Li, I-Chuan				2005.6.17	43,195	0.07%	43,195	0.07%	9,323	0.01%	—	—						
Director	R.O.C.	Representative of Puyang Investment Co., Ltd	F 61~70 years old	2020.6.10	3 years	2001.8.8	16,856,237	26.97%	16,856,237	26.97%	—	—	—	—	EMBA, National Chengchi University Dept. of Accounting, Tunghai University Manager, Wei-Feng Security Manager, Ju-Ba Electrical Engineering	CFO of PLANET Technology Corporation	N/A	N/A	N/A	
	R.O.C.	Lin, Man-Tsu				2017.6.13	323,555	0.52%	323,555	0.52%	5,665	0.01%	—	—	Vice manager, Taishin Diandian					

Title	Nationality/ Country of Origin	Name	Gender /Age	Date Elected	Term(Years)	Inauguration Date	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Education and Experience	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remarks
							Shares	%	Shares (Note 6)	%	Shares	%	Shares	%			Title	Name	Relation	
Independent director	R.O.C.	Chen, Shuh	M 61~70 years old	2020.6.10	3 years	2017.6.13	—	—	—	—	—	—	—	PhD, in Business Administration, National Taiwan University Chairperson, Financial Supervisory Commission, Executive Yuan Chairman, Taiwan Stock Exchange Independent Director, Accton Technology Corporation	Chairman, Central Investment Co., Ltd. Independent Director, Asia Cement Corporation Chairman, Zhong Dao Association of Leadership and Culture	N/A	N/A	N/A		
Independent director	R.O.C.	Huang, Hsin Hsien	M 61~70 years old	2020.6.10	3 years	2017.6.13	—	—	—	—	—	—	—	Dept. of Law, Soochow University Passed Examination for Judges and Prosecutors and Bar Examination Judge, Chiayi, Taoyuan, and Shilin District Courts Director and member of Remuneration Committee, Test Rite International Co., Ltd. Director, Tsai Won Industrial Co., Ltd Member, Committee of the Taipei City Center for Prevention of Domestic Violence and Sexual Assault	Head of Chian-Yuan Law Firm Director, Jinghua Society Cultural Foundation	N/A	N/A	N/A		

Title	Nationality/ Country of Origin	Name	Gender /Age	Date Elected	Term(Years)	Inauguration Date	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Education and Experience	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remarks
							Shares	%	Shares (Note 6)	%	Shares	%	Shares	%			Title	Name	Relation	
Independent director	R.O.C.	Chang, Pao- Thai	M 51~60 years old	2020.6.10	3 years	2017.6.13	—	—	—	—	—	—	—	Executive Class, Antai College of Economics and Management, Shanghai Jiao Tong University	Chairperson, Premier International Co., Ltd. President, Tsai-Ku Human Resource Consultancy Co., Ltd. Director and member of Remuneration Committee, Apex Science & Engineering Corp.	N/A	N/A	N/A		

Note 1: Institutional shareholders shall list the name of institutional shareholders and representatives respectively (The name of the institutional shareholder shall be marked if he/she is also the representative), and fill in the following Table 1.

Note 2: Please list the true age range, such as 41~50 or 51~60.

Note 3: Fill in the time of first recruitment as the director or supervisor of the Company. Remarks shall be added, if there is any cancellation.

Note 4: The title and position in the previous working companies related to the current position, such as the working experience in audit and accounting firm or related companies.

Note 5: Where the chairman of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response to (such as adding seats of independent directors, and more than a half of directors do not concur employees or managers)

The Chairman and the CEO is by the same person. Thus, seats of independent directors are added, and more than a half of directors do not concur the Company's employees or managers. However, in order to strengthen corporate governance, the company has set up 3 independent directors and is expected to add 1 independent director when the shareholders' meeting is re-elected in 2023 to enhance the function of the board of directors and strengthen the supervision function.

Note 6: Number of shares is based on the shareholder register.

Major shareholders of the institutional shareholder

Mar. 28, 2022

Name of the institutional shareholder	Major shareholders of the institutional shareholder	
	Top 10 shareholders	Ratio of shareholding
Puyang Investment Co., Ltd	Hsu, Hwa-Lin	50%
	Chen, Ching-Kang	50%

Information about directors & supervisors (2)

I. Disclosure on the Professional Qualifications of Directors and Supervisors and Information of Independent Directors

Qualification Name	Professional qualifications and experienced Independent status (NOTE1)	Professional qualifications and experienced Independent status(NOTE2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chen, Ching-Kang	<p>PhD, Business Administration, Macau University of Science and Technology. CEO and General Manager of PLANET Technology Corporation. Director of Puyang Investment Co., Ltd. and President of National Innovation and Entrepreneurship Association, R.O.C. Chen has the working experience required by the Company's business, capability of operational judgment, capability of corporate management, capability of risk management, insight on the international market, leadership, capacity of networking & communication and industry knowledge. Chen does not meet any of the conditions stated in Article 30 of The <i>Company Act</i>.</p>	None	0
Hsu, Hwa-Lin	<p>B.A., Department of Music, Chinese Culture University. Vice president of PLANET Technology Corporation. Chairman of Director of Puyang Investment Co., Ltd., Representative Director of Planet International Inc. and Director of First Commercial Bank Culture and Education Foundation. Hsu has the working experience required by the Company's business, capability of operational judgment, capability of corporate management, capability of risk management, insight on the international market, leadership, capacity of networking & communication and industry knowledge Hsu does not meet any of the conditions stated in Article 30 of The <i>Company Act</i>.</p>	None	0
Representative of Puyang Investment Co., Ltd.: Li, I-Chuan	<p>PhD, Business Administration, Macau University of Science and Technology, President of Zhang Yue Construction Corporate and President of Lan Bou Wan Development Co., Ltd. Associate Vice President, Audit Office and Department of Finance, Pacific Sogo Department. Li has the corresponding business and financial working experience required by the Company's business, capability of operational judgment, capability of business management, capability of risk management, insight on the international market, leadership, capacity of corporate management and construction industry knowledge. Li does not meet any of the conditions stated in Article 30 of The <i>Company Act</i>.</p>	None	0

Qualification Name	Professional qualifications and experienced Independent status (NOTE1)	Professional qualifications and experienced Independent status(NOTE2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Representative of Puyang Investment Co., Ltd.: Lin, Man-Tsu	EMBA, National Chengchi University, and CFO of PLANET Technology Corporation. Previous working experiences include Manager, Wei-Feng Security; Manager, Ju-Ba Electrical Engineering and Vice Manager, Taishin Diandian. Lin has the financial and accounting working experience required by the Company's business, capability of operational judgment, capability of business management, capability of risk management, insight on the international market, leadership, finance & accounting, and S & T industry knowledge. Lin does not meet any of the conditions stated in Article 30 of The <i>Company Act</i> .	None	0
Chen, Shuh (Independent director)	PhD, in Business Administration, National Taiwan University, chairman, Central Investment Co., Ltd., independent director, Asia Cement Corporation and independent director, Accton Technology Corporation and chairman, Zhong Dao Association of Leadership and Culture. Experience of working as the Chairman, Financial Supervisory Commission, Executive Yuan, Chairman, Taiwan Stock Exchange and independent director of Accton Technology Corporation. Chen has the qualification of junior college teacher for majors of business, finance, accounting, etc., holds accountant certificate, and has the working experience required by the Company's business, capability of operational judgment, capability of business management, capability of risk management, insight on the international market, leadership, finance & accounting knowledge. Chen is the meeting convener of the Company's Audit Committee and has the qualification of serving as an audit committee member. Chen does not meet any of the conditions stated in Article 30 of The <i>Company Act</i> .	The Company's independent director, who complies with the corresponding criteria as follows : `Including but not limited to the circumstances where the party concerned, its spouse and parents are not the director, supervisor or employee of the Company or the Company's related enterprise; `The party concerned, its spouse and parents do not hold the shares of the Company; `The party concerned is not the director, supervisor or employee of any company under special relationship with the Company; `The party concerned does not gain any reward by providing business, legal, financial and accounting services for the Company or the Company's related enterprises within the latest 2 years.	1

Qualification Name	Professional qualifications and experienced Independent status (NOTE1)	Professional qualifications and experienced Independent status(NOTE2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Huang, Hsin Hsien (Independent director)	<p>Bachelor of Department of Law, Soochow University; passed Examination for Judges and Prosecutors and Bar Examination; Head of Chian-Yuan Law Firm and director, Jinghua Society Cultural Foundation. Experience of working as the judge, Chiayi, Taoyuan, and Shilin District Courts, director and member of Remuneration Committee, Test Rite International Co., Ltd., director, Tsai Won Industrial Co., Ltd., member, Committee of the Taipei City Center for Prevention of Domestic Violence and Sexual Assault.</p> <p>Huang has the qualification of lawyer and working experience of finance and business, capability of operational judgment, capability of business management, capability of risk management, insight on the international market, leadership and legal industry knowledge. Huang is the meeting convener of the Company's Audit Committee and Risk Management Committee and has the qualification of serving as an audit member.</p> <p>Huang does not meet any of the conditions stated in Article 30 of The <i>Company Act</i>.</p>	<p>The Company's independent director, who complies with the corresponding criteria as follows :</p> <p>'Including but not limited to the circumstances where the party concerned, its spouse and parents are not the director, supervisor or employee of the Company or the Company's related enterprise;</p> <p>'The party concerned, its spouse and parents do not hold the shares of the Company;</p> <p>'The party concerned is not the director, supervisor or employee of any company under special relationship with the Company;</p> <p>'The party concerned does not gain any reward by providing business, legal, financial and accounting services for the Company or the Company's related enterprises within the latest 2 years.</p>	0
Chang, Pao-Thai (Independent director)	<p>Master of Executive Class, Antai College of Economics and Management, Shanghai Jiao Tong University, chairperson, Premier International Co., Ltd., president, 360D HR Consultancy Co., Ltd. and director and member of Remuneration Committee and Audit Committee, Apex Science & Engineering Corp.</p> <p>Chang has the working experience in business and finance required by the Company's business, capability of operational judgment, capability of business management, insight on the international market, leadership and human resource industry knowledge;</p> <p>Chang is the meeting convener of the Company's Audit Committee and Remuneration Committee and has the qualification of serving as an audit member.</p> <p>Chang does not meet any of the conditions stated in Article 30 of The <i>Company Act</i>.</p>	<p>The Company's independent director, who complies with the corresponding criteria as follows :</p> <p>'Including but not limited to the circumstances where the party concerned, its spouse and parents are not the director, supervisor or employee of the Company or the Company's related enterprise;</p> <p>'The party concerned, its spouse and parents do not hold the shares of the Company;</p> <p>'The party concerned is not the director, supervisor or employee of any company under special relationship with the Company;</p> <p>'The party concerned does not gain any reward by providing business, legal, financial and accounting services for the Company or the Company's related enterprises within the latest 2 years.</p>	1

Note 1: Professional qualifications and experience: State the professional qualifications and experience of each director and supervisor (for instance, if the member of Audit Committee has certain accounting or financial skills, state the specific accounting or financial background and working experience). State if there is any matter falling into the scope of the conditions stated in Article 30 of The *Company Act*.

Note 2: For independent directors, state the compliance with independence criteria, including but not limited to the circumstances that the party concerned and its spouse and parents serve as the director, supervisor or employee of the Company or the Company's related companies; number and proportion of shares held by the party concerned, its spouse and parents in the Company in person (or in the name of others); whether the director acts as the director, supervisor or employee of the company in special relationship with the Company (refer to Paragraph 5~8, Item 1, Article 3 of the Measures on the Designation of Independent Directors of Publicly Listed Companies and the Requirements); whether the party concerned gains any reward by providing business, legal, financial and accounting services for the Company or the Company's related enterprises within the latest 2 years.

II. Diversification and Independence of Board of Directors

(I) Diversification of board of directors:

To improve the structure of board of directors, the Company considers the professional skills and equality of both genders while designating directors so as to ensure diversification.

Items	Goal of Diversification Policies	Results
Profession Capacity	At least one director specializes in business, law, finance & accounting or other professions and knowledge required by the Company so as to complement each other's strength, supervise the Company's operation and maximize shareholders' rights and interests.	Currently, there are seven directors having acquired commerce, financial accounting and the working experience required by the Company's business as well as the capacity of operation judgment and business management; among them, there are two proficient in commercial affairs, one proficient in legal affairs, two proficient in financial accounting and two proficient in professional knowledge required for the Company's other businesses; in terms of industrial knowledge, the three directors have different capacities in the regard to commerce, law and financial accounting; the four directors master the industrial knowledge required for the Company's other businesses. All those have comprehensive benefits for the Company's future development.
Gender equality	Proportion of female directors shall not be less than 1/3 of all directors.	Among the seven directors, three are female, with a proportion of 43%.

List of diverse board members:

Name	Gender	Age		Tenure as an independent director		Concurrence to the Company's employee	1 Capability of operational judgment	2 Capability of corporate management	3 Capability of risk management	4 Insight on the international market	5 Leadership	6 Professional capability	7 Industry knowledge
		51 to 60	61 to 70	Less than three years	Three To nine years								
Chen, Ching-Kang	Male		√			√	√	√	√	√	√	Network communications	Technologies
Hsu, Hwa-Lin	Female		√			√	√	√	√	√	√	Network communications	Technologies
Li, I-Chuan	Male	√					√	√	√	√	√	Business administration	Construction
Lin, Man-Tsu	Female		√			√	√	√	√	√	√	Finance and accounting	Technologies
Chen, Shuh	Male		√		√		√	√	√	√	√	Finance and accounting	Finance
Huang, Hsin Hsien	Male		√		√		√	√	√	√	√	Legal matters	Legal matters
Chang, Pao-Thai	Female	√			√		√	√	√	√	√	HR	HR

(II) Independence of the board:

1. Structure of board of directors:

The Company designates directors based on open and fair procedures and in compliance with the provisions of the Company's "Articles of Association", "Measures on the Election of Directors", "Code for the Company's Governance", "Measures on the Designation of Independent Directors of Publicly Listed Companies and the Requirements", "Paragraph 2 of Article 14 of *Securities and Exchange Act*, Qualification for Independent Director". The present board of directors consists of 3 independent directors (42.9%) and 4 non-independent directors (57.1%). 3 directors have the identity of employees and managers (42.9%), one is external director, one is president & general manager, one is deputy general manager and one is financial supervisor respectively. Among the directors, Chen, Ching-Kang and Hsu, Hwa-Lin are spouse only. The Company's present board of directors includes a total of 7 directors, 3 of whom are female (42.9%) and the 3 independent directors also include one female director.

2. Independence of the board:

Prepare fair, just and open procedure of director election on the principle of safeguarding shareholders' rights and interests and treating shareholders equally; encourage shareholders' involvement and reflect their opinions fully using accumulative voting system according to the *Company Law*.

2 of the Company's 7 directors are spouse only (28.6%), which conforms to the provisions of Subparagraph 3 and 4 of Paragraph 3 of Article 26 of *Securities and Exchange Act*. More than half of the total directors shall not involve the relationship of spouse or parents and the circumstance that there're less than five directors due to any director's dimission with no just cause does not exist. According to the provisions of competent authorities, the Company elects directors based on the nomination system specified in the "Articles of Association", reviews the nominee's qualifications and educational background cautiously to ensure they do not involve in the cases in Article 30 of the *Company Law* and deals with relevant matters as per Paragraph 1 of Article 192 of the *Company Law*.

(II) Information About CEO, Vice President, Assistant Vice President, and Head of Department and Branch:

Unit: shares
Mar. 28, 2022

Title	Nationality	Name	Gender	Date appointed	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Education and Experience	Other Position	Managers who are spouses or within two degrees of kinship			Remarks
					Shares	%	Shares (Note 1)	%	Shares	%			Title	Name	Relationship	
CEO	R.O.C.	Chen, Ching-Kang	M	1993.01.05	4,211,978	6.74%	3,030,241	4.85%	—	—	PhD, Business Administration, Macau University of Science and Technology Chief of International Marketing, Wang Laboratories Member of Industry-Education Consultation Committee of International Economy & Trade Strategy Group of Executive Yuan Chief supervisor of National Innovation and Entrepreneurship Association, R.O.C.	Director of Puyang Investment Co., Ltd President of National Innovation and Entrepreneurship Association, R.O.C.	Vice President	Hsu, Hwa-Lin	Spouse	(Note 4)
Vice President	R.O.C.	Hsu, Hwa-Lin	F	1993.01.05	3,030,241	4.85%	4,211,978	6.74%	—	—	B.A., Dept. of Music, Chinese Culture University	Chairman of Director of Puyang Investment Co., Ltd Planet International Inc. Representative of Director Director of First Commercial Bank Culture and Education Foundation	CEO	Chen, Ching-Kang	Spouse	
CFO	R.O.C.	Lin, Man-Tsu	F	1999.07.19	323,555	0.52%	5,665	0.01%	—	—	EMBA, National Chengchi University Dept. of Accounting, Tunghai University Manager, Wei-Feng Security Manager, Ju-Ba Electrical Engineering Vice manager, Taishin Diandian	N/A	N/A	N/A	N/A	
CTO	R.O.C.	Shih, Yi-Shen	M	1999.08.28	306,775	0.49%	127,205	0.20%	—	—	EMBA, National Central University Dept. of Information Management, National Central University Manager, Dept. of R&D, PLANET Technology	N/A	N/A	N/A	N/A	

Title	Nationality	Name	Gender	Date appointed	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee		Education and Experience	Other Position	Managers who are spouses or within two degrees of kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
COO	R.O.C.	Wu, Hsueh-Ju	F	1994.10.24	301,057	0.48%	—	—	—	—	EMBA, National Taiwan University of Science and Technology Dept. of International Business, Pingtung Commercial Junior College Manager, Dept. of Procurement, PLANET Technology Manager, Dept. of Materials, PLANET Technology	N/A	N/A	N/A	N/A	
Director, Dept. of Product Engineering	R.O.C.	Kang, Shih-Sheng	M	2015.08.01	87,398	0.14%	—	—	—	—	Dept. of Industrial Engineering, Tunghai University Digital engineer, Yam Co., Ltd. SME micro- and macro service engineering, Acer Co, Ltd. Level Two coordinator of Institute, Quanta Computer Inc. Senior manager, Dept. of Product Development, PLANET Technology	N/A	N/A	N/A	N/A	
Director, Dept. of R&D	R.O.C.	Leong, Chi-Tong	M	2020.01.01	13,000	0.02%	—	—	—	—	Dept. of Information Management, Fujen Catholic University Vice engineer, China Productivity Center Senior engineer, Siemens Telecommunication Systems Limited. Manager, Askey Computer Corporation Chief, Delta Networks, Inc. Senior manager, PLANET Technology	N/A	N/A	N/A	N/A	

Note 1: Number of shares is based on the shareholder register.

Note 2: Including information of CEO, Vice President, Manager Assistant and Head of Department and Branch, and all positions which are equivalent to the positions above, whatever their title.

Note 3: The title and position in the previous working companies related to the current position, such as the working experience in audit and accounting firm or related companies.

Note 4: Where the chairman of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as adding seats of independent directors, and more than a half of directors do not concur employees or managers).

The Chairman and the CEO is by the same person. Thus, seats of independent directors are added, and more than a half of directors do not concur the Company's employees or managers. However, in order to strengthen corporate governance, the company has set up 3 independent directors and is expected to add 1 independent director when the shareholders' meeting is re-elected in 2023 to enhance the function of the board of directors and strengthen the supervision function.

III. Remunerations paid to directors, supervisors, the CEO and vice presidents in the last year

Remunerations paid to directors, supervisors, the CEO and vice presidents

(I) Remunerations to non-independent and independent directors

Unit: NTD thousands

Position	Name	Remunerations to directors								The total amount of A, B, C and D in net income after tax (%)		Remuneration in the capacity as employees								The sum of A, B, C, D, E, F and G to Earnings after Tax (%)		Compensation from parent company or invested businesses other than subsidiaries						
		Remuneration (A)		Pension (B)		Remuneration to directors (C)		Business execution fee (D)				Salaries, bonus and special subsidies (E)		Pension (F)		Remuneration to employees (G)												
		The Company	All companies included into the financial statement.	The Company	All companies included in the financial statement	The Company	All companies included in the financial statement	The Company	All companies included in the financial statement	The Company	All companies included in the financial statement	The Company	All companies included in the financial statement	The Company		All companies included into the		The Company	All companies included into the financial statement.									
Director	Chairman	Chen, Ching-Kang																										
	Director	Hsu, Hwa-Lin																										
	Director	Puyang Investment Co., Ltd Representative: Li, I-Chuan																										
	Director	Puyang Investment Co., Ltd Representative: Lin, Man-Tsu		-	-	-	-	6,367	6,367	72	72	6,439	6,439	2.00%	2.00%	9,203	9,203	198	198	1,918	-	1,918	-	17,758	17,758	5.53%	5.53%	NA
Independent director	Independent director	Chen, Shuh																										
	Independent director	Huang, HsinHsien																										
	Independent director	Chang, Pao-Thai																										

1. Please explain the policy, system, standards and structure by which independent director remuneration is paid, and association between the amount paid and independent directors' responsibilities, risks and time committed:
The Company's principle of remunerations to directors is handled pursuant to Article 16, the Articles of Association: "the decisions of remunerations to directors (including independent directors), is authorized to the Board of Directors, based on their participation, contributions to the Company's operations, and by referring to the payments made by peers;" As well as Article 19-1: "Should there be profit in a year, no less than 5% shall be contributed as the remuneration to employees and no higher than 2% as the remuneration to directors. profits must first be set aside to offset cumulative losses if any. The aforesaid remuneration to employees may be in cash or shares; the eligible receivers may include the employees of the Company or the subsidiaries. The aforesaid remuneration to directors may only be made in cash. The remuneration to employees and directors shall be resolved by the Board of Directors and reported to the Shareholders' meeting".

The remunerations to directors and independent directors shall be determined as per the Articles of Association and "Measures on the Performance Evaluation of Board of Directors"; items included in evaluating the performance of directors of board include: (1) Understanding of the Company's goals and tasks; (2) Recognition of directors' duties; (3) Participation in the operation of the Company; (4) Operation and communication of internal relations; (5) Expertise and further learning of directors; (6) Internal control. Performance evaluation to some directors shall be made based on their duties, risks and time, all of which serve as the reference of their remunerations.

2. Award acquired by the Company's directors for providing services in the latest year (such as serving as the consultant of external party for the parent company/all companies within financial statement/re-investment (non-employee consultant), except for the information disclosed in the table above: No

Note 1: It is the contribution as the severance and retirement expenses

Breakdown of Remunerations

Breakdown of remunerations paid to each director	Name of Director			
	The sum of (A+B+C+D)			
	The Company	All companies included into the financial	The Company	All companies included into the financial
Less than NT\$1,000,000	Chen, Shuh; Huang, Hsin Hsien; Chang, Pao-Thai	Chen, Shuh; Huang, Hsin Hsien; Chang, Pao-Thai	Chen, Shuh; Huang, Hsin Hsien; Chang, Pao-Thai	Chen, Shuh; Huang, Hsin Hsien; Chang, Pao-Thai
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	Puyang Investment Co., Ltd; Chen, Ching-Kang; Hsu, Hwa-Lin	Puyang Investment Co., Ltd; Chen, Ching-Kang; Hsu, Hwa-Lin	Puyang Investment Co., Ltd	Puyang Investment Co., Ltd
NT\$2,000,000 (inclusive) ~ NT\$3,500,000	--	--	Lin, Man-Tsu	Lin, Man-Tsu
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	--	--	Hsu, Hwa-Lin	Hsu, Hwa-Lin
NT\$5,000,000 (inclusive) ~ NT\$10,000,000	--	--	Chen, Ching-Kang	Chen, Ching-Kang
NT\$10,000,000 (inclusive) ~ NT\$15,000,000	--	--	--	--
NT\$15,000,000 (inclusive) ~ NT\$30,000,000	--	--	--	--
NT\$30,000,000 (inclusive) ~ NT\$50,000,000	--	--	--	--
NT\$50,000,000 (inclusive) ~ NT\$100,000,000	--	--	--	--
NT\$100,000,000 or more	--	--	--	--
Total	6	6	6	6
Breakdown of remunerations paid to each director				

(II) Remunerations to supervisors

The Company has established the Audit Committee to replace supervisors, and thus not applicable.

(III) Remunerations to CEO and vice presidents

Unit: NT\$ thousands

Title	Name	Salary (A)		Pension (B)		Bonus and special allowance (C)		Remunerations to employees (D)				Sum of A, B, C, and D as a percentage of net income (%)		Compensation from parent company or invested businesses other than subsidiaries
		The Company	All companies included in the financial statement.	The Company	All companies included in the financial statement.	The Company	All companies included in the financial statement.	The Company		All companies included in the financial statement.		The Company	All companies included in the financial statement.	
								Cash	Stock	Cash	Stock			
CEO	Chen, Ching-Kang	4,635	4,635	112 (Note1)	112 (Note 1)	3,135 (Note 2)	3,135 (Note 2)	1,120	-	1,120	-	9,002	9,002	N/A
Vice	Hsu, Hwa-Lin											2.80%	2.80%	

Note 1: It is the contribution as the severance and retirement expenses

Note 2: CEO and Vice President are also provided with vehicle fees of 1,518 (NTD thousand); the additional driver assignment fee of 867 (NTD thousand) was not included in the remuneration.

Breakdown of Remunerations

Breakdown of remuneration paid to each CEO and vice president	Names of CEO and vice president	
	The Company	All companies included in the financial statement.
Less than NT\$1,000,000	--	--
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	--	--
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	Hsu, Hwa-Lin	Hsu, Hwa-Lin
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	Chen, Ching-Kang	Chen, Ching-Kang
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	--	--
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	--	--
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	--	--
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	--	--
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	--	--
NT\$100,000,000 or more	--	--
Total	2	2

Remunerations to employees paid to managerial officers, and the status of allocation:

Unit: NT\$ thousands
Mar. 31, 2022

	Position	Name	Amount of shares (proposed amount)	Amount of cash (proposed amount)	Total	Proportion to Earnings After Tax of 2021 (%)
Manager	CEO	Chen, Ching-Kang	0	4,800	4,800	1.49%
	Vice President	Hsu, Hwa-Lin				
	CFO	Lin, Man-Tsu				
	CTO	Shih, Yi-Shen				
	COO	Wu, Hsueh-Ju				
	Director, Dept. of Product Engineering	Kang, Shih-Sheng				
	Director, Dept. of R&D	Leong, Chi-Tong				

(IV) Specify and compare the remuneration to directors, supervisors, presidents and vice presidents of the Company in proportion to the earnings after tax from the Company and companies included in the consolidated financial statements in the most recent two (2) years, and specify the policies, standards, combinations, procedure of decision-making of remunerations and their relation to business performance and future risk.

1. Remunerations paid to the Company's directors, supervisors, president and vice presidents in the last two years, and percentage related to net income

	Director	CEO and vice presidents
2020	2.00%	2.96%
2021	2.00%	2.80%

Description of changes

Director: The remunerations for the Company's directors were accrued in accordance with the Company's Articles of Association. 1.5% of the pretax earnings accounted for 2% of after-tax net benefit in 2021 and 2020 respectively.

Supervisors: It ceases to apply, as audit Committee has been set to replace the supervisors.

CEO and vice presidents: The ratio of remunerations of CEO and vice presidents to after-tax net profit decreased in 2021 in comparison to that in 2020, due

to the increase of after-tax net profits in 2021 than that in 2020.

2. Policies, standards, and packages of remuneration payment, the procedure to set remuneration, and relevance to the operating performance and future risks:

The Company's principle of remunerations to directors is established by the Board of Directors in the Articles of Association, and presented to the Shareholders' meeting for approval. It is handled pursuant to Article 16, the Articles of Association: "the decisions of remunerations to directors (including independent directors), is authorized to the Board of Directors, based on their participation, contributions to the Company's operations, and by referring to the payments made by peers;" The remunerations to directors is also handled pursuant to Article 19-1 of the Articles of Association: "Should there be profit in a year, no less than 5% shall be contributed as the remuneration to employees and no higher than 2% as the remuneration to directors. Profits must first be set aside to offset cumulative losses if any. The aforesaid remuneration to employees may be in cash or shares; the eligible receivers may include the employees of the Company or the subsidiaries. The aforesaid remuneration to directors may only be made in cash. The remuneration to employees and directors shall be resolved by the Board of Directors and reported to the Shareholders' meeting".

The remunerations to CEO and vice presidents include the basic salary, subsidies, and bonus; the payment is made based on the achievement of the Company's holistic goals, personal performance, and by referring to the payments made by peers to the equivalents.

From 2009, the Company has purchased liability insurance for directors to thoroughly protect the directors' liabilities and the assets. In addition, there is no litigation or maintenance obligation that may result in future liability, obligation, or debt of the Company.

IV. Corporate governance

(I) 1. Operations of the Board

a. The key points of the Board in 2021 are as follows

- Review 2022 business plan
- Review 2020 financial report and 2021 Q2 financial report
- Evaluation over the effectiveness of internal control system
- Commission of CPAs and auditing of remunerations
- Promotion of Blueprint for 3.0 Sustainable Development of Company Governance

b. In 2021, the Company convened a total six Board meetings, and operated as follows:

● Mar. 11, 2021

Discussed:

- (1) Proposal of remunerations to employees and directors for 2020
- (2) 2020 “Declaration of Internal Control System”
- (3) Proposal of the consolidated and parent-company-only financial statements for 2020
- (4) Revision of internal control system and rules for implementation of internal audit
- (5) Revision of “The Rules of Procedure for Shareholders’ meetings”
- (6) Affairs related to the convention of the Shareholder’s Meeting 2021, acceptance of proposals from shareholders with 1% shareholding
- (7) Proposal of self-assessment of directors for 2020 and performance evaluation of Board of Directors
- (8) Proposal of performance evaluation of functional committee of 2020
- (9) Proposal of assessment to attesting accountants’ independence and suitability, 2020
- (10) Proposal of engaging attesting accountants and their compensations, 2021
- (11) Proposal of appraising managers’ performance and the evaluations to the auditors, 2020

● Apr. 29, 2021:

Discussed:

- (1) Proposal of business report for 2020
- (2) Proposal of earnings distribution for 2020
- (3) Remedy to affairs related to the convention of Shareholders’ Meeting 2021, acceptance of proposals from shareholders with 1% shareholding

● July. 14, 2021:

- Discussion (1) Proposal of determination of postponed date and place of shareholder’s meeting of 2021

●Aug. 5, 2021:

Discussed:

- (1) Proposal to apply the renewal of credit facilities from Shanghai Commercial Bank
- (2) Proposal of remunerations distributed to directors, managers, and employees for 2020

● Nov. 4, 2021:

Discussed:

- (1) Revision of internal control and implementation details of internal audit
- (2) Formulation of “Ethical Operation and Management” internal control system and implementation details of internal audit
- (3) Audit Plan for 2022

●Dec. 24, 2021:

Discussed:

- (1) The business plan and budgets for 2022
- (2) Revision of “Guidelines of Appraising Performance of the Board of Directors”
- (3) Revision of “Corporate Governance Best-Practice Principles”
- (4) Revision of “Regulations on Continuing Education of Directors”
- (5) Proposal of the year-end bonus to the managers for 2021 and the adjustment of the fixed salaries for 2022

c. The Board convened six (A) meetings in the most recent fiscal year (2021); the attendance of supervisors are as follows:

Position	Name	Actual attendance (%) (B)	Attendance by proxy	Actual attendance (participation) rate (%) [B/A]	Remarks
Chairman	Chen, Ching-Kang	6	0	100%	-
Director	Hsu, Hwa-Lin	6	0	100%	
Director	Representative of Puyang Investment Co., Ltd: Li, I-Chuan	6	0	100%	
Director	Representative of Puyang Investment Co., Ltd: Lin, Man-Tsu	6	0	100%	
Independent director	Chen, Shuh	6	0	100%	
Independent director	Huang, Hsin Hsien	6	0	100%	
Independent director	Chang, Pao-Thai	6	0	100%	

Other notes:

I. If any of the following is applicable to the operation of the Board, specify the date, the series of the session, the content of the motions, the opinions of the Independent Directors, and the response of the Company to the opinions of the Independent Directors:

- (I) Conditions described in Article 14-3 of the Securities and Exchange Act.
- (II) Any other documented objection or qualified opinion raised by independent director against board resolution in relation to matters other than those described above.

Six meetings of the Board were convened in 2021, and sufficient discussions were given in each meeting. To each proposal, the Chairman inquired the opinions of the directors and independent directors. As there was no condition described in Article 14-3 of the Securities and Exchange Act, all proposals were passed as proposed. All contents of the meetings were recorded in meeting records and disclosed on the Company's website.

Date/Term of the Board meeting	Content of motion	Independent director's opinions or objections	Resolution of the Board meeting	The company's handling of the opinions of independent directors
The 5th meeting of the 11th Term Mar. 11, 2021	<p>Discussed:</p> <ul style="list-style-type: none"> (1) Proposal of remunerations to employees and directors for 2020 (2) 2020 "Declaration of Internal Control System" (3) Proposal of the consolidated and parent-company-only financial statements for 2020 (4) Revision of internal control system and rules for implementation of internal audit (5) Revision of "The Rules of Procedure for Shareholders' meetings" (6) Affairs related to the convention of the Shareholder's Meeting 2021, acceptance of proposals from shareholders with 1% shareholding (7) Proposal of self-assessment of directors for 2020 and performance evaluation of Board of Directors (8) Proposal of performance evaluation of functional committee of 2020 (9) Proposal of assessment to attesting accountants' independence and suitability, 2020 (10) Proposal of engaging attesting accountants and their compensations, 2021 (11) Proposal of appraising managers' performance and the evaluations to the auditors, 2020 	None	Approved by all Committee members present in the meeting	None

Date/Term of the Board meeting	Content of motion	Independent director's opinions or objections	Resolution of the Board meeting	The company's handling of the opinions of independent directors
The 6th meeting of the 11th Term Apr. 29, 2021	Discussed: (1) Proposal of business report for 2020 (2) Proposal of earnings distribution for 2020 (3) Remedy to affairs related to the convention of Shareholders' Meeting 2021, acceptance of proposals from shareholders with 1% shareholding	None	Approved by all Committee members present in the meeting	None
The 7th meeting of the 11th Term July. 14, 2021	Discussion: (1) Proposal of determination of postponed date and place of shareholder's meeting of 2021	None	Approved by all Committee members present in the meeting	None
The 8th meeting of the 11th Term Aug. 5, 2021	Discussed: (1) Proposal to apply the renewal of credit facilities from Shanghai Commercial Bank (2) Proposal of remunerations distributed to directors, managers, and employees for 2020	None	Approved by all Committee members present in the meeting	None

Date/Term of the Board meeting	Content of motion	Independent director's opinions or objections	Resolution of the Board meeting	The company's handling of the opinions of independent directors
The 9th meeting of the 11th Term Nov. 4, 2021	Discussed: (1) Revision of internal control and implementation details of internal audit (2) Formulation of "Ethical Operation and Management" internal control system and implementation details of internal audit (3) Audit Plan for 2022	None	Approved by all Committee members present in the meeting	None
The 10th meeting of the 11th Term Dec. 24, 2021	Discussed: (1) The business plan and budgets for 2022 (2) Revision of "Guidelines of Appraising Performance of the Board of Directors" (3) Revision of "Corporate Governance Best-Practice Principles" (4) Revision of "Regulations on Continuing Education of Directors" (5) Proposal of the year-end bonus to the managers for 2021 and the adjustment of the fixed salaries for 2022	None	Approved by all Committee members present in the meeting	None

II. Disclosure regarding avoidance of interest-conflicting motions, including the names of directors concerned, the motions, the nature of conflicting interests, and the voting process:

In the notices of each board meeting, the company reminds directors and independent directors to pay attention to the avoidance of interests and insider trading for those participating in discussions and voting. Relevant personnel who should leave the venue and avoid it will be reminded again.

- In the Board's meeting on Aug. 5, 2021:

Discussed the remunerations to directors and managers proposed by the Remuneration Committee. As decided by the Chairman, the managers recused first; for the attending directors, these who are stakeholders including Chairman, Chen, Ching-Kang, Independent Director, Chen, Shuh, Independent Director, Huang, Hsin Hsien, Independent Director, Chang, Pao-Thai, Director, Hsu, Hwa-Lin, Director Representative, Li, I-Chuan and Director Representative, Lin, Man-Tsu were not allowed to discuss or vote the remuneration proposal resolved by the Remuneration Committee.

- The Board’s meeting on Dec. 24, 2021:
Discussed the proposal of the year-end bonus to the managers for 2021 and the adjustment of the fixed salaries for 2022, submitted by the Remuneration Committee: As decided by the Chairman, the managers recused first; Chairman/CEO, Chen, Ching-Kang; Director/Vice President, Hsu, Hwa-Lin; and Director/Manager, Lin, Man-Tsu all recused from voting. The directors selected Independent Director, Chang, Pao-Thai to act as the Chairman to host the discussion. The attending Directors with voting rights passed the proposal of the Remuneration Committee.
- III. TWSE/TPEX Listed Companies shall disclose information of the assessment cycle and interval, scope of assessment, assessment method and details of assessment, and fill in the implementation of appraisal to the Board of Directors:
- The Company made “directors’ self-evaluation and evaluation to the Board’s performance” and evaluated the performance of the Board of Directors, members of Directors and functional members of the Committees.

The board of directors evaluates the implementation situation:

Assessment cycle	Assessment interval	Scope of assessment:	Assessment method	Details of assessment
Annually	The evaluation to the Board was conducted against their performance between Jan. 1, 2021 to Dec. 31, 2021	Board of directors	Internal self-evaluation of Board	<u>Board of directors:</u> 1. Participation of the Company’s operation (20%) 2. Improvement of the decision quality of the Board (20%) 3. Composition and structure of the board of directors (20%) 4. Election and continuing learning and education (20%) 5. Internal control (20%) The overall operation is complete and therefore a high score was granted. It is in accordance with the requirements of the corporate governance and was passed by the Board of Directors on Feb. 24, 2022.
Annually	The performance of board directors was evaluated between Jan. 1, 2021 to Dec. 31, 2021	Independent director	Self-evaluation of independent director	<u>Self-evaluation of independent director:</u> 1. Command of the Company’s goals and tasks (15%) 2. Recognition of the director’s duties (10%) 3. Participation of the Company’s operation accounts (30%) 4. Operation and communication of internal relations (15%) 5. Expertise and continuing learning and education of the directors (15%) 6. Internal control (15%) All independent directors got high scores in the indicators above and were passed by the Board of Directors on Feb. 24, 2022.

The board of directors evaluates the implementation situation:

Assessment cycle	Assessment interval	Scope of assessment:	Assessment method	Details of assessment
Annually	The the performance of Audit Committee was evaluated between Jan. 1, 2021 to Dec. 31, 2021	Functional Committee: Audit Committee	Internal self-evaluation of Audit Committee	<p><u>Functional committee-Audit Committee:</u></p> <ol style="list-style-type: none"> 1. Participation of the Company's operation (15%) 2. Recognition of the duties of the Audit Committee (25%) 3. Improvement of the decision quality of the Audit Committee (30%) 4. Composition and member election of the Audit Committee (15%) 5. Internal control (15%) <p>Members of the Audit Committee got high scores in the indicators above and were passed by the Board of Directors in Feb. 24, 2022.</p>
Annually	The performance of Remuneration Committee was evaluated between Jan. 1, 2021 to Dec. 31, 2021	Functional Committee: Remuneration Committee	Internal self-evaluation of Remuneration Committee	<p><u>Functional committee-Remuneration Committee:</u></p> <ol style="list-style-type: none"> 1. Participation of the Company's operation (20%) 2. Recognition of the duties of the Remuneration Committee (25%) 3. Improvement of the decision quality of the Remuneration Committee (35%) 4. Composition and member election of the Remuneration Committee (15%) 5. Internal control (5%) <p>Members of the Remuneration Committee got high scores in the indicators above and were passed by the Board of Directors in Feb. 24, 2022.</p>

The board of directors evaluates the implementation situation:				
Assessment cycle	Assessment interval	Scope of assessment:	Assessment method	Details of assessment
Annually	The performance of CSR Committee was evaluated between Jan. 1, 2021 to Dec. 31, 2021	Functional committee: CSR committee	Internal self-evaluation of CSR Committee	<u>Functional Committee - CSR Committee:</u> 1. Participation of the Company's operation (20%) 2. Recognition of the duties of the CSR Committee (15%) 3. Improvement of the decision quality of the CSR Committee (35%) 4. Composition and member election of the CSR Committee (15%) 5. Internal control (15%) Members of the CSR Committee got high scores in the indicators above and were passed by the Board of Directors in February 24, 2022
Annually	The performance of Risk Management Committee was evaluated between Jan. 1, 2021 to Dec. 31, 2021	Functional committee: Risk Management committee	Internal self-evaluation of Risk Management Committee	<u>Functional Committee - Risk Management Committee:</u> 1. Participation of the Company's operation (20%) 2. Recognition of the duties of the Risk Management Committee (15%) 3. Improvement of the decision quality of the Risk Management Committee (35%) 4. Composition and member election of the Risk Management Committee (15%) 5. Internal control (15%) Members of the Risk Management Committee got high scores in the indicators above and were passed by the Board of Directors in February 24, 2022.

IV. Enhancements to the functionality of the board of directors in the current and the most recent year (e.g. establishment of an Audit Committee, improvement of information transparency etc.), and the progress of such enhancements:

1. The "Regulations of Director Election" specifies that the elections of directors must take the background and competencies of independent directors in to account, so the directors of the Company are well diversified. Also the gender equality is particularly emphasized, with no less than one third of seats of directors taken by females. For the expertise, one of each seat owns the expertise of commerce, law, finance, accounting, or the Company's business, respectively, as complementary.

Currently, there are seven seats of directors; among them, there are three seats of independent directors, or 43% of total directors. There are also three female directors, or 43% of total directors. The seven directors have different professional capabilities in the regard to technology, construction, finance, financial, accounting, law, and human resources, which are complementary to each other, and could be a synergy in the future.

The diversification of the Board of Directors is specified as follows:

Name	Gender	Age		Tenure as an independent director		Concurrence to the Company's employee	1 Capability of operational judgement	2 Capability of corporate management	3 Capability of risk management	4 Insight on the international market	5 Leadership	6 Professional capability	7 Industry knowledge
		51to60	61to70	Less than three years	Three to nine years								
Chen, Ching-Kang	M		√			√	√	√	√	√	√	Network communications	Technologies
Hsu, Hwa-Lin	F		√			√	√	√	√	√	√	Network communications	Technologies
Li, I-Chuan	M	√					√	√	√	√	√	Business administration	Construction
Lin, Man-Tsu	F		√			√	√	√	√	√	√	Finance and accounting	Technologies
Chen, Shuh	M		√		√		√	√	√	√	√	Finance and accounting	Finance
Huang, Hsin Hsien	M		√		√		√	√	√	√	√	Legal matters	Legal matters
Chang, Pao-Thai	F	√			√		√	√	√	√	√	HR	HR

- From 2009, the Company has purchased the liability insurance for the directors, supervisors, and key officers of the Company. The insurance report was reported to the Board of Directors on Nov. 4, 2021, so that the directors may fulfill their duties of overseeing and governing the Company without concern.
- In the 2021 Shareholders' meeting, all seven seats of directors, including Chairman, Jack Chen; the independent director concurring convener of the Audit Committee, Chen, Shuh; the independent director concurring convener of the Remuneration Committee, Chang, Pao-Thai; the independent director, Huang, Hsin Hsien; Director, Hsu, Hua-Lin, Li, I-Chuan, and Lin, Man-Tsu, attended.
- To improve the information transparency, the Company has held four Audit Committee Meeting on Mar. 11, 2021, Apr. 29, 2021, Aug. 5, 2021 and Nov. 4, 2021 respectively since the voluntary establishment of Audit Committee in 2017, to discuss the financial reports of 2021, the appraisal to the effectiveness of the internal control system, evaluation of the attesting accountants, the business plan, the earning distribution, and the audit plan, before submitting the aforementioned to the Board of Directors for approval. The performance evaluation of Audit Committee for 2021 was made based on "Guidelines of Appraising Performance of the Board of Directors". On Feb. 24, 2022, the proposal of appraising performance of functional committees was passed by the Board of Directors.
- In 2021, three Remuneration Committee Meetings were held on Mar. 11, 2021, Aug. 5, 2021 and Dec. 24, 2021 respectively. Pursuant to the Article 7-1, of "Organization Regulations for Remuneration Committee", it is set forth that "The Committee shall perform the following authorities with due care of stewardship, and submit the proposal to the Board of Directors for discussion: (1) Establishing and reviewing on the regular basis the evaluations to the directors and managers' performance, as well as the policies,

systems, standards, and structures of remunerations. (2) Evaluate and decided, on the regular basis, the remunerations to directors and managers”. After fully discussing the performance evaluation to each independent director and manager, the proposal is submitted to the Board of Directors. Performance evaluation of Remuneration Committee for 2021 was made based on “Guidelines of Appraising Performance of the Board of Directors”. On Feb. 24, 2022, the proposal of appraising performance of functional committees was passed by the Board of Directors.

6. On November 4, 2020, the Board of Director revised “Regulations of Risk Management Committee”. The board also ratified the establishment of “Risk Management Committee” consisting of more than half of independent directors on December 22, 2021. On the same day, independent director Huang, Hsin Hsien was elected as the convener.

The Risk Management Committee holds at least 2 meetings each year to report various operations to the board of directors. In 2021, 2 meetings were held on July 14 and December 24 respectively.

7. On November 4, 2021, the Company stipulated “Organizational Regulations of CSR Committee”. On December 22, 2021, the board decided to set up the committee with 3 independent directors and 2 directors and elected Hsu, Hwa-Lin as the convener. In response to the trend of international development and the goal of sustainable development, the Company changed “CSR Committee” into “Sustainable Development Committee” on February 24, 2022. Sustainable Development Committee holds 2 meeting at least and reports various operations to the board of directors. Meetings were held on April 29, 2021 and December 24, 2021 respectively.

Operations of the Audit Committee or the participation of supervisors to the Board of Directors: the Company re-elected the directors and supervisors on Jun. 13, 2017, and the Audit Committee was established to replace the supervisors. The company's "Audit Committee" consists of three members from all independent directors. It regularly reviews the company's internal control system and the implementation of internal audits and major financial business activities on a quarterly basis, and communicates and communicates with certified accountants to supervise the company's operations. and risk management.

(II)

1. The key points of the Remuneration Committee in 2021 are as follows:
 - Proper presentation of auditing financial report
 - Evaluation on the appointment, remuneration, independence and performance of CPAs for 2021
 - Evaluation over the effectiveness of internal control system
 - Formulation of “Ethical Operation and Management” internal control system and implementation details of internal audit
2. In 2021, the Company convened a total of four Audit Committee meetings, and operated as follows:
 - Mar. 11, 2021:
Internal audit report
Discussed:
 - (1) 2020 “Declaration of Internal Control System”
 - (2) Proposal of the consolidated and parent-company-only financial statements for 2020

- (3) Revision of internal control system and implementation details of internal audit
- (4) Proposal of assessment to attesting accountants' independence and suitability, 2020
- (5) Proposal of engaging attesting accountants and their compensations, 2021

●Apr. 29, 2021:

Internal audit report

Discussed:

- (1) Proposal of business report for 2020
- (2) Proposal of earnings distribution for 2020
- (3) Proposal of total financial report of 2021 Q1

●Aug. 5, 2021:

Internal audit report

Discussed :

Consolidated financial statements of the first half of 2021

●Nov. 4, 2021:

Internal audit report

Discussed:

- (1) Consolidated financial statements of Q1 to Q3 2021
- (2) Revision of internal control system and implementation details of internal audit
- (3) Formulation of “Ethical Operation and Management” internal control system and implementation details of internal audit
- (4) Audit Plan for 2022

3.Information on the Operation of the Audit Committee

The Audit Committee convened four (A) meetings in the most recent fiscal year (2021); the attendance of independent directors are as follows:

Position	Name (Note)	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A)(Note)	Remarks
Independent director	Chen, Shuh	4	0	100%	
Independent director	Huang, Hsin Hsien	4	0	100%	
Independent director	Chang, Pao-Thai	4	0	100%	

Other notes:

I. Where the operation of the audit committee exhibits any of the following, the minutes concerned shall clearly state the meeting date, term, the motions, independent director's dissenting opinion or qualified opinion or contents of major project proposal, audit committee's resolution and the Company's response to Audit Committee's opinions.

(I) Conditions described in Article 14-5 of the Securities and Exchange Act

(II) Other than those described above, any resolutions unapproved by the Audit Committee but passed by more than two-thirds of directors:

In 2021, the Company convened a total of four Audit Committee meetings:

Date/Term of the Audit Committee	Content of motion	Independent director's opinions or objections	Resolution of the Audit Committee	The Company's response to the opinion of the Audit Committee
The 3th meeting of the 2th Term Mar. 11, 2021	Discussed: (1) 2020 "Declaration of Internal Control System" (2) Proposal of the consolidated and parent-company-only financial statements for 2020 (3) Revision of internal control system and implementation details of internal audit (4) Proposal of assessment to attesting accountants' independence and suitability, 2020 (5) Proposal of engaging attesting accountants and their compensations, 2021	None	Approved by all Committee members present in the meeting	None
The 4th meeting of the 2th Term Apr. 29, 2021	Discussed: (1) Proposal of business report for 2020 (2) Proposal of earnings distribution for 2020 (3) Proposal of 2021 Q1 consolidated financial statements	None	Approved by all Committee members present in the meeting	None
The 5th meeting of the 2th Term Aug. 5, 2021	Discussing consolidated financial report of the first half of 2021	None	Approved by all Committee members present in the meeting	None
The 6th meeting of the 2th Term Nov. 4, 2021	Discussed (1) Proposal of consolidated financial statements of the first three quarters of 2021 (2) Revision of internal control system and implementation details of internal audit (3) Proposal of formulating the internal control system "Procedures for Ethical Management" and detailed regulations for internal auditing (4) Discussed Audit Plan for 2022	None	Approved by all Committee members present in the meeting	None

All the above proposals have been fully discussed by the committee members, and all the proposals have been submitted to the board of directors with the consent of all the committee members, and have been passed according to the opinions of the independent directors, and there are no matters listed in Article 14-5 of the Securities and Exchange Act and other matters that have not been approved by the Audit Committee and have been approved by more than two-thirds of all directors.

II. Avoidance of involvements in interest-conflicting discussions by independent directors; state the names of concerned independent directors, the discussions, the nature of conflicting interests, and the voting process:

The Company's independent directors, Chen, Shuh, Huang, Hsin Hsien, Chang, Pao-Thai, convened four Audit Committee meetings in 2021:

●Mar. 11, 2021:

Discussion

- (1) 2020 "Declaration of Internal Control System"
- (2) Proposal of the consolidated and parent-company-only financial statements for 2020
- (3) Revision of internal control system and implementation details of internal audit
- (4) Proposal of assessment to attesting accountants' independence and suitability, 2020
- (5) Proposal of engaging attesting accountants and their compensations, 2021

●Apr. 29, 2021:

Discussed:

- (1) Proposal of business report for 2020
- (2) Proposal of earnings distribution for 2020
- (3) Proposal of 2021 Q1 consolidated financial statements

●Aug. 5, 2021:

Discussing consolidated financial report of the first half of 2021

●Nov. 4, 2021:

Discussed

- (1) Proposal of consolidated financial statements of the first three quarters of 2021
- (2) Revision of internal control system and implementation details of internal audit
- (3) Proposal of formulating the internal control system "Procedures for Ethical Management" and detailed regulations for internal auditing
- (4) Discussed Audit Plan for 2022

All proposals did not involve any interests of the independent directors; therefore no recusal was required. Proposals were passed by all independent directors without objection.

III. Communication between independent directors and internal/external auditors (e.g. discussions concerning the Company's financial and business affairs, the method of communication used, and the outcome):

Communications between the independent directors and the CPAs

Date	Method of communication	Issue of communication	Outcome of communication
Mar. 11, 2021	Accountant and Audit Committee	Explanation and discussion of the financial statements of 2020	The independent directors had no objections to the CPA's explanation
Apr. 29, 2021	Audit Committee	Explanation and discussion of the consolidated financial statements of Q1, 2021	
Aug. 5, 2021	Audit Committee	Explanation and discussion of the consolidated financial statements of the first half of 2021	
Nov. 4, 2021	Audit Committee	Explanation and discussion of the consolidated financial statements of Q1 to Q3 2021	
Feb. 24, 2022	Accountant and Audit Committee	Explanation and discussion of the financial statements of 2021	
Apr. 28, 2022	Audit Committee	Explanation and discussion of the consolidated financial statements of Q1, 2022	

Communications between the independent directors and the Audit officer

Date	Method of communication	Issue of communication	Outcome of communication
Jan. 29, 2021	E-mail delivery	Submission of the Dec. audit report of 2020	The independent directors had no dissent to the concerned audit report.
Feb. 25, 2021	E-mail delivery	Submission of the Jan. audit report of 2021	
Mar. 11, 2021	Audit Committee	Report regarding audit implementation from Nov. 2020 to Jan. 2021.	The independent directors had no dissent to the audit implementation report.
Mar. 31, 2021	E-mail delivery	Submission of the Feb. audit report of 2021	The independent directors had no dissent to the concerned audit report.
Apr. 29, 2021	E-mail delivery	Submission of the Mar. audit report of 2021	
Apr. 29, 2021	Audit Committee	Report regarding audit implementation of Feb. 2021	The independent directors had no dissent to the audit implementation report.
May 31, 2021	E-mail delivery	Submission of the Apr. audit report of 2021	The independent directors had no dissent to the concerned audit report.
Jun. 29, 2021	E-mail delivery	Submission of the May audit report of 2021	
Jul. 29, 2021	E-mail delivery	Submission of the Jun. audit report of 2021	
Aug. 5, 2021	Audit Committee	Report regarding audit implementation from Mar. to Jun, 2021	The independent directors had no dissent to the audit implementation report.

Communications between the independent directors and the Audit officer

Date	Method of communication	Issue of communication	Outcome of communication
Aug. 31, 2021	E-mail delivery	Submission of the Jul. audit report of 2021	The independent directors had no dissent to the concerned audit report.
Sep. 29, 2021	E-mail delivery	Submission of the Aug. audit report of 2021	
Oct. 29, 2021	E-mail delivery	Submission of the Sep. audit report of 2021	
Nov. 4, 2021	Audit Committee	Report regarding audit implementation from Jul. to Aug. 2021	The independent directors had no dissent to the audit implementation report.
Nov. 30, 2021	E-mail delivery	Submission of the Oct. audit report of 2021	The independent directors had no dissent to the concerned audit report.
Dec. 30, 2021	E-mail delivery	Submission of the Nov. audit report of 2021	
Jan. 28, 2022	E-mail delivery	Submission of the Dec. audit report of 2021	
Feb. 24, 2022	Audit Committee	Report regarding audit implementation from Nov. 2020 to Dec. 2020.	The independent directors had no dissent to the audit implementation report.
Feb. 24, 2022	Meeting of independent directors, auditors and CPAs	Discussion of the audited matters of 2021	The independent directors had no objections to the CPA's and auditors' explanation
Feb. 25, 2022	E-mail delivery	Submission of the Jan. audit report of 2022	The independent directors had no dissent to the concerned audit report.
Mar. 31, 2022	E-mail delivery	Submission of the Feb. audit report of 2022	The independent directors had no dissent to the concerned audit report.
Apr. 15, 2022	Audit Committee	Report regarding audit implementation from Jan. 2022 to Feb. 2022.	The independent directors had no dissent to the audit implementation report.
Apr. 29, 2022	E-mail delivery	Submission of the Mar. audit report of 2022	The independent directors had no dissent to the concerned audit report.

(III) Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies

Items under evaluation	Status			Any nonconformity to the Corporate Governance Best Practice Principles for TSEC/TPEX Listed Companies, and reasons thereof.
	Yes	No	Summary	
I. Has the Company established and disclosed its corporate governance principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		To establish a good corporate governance system, the Company established the “Corporate Governance Best Practice Principles”, pursuant to the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” on Jun. 13, 2008. Besides complying with laws and regulations, it safeguarded shareholders’ rights and interests, intensified board functions, gave play to functions of Audit Committee and implemented corporate governance on the basis of respecting stakeholders’ rights and interests and improving information transparency; on Jul. 18, 2019, the Company, upon board’s approval, designated the corporate governance director enjoying the qualifications requested by laws and scope of his or her duties, who would deal with relevant corporate governance affairs. All regulations related to the corporate governance are disclosed in the “Stakeholder Section” of the Company’s website. (http://www.planet.com.tw/tw/ir/corporate-governance) and the MOPS, while continuing the implementation of corporate governance. According to the Company’s Governance 3.0 - Sustainable Development Blueprint Plan, keep implementing and promoting corporate governance and coordinate the revision of the Company’s “Best-Practice Principles of the Company”, which was ratified on December 24, 2021.	N/A
II. Shareholding structure & shareholders’ rights				
(I) Whether the Company has defined some internal operating procedure to deal with suggestions, questions, disputes and legal actions from shareholders, and implemented the procedure?	V		(I) The company has established the “Procedure of Handling Investor Relationship”. Shareholder’s suggestions, questions, disputes, and litigious affairs are handled by the spokesperson and the acting spokesperson. At the “Stakeholder Section” of the Company’s website, not only the telephone numbers and mailboxes of the spokesperson, acting spokesperson, and the Audit Committee are available, other contacts are also provided to the stakeholders, to ensure every shareholder may fully express themselves through a transparent and public platform. Besides, the treatment report of investor relations is prepared at the beginning of each year.	N/A
(II) Whether the Company possess the list of its major shareholders and the controlling parties of such shareholders?	V		(II) The Company declared changes in shareholding of internal personnel on a monthly basis as per laws and had full control over the major shareholders actually controlling the Company; the shareholders’ affairs agency provides the shareholder register.	N/A
(III) Whether the Company establishes or implements some risk control and firewall mechanisms between the Company and its affiliates	V		(III) Regarding the risk control to the affiliates, the Company has established the relevant management measures such as “Managerial Regulations for Operation of Long- and Short-Term Investment”, “Regulations for Intercompany Financial and Operation of Affiliates”, “Operational Procedures for Transactions Among Certain Companies, Group’s Enterprises, and Related Party”, the “Regulations for Overseeing Subsidiaries” in the internal control system, as the controlling mechanism. The mechanism not only clearly divides the job and responsibilities of the Company and the affiliates, and serves as the basis of implementation and periodical review, to respond the evolutions of the internal and external environment, while ensuring the effectiveness of the design and implementation of such system, and building proper firewall	N/A

Items under evaluation	Status			Any nonconformity to the Corporate Governance Best Practice Principles for TSEC/TPEX Listed Companies, and reasons thereof.
	Yes	No	Summary	
(IV) Does the Company set up internal norms to prohibit the insiders from utilizing the undisclosed information to trade securities?	V		<p>based on the risk assessment. No transaction occurred among the affiliates in 2021.</p> <p>(IV) The directors and employees of the Company, not only comply with the Securities and Exchange Act, but also the “Operational Procedures to Prevent Insider Trading”, the “Corporate Governance Best Practice Principles”, the “Managerial Guidelines for Handling Material Information”, “Ethical Corporate Management Best Practice Principles”, “Procedures for Ethical Management and Guidelines for Conduct”, and “Corporate Ethic Regulations” set up by the Company, which strictly forbid related personnel to obtain benefits with the internal undisclosed information, nor leak such information to others. In 2020, besides requesting all employees to re-sign “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct”, and offered education and training to new employees who have being working for one week about various measures. On July 14, 2021, the Company advocated the [Preventing Insider Trading] forwarded by competent authority; on December 24, 2021, the Company offered the corresponding trainings to directors and managers about [Preventing Insider Trading – Common Violations of Internal Personnel].</p>	N/A
<p>III. The organization of Board of Directors and its duties:</p> <p>(I) Does the board of directors formulate diversified policies and specific management goal and has it implemented the provisions above?</p>	V		<p>(I) The Company should consider diversification when determining the composition of the Board according to “Best-Practice Principles of the Company”. To improve board structure, the Company must elect directors by taking the background, competence of independent directors and gender equally into account, so as to ensure direct diversification.</p> <p>Diversified policy</p> <p>1.The Company’s diversified policy is subject to the two standards below:</p> <p>(1) Basic condition and value: Gender, age, nationality, culture, etc. In particular, the proportion of female directors had better be 1/3 of the total directors.</p> <p>(2) Professional knowledge and skills: Professional background (e.g. law, accounting, industry, finance, marketing or technology), professional skills and industrial experience.</p> <p>2.All board members should enjoy the knowledge, skills and quality required for performance of official duties. To achieve the goal of corporate governance, the entire board of directors should have following abilities:</p> <p>(1) Operation judgment ability (2) Accounting and financial analysis ability (3) Operation and management ability (4) Crisis treatment ability (5) Industrial knowledge (6) International market view (7) Leadership (8) Decision-making ability</p> <p>Specific management goals of diversification</p> <p>The board of directors should guide the company strategy, supervise management and report to the Company and shareholders. All kinds of work and arrangements of corporate governance system should enable the board of</p>	N/A

Items under evaluation	Status		Summary	Any nonconformity to the Corporate Governance Best Practice Principles for TSEC/TPEX Listed Companies, and reasons thereof.
	Yes	No		
			<p>directors to exercise functions and powers in accordance with decrees, the articles of association or resolution of board of shareholders. The specific management goals are formulated as follows in consideration of the Company's business development demand:</p> <ul style="list-style-type: none"> (1) Jun Professional capacity: For commerce, legal affairs, financial accounting or other professional and industrial knowledge required for the Company's business, each occupies around one seat or above, so as to supplement each other, make more professional board decision, supervise the Company's operation and maximize shareholders' rights and interests. (2) Gender equality: Proportion of female directors shall not be less than 1/3 of all directors. (3) At least independent directors shall be selected. <p>Executive achievements of diversification</p> <ul style="list-style-type: none"> (1) Currently, there are seven seats of directors; among them, there are two proficient in commercial affairs, two proficient in legal affairs, two proficient in financial accounting and two proficient in professional knowledge required for the Company's other businesses; in terms of industrial knowledge, the three directors have different capacities in regard to finance, law and human resources respectively; the four directors master the industrial knowledge required for the Company's other businesses. All those have comprehensive benefits for the Company's future development.. (2) Among the seven directors, three are female, with a proportion of 43%. (3) There are three independent directors at present. 	

Items under evaluation	Status		Summary																																																																																																																	
	Yes	No																																																																																																																		
	<table border="1"> <thead> <tr> <th rowspan="2">Name</th> <th rowspan="2">Gender</th> <th colspan="2">Age</th> <th rowspan="2">Independent director Term/Tenure</th> <th rowspan="2">3 to 9 years 3years less</th> <th rowspan="2">Concurrence to the Company's employee</th> <th rowspan="2">1 Capability of</th> <th rowspan="2">2 Capability of</th> <th rowspan="2">3 Capability of risk</th> <th rowspan="2">4 Insight to the</th> <th rowspan="2">5 Leadership</th> <th rowspan="2">6 Professional capability</th> <th>7</th> </tr> <tr> <th>51 to 60</th> <th>61 to 70</th> <th>Industry knowledge</th> </tr> </thead> <tbody> <tr> <td>Chen, Ching-Kang</td> <td>Male</td> <td>√</td> <td></td> <td></td> <td></td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>Network communication</td> <td>Technologies</td> </tr> <tr> <td>Hsu, Hwa-Lin</td> <td>Female</td> <td></td> <td>√</td> <td></td> <td></td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>Network communication</td> <td>Technologies</td> </tr> <tr> <td>Li, I-Chuan</td> <td>Male</td> <td>√</td> <td></td> <td></td> <td></td> <td></td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>Business administration</td> <td>Construction</td> </tr> <tr> <td>Lin, Man-Tsu</td> <td>Female</td> <td></td> <td>√</td> <td></td> <td></td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>Finance and accounting</td> <td>Technologies</td> </tr> <tr> <td>Chen, Shuh</td> <td>Male</td> <td>√</td> <td></td> <td></td> <td>√</td> <td></td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>Finance and accounting</td> <td>Finance</td> </tr> <tr> <td>Huang, Hsin Hsien</td> <td>Male</td> <td></td> <td>√</td> <td></td> <td></td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>Legal matters</td> <td>Legal matters</td> </tr> <tr> <td>Chang, Pao-Thai</td> <td>Female</td> <td>√</td> <td></td> <td></td> <td></td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>HR</td> <td>HR</td> </tr> </tbody> </table>			Name	Gender	Age		Independent director Term/Tenure	3 to 9 years 3years less	Concurrence to the Company's employee	1 Capability of	2 Capability of	3 Capability of risk	4 Insight to the	5 Leadership	6 Professional capability	7	51 to 60	61 to 70	Industry knowledge	Chen, Ching-Kang	Male	√				√	√	√	√	√	√	Network communication	Technologies	Hsu, Hwa-Lin	Female		√			√	√	√	√	√	√	Network communication	Technologies	Li, I-Chuan	Male	√					√	√	√	√	√	Business administration	Construction	Lin, Man-Tsu	Female		√			√	√	√	√	√	√	Finance and accounting	Technologies	Chen, Shuh	Male	√			√		√	√	√	√	√	Finance and accounting	Finance	Huang, Hsin Hsien	Male		√			√	√	√	√	√	√	Legal matters	Legal matters	Chang, Pao-Thai	Female	√				√	√	√	√	√	√
Name	Gender	Age				Independent director Term/Tenure	3 to 9 years 3years less										Concurrence to the Company's employee	1 Capability of	2 Capability of	3 Capability of risk	4 Insight to the	5 Leadership	6 Professional capability	7																																																																																												
		51 to 60	61 to 70	Industry knowledge																																																																																																																
Chen, Ching-Kang	Male	√				√	√	√	√	√	√	Network communication	Technologies																																																																																																							
Hsu, Hwa-Lin	Female		√			√	√	√	√	√	√	Network communication	Technologies																																																																																																							
Li, I-Chuan	Male	√					√	√	√	√	√	Business administration	Construction																																																																																																							
Lin, Man-Tsu	Female		√			√	√	√	√	√	√	Finance and accounting	Technologies																																																																																																							
Chen, Shuh	Male	√			√		√	√	√	√	√	Finance and accounting	Finance																																																																																																							
Huang, Hsin Hsien	Male		√			√	√	√	√	√	√	Legal matters	Legal matters																																																																																																							
Chang, Pao-Thai	Female	√				√	√	√	√	√	√	HR	HR																																																																																																							
(II) Does the Company, in addition to setting up the Remuneration Committee and Audit Committee lawfully, have other functional	V		(II) The company established the Remuneration Committee on Apr. 27, 2011; and the Audit Committee was established on Jun. 13, 2017 voluntarily. The company formulated Rules of Organization of Corporate Social Responsibility Committee and Regulations of Risk Management Committee on Nov. 4, 2020, and on Dec. 22, 2020, the Company, upon board's approval, voluntarily																																																																																																																	

N/A

Items under evaluation	Status		Summary	Any nonconformity to the Corporate Governance Best Practice Principles for TSEC/TPEX Listed Companies, and reasons thereof.
	Yes	No		
<p>committee set up voluntarily?</p> <p>(III) Has the Company established a set of policies and assessment tools for evaluating board performance, and conducted performance evaluation on a yearly basis? Are performance evaluation results reported to the board of directors and used as reference for compensation, remuneration and nomination decisions?</p>	V		<p>established the functional committees such as “Corporate Social Responsibility Committee”, and the “Risk Management Committee”, more than half of members of which are independent directors, so as to fully implement the corporate governance.</p> <p>To coordinate the latest international development trend, practice the goal of sustainable development and intensify the implementation for promoting sustainable development of Chinese TWSE/TPEX listed companies, the Company renamed Corporate Social Responsibility Committee to Sustainable Development Committee, which was ratified on February 24, 2022.</p> <p>(III) The company established the “Guidelines of Appraising the Board of Directors and Directors”. Every year, each director evaluate himself/herself, pursuant to the “Guidelines of Appraising Performance of the Directors”, in regard to the items such as mastery of goals and tasks, cognition of responsibilities, participation in company’s operations, operations and communications of international relations, profession and continuing education and internal control; after the self-evaluation, submit the result to discussing organization for performance appraisal of board of directors. The discussing organization shall make evaluation based on the items such as participation in company’s operation, improvement of quality of board decision, composition and structure of board, election and continuing education of directors and internal control. In 2021, some directors took active part in the Company’s operation discussion, interacted with business team well and made enormous contributions to the Company’s operation. The attendance rate of directors and independent directors was 100% and all of them obtained appropriate and sufficient reference information before the meeting. All resolutions were made upon all directors’ full discussion. Operation of the Board was excellent and board performance score was 100 points, which was ratified in the board’s meeting on February 24, 2022.</p> <p>Also it is set forth in Article 19-1 of the Articles of Association: “Should there be profit in a year, no less than 5% shall be contributed as the remuneration to employees and no higher than 2% as the remuneration to directors. profits must first be set aside to offset cumulative losses if any. II. The aforesaid remuneration to employees may be in cash or shares; the eligible receivers may include the employees of the Company or the subsidiaries or companies under the Company’s control. The aforesaid remuneration to directors may only be made in cash. The remuneration to employees and directors shall be resolved by the Board of Directors and reported to the Shareholders’ meeting”. The outcomes of independent director’s performance evaluation were taken into account during the discussions of remuneration to each director by the Remuneration Committee, and provided as referenced to the Board of Directors when nominating the</p>	N/A

Items under evaluation	Status		Summary	Any nonconformity to the Corporate Governance Best Practice Principles for TSEC/TPEX Listed Companies, and reasons thereof.
	Yes	No		
(IV) Does the Company have the independence of the public accountant evaluated regularly?	V		<p>directors for re-election</p> <p>(IV) The accounting firm and attesting accountants that the Company employed have no stake in the Company and comply with the principle of independence in good faith. The Company regularly assesses the attesting accountants, to see if they comply with the “Integrity, Objectivity and Independence” specified in “The Bulletin of Norm of Professional Ethics for Certified Public Accountant No.10”, and Article 29 of “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”. Also five key factors, including “self benefits”, self-evaluation“, “familiarity”, and “coercion”, are evaluated against. The 2021 assessment of attesting accountants’ independence was approved in the board’s meeting on February 24, 2022.</p>	N/A
IV. Has the Company allocated adequate number of competent corporate governance staff and appointed a corporate governance officer to oversee corporate governance affairs (including but not limited to providing directors/supervisors with the information needed to perform their duties, assisting directors/supervisors with compliance issues, convention of board meetings and shareholder meetings, and preparation of board/shareholder meeting minutes)?	V		<p>The Company formulated “Corporate Governance Best Practice Principles”. In addition to deploying adequate number of competent corporate governance staff, on Jul. 18, 2019, the Board of Director appointed the CFO, Lin, Man-Chu, as the Corporate Governance Officer. Ms. Lin has been qualified to be in a managerial position for at least three years, handling financial affairs and stock affairs, as required by public company and conforms to the eligibility condition.</p> <p><u>The functions of the Corporate Governance Officer including:</u></p> <ol style="list-style-type: none"> 1. Handling of matters relating to board of directors meetings and shareholders meetings in compliance with law; 2. Preparation of minutes of the board of directors meetings and shareholders meetings; 3. Assistance to inauguration and continuing education of directors; 4. Provision of information required for performance of duties by the directors and supervisors; 5. Assistance to compliance by directors; 6. Other matters described or established in the articles of incorporation or under contract. <p><u>Key points of business execution for 2021 are as follows:</u></p> <ol style="list-style-type: none"> 1. Ensure the favorable communication between directors and heads of departments and provide company’s financial or business operation information. 2. Purchase the “liability insurance of directors and key personnel” every year, so all directors are protected. The insurance coverage shall be reported to the Board of Directors periodically. 3. Hold meetings of the board of directors, the board of shareholders and various functional committees, formulate various meeting agendas and implement rules of procedure. Notify directors seven days ahead of the meeting and provide complete meeting data. Remind of any proposal of interest avoidance of director and provide minutes of board meeting for all directors within 20 days upon the meeting. In 2021, the Company held board meeting for six times, meeting of Audit Committee for four times, meeting of Remuneration Committee for three times, meeting of CSR Committee for two times and meeting of Risk Management 	N/A

Items under evaluation	Status		Summary	Any nonconformity to the Corporate Governance Best Practice Principles for TSEC/TPEX Listed Companies, and reasons thereof.																													
	Yes	No																															
			<p>Committee for two times.</p> <p>4. After the meeting, the board of directors and board of shareholders should check the release of important decisions of board meeting, ensure legitimacy and correctness of significant contents and protect investor's transaction information.</p> <p>5. Providing the continuing education information to directors from time to time, and arrange directors to take courses pursuant to the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies".</p> <p>6. Make registration before the meeting date of board of shareholders as per laws and announce manual of rules of order 30 days ahead of meeting of board of shareholders and annual report 14 days head of meeting of board of shareholders; announce the voting of meeting of board of shareholders immediately after the meeting, improve electronic voting proportion of board of shareholders and intensify operation of board of shareholders.</p> <p>7. Check the fulfillment of the corporate governance indicators one by one, and complete the self-evaluation.</p> <p>8. Arrange the communication meeting of independent directors with internal auditing director and attesting accountants and master the Company's audit and finance fully.</p> <p>9. Continuing education of the Corporate Governance Officer in 2021 are as follows:</p> <table border="1"> <thead> <tr> <th colspan="2">Date</th> <th rowspan="2">Institute</th> <th rowspan="2">Name of Course</th> <th rowspan="2">Hours</th> <th rowspan="2">Is the continuing educational</th> </tr> <tr> <th>Start</th> <th>End</th> </tr> </thead> <tbody> <tr> <td>2021/08/31</td> <td>2021/09/01</td> <td>TPEX</td> <td>2021 Online Forum for TPEX Sustainable Upgrading</td> <td>4</td> <td rowspan="4">Yes</td> </tr> <tr> <td>2021/10/18</td> <td>2021/10/18</td> <td>TPEX</td> <td>Equity Advocacy Seminar for Internal Personnel of TPEX and Emerging Stock Companies</td> <td>3</td> </tr> <tr> <td>2021/10/29</td> <td>2021/10/29</td> <td>Corporate Operating and Sustainable Development Association</td> <td>Corporate governance and practical operation and case analysis of the Board of Directors and Remuneration Committee</td> <td>3</td> </tr> <tr> <td>2021/11/10</td> <td>2021/11/10</td> <td>Accounting Research and Development Foundation</td> <td>Relevance between ESG indicators emphasized by TCFD and SASB and the Company's financial disclosure</td> <td>3</td> </tr> </tbody> </table>	Date		Institute	Name of Course	Hours	Is the continuing educational	Start	End	2021/08/31	2021/09/01	TPEX	2021 Online Forum for TPEX Sustainable Upgrading	4	Yes	2021/10/18	2021/10/18	TPEX	Equity Advocacy Seminar for Internal Personnel of TPEX and Emerging Stock Companies	3	2021/10/29	2021/10/29	Corporate Operating and Sustainable Development Association	Corporate governance and practical operation and case analysis of the Board of Directors and Remuneration Committee	3	2021/11/10	2021/11/10	Accounting Research and Development Foundation	Relevance between ESG indicators emphasized by TCFD and SASB and the Company's financial disclosure	3	
Date		Institute	Name of Course	Hours	Is the continuing educational																												
Start	End																																
2021/08/31	2021/09/01	TPEX	2021 Online Forum for TPEX Sustainable Upgrading	4	Yes																												
2021/10/18	2021/10/18	TPEX	Equity Advocacy Seminar for Internal Personnel of TPEX and Emerging Stock Companies	3																													
2021/10/29	2021/10/29	Corporate Operating and Sustainable Development Association	Corporate governance and practical operation and case analysis of the Board of Directors and Remuneration Committee	3																													
2021/11/10	2021/11/10	Accounting Research and Development Foundation	Relevance between ESG indicators emphasized by TCFD and SASB and the Company's financial disclosure	3																													

Items under evaluation	Status		Summary	Any nonconformity to the Corporate Governance Best Practice Principles for TSEC/TPEX Listed Companies, and reasons thereof.																		
	Yes	No																				
V. Has the Company established channels for communications with the stakeholders (including but not limited to shareholders, employees, customers, and suppliers), and set up a section for stakeholders at the official website of the Company with proper response to the concerns of the stakeholders on issues related to corporate social responsibility?	V		<p>The Company appointed the spokesperson and the acting spokesperson to handle the questions and opinions of stakeholders, as well as established the “Stakeholder Section” at the Company’s website. Not only email addresses of the spokesperson natalie@planet.com.tw, acting spokesperson shallon@planet.com.tw, and the Audit Committee supervisor@planet.com.tw, other corresponding contacts are also provided to the different type of stakeholders, so that every stakeholder may fully express themselves through a transparent and public platform. At the “Stakeholder Section”, the issues regarding CSR, corporate governance, and financial information are responded. The communications with the stakeholders in 2021 was reported to the Board of Directors on April 28, 2022.</p> <p>Communications with stakeholders:</p> <table border="1"> <thead> <tr> <th>Stakeholder</th> <th>Concerned issue</th> <th>Contact</th> </tr> </thead> <tbody> <tr> <td>Employees</td> <td> <ul style="list-style-type: none"> Talent attraction and retention Human rights Multiple equality and friendly workplace Occupational health and safety </td> <td>CEO email: ceo@planet.com.tw</td> </tr> <tr> <td>Investors</td> <td> <ul style="list-style-type: none"> Corporate governance and operation performance Integrity management and compliance with laws and regulations Risk management Privacy right protection Green product and innovative R&D </td> <td>Spokesperson email: natalie@planet.com.tw Acting Spokesperson email: shallon@planet.com.tw</td> </tr> <tr> <td>Customer</td> <td> <ul style="list-style-type: none"> Product quality and safety Customer relation management Enterprise image Green product and innovative R&D Supply chain management Privacy right protection Information security management </td> <td>Dept. of Sales email: sales@planet.com.tw</td> </tr> <tr> <td>Suppliers:</td> <td> <ul style="list-style-type: none"> Corporate governance and operation performance Supply chain management Green product and innovative R&D </td> <td>COO email: shallon@planet.com.tw</td> </tr> <tr> <td>Government agencies</td> <td> <ul style="list-style-type: none"> Corporate governance and operation performance Integrity management and compliance with laws and regulations Investor protection Capital market internationalization Climate change Information security management </td> <td>CFO email: natalie@planet.com.tw</td> </tr> </tbody> </table>	Stakeholder	Concerned issue	Contact	Employees	<ul style="list-style-type: none"> Talent attraction and retention Human rights Multiple equality and friendly workplace Occupational health and safety 	CEO email: ceo@planet.com.tw	Investors	<ul style="list-style-type: none"> Corporate governance and operation performance Integrity management and compliance with laws and regulations Risk management Privacy right protection Green product and innovative R&D 	Spokesperson email: natalie@planet.com.tw Acting Spokesperson email: shallon@planet.com.tw	Customer	<ul style="list-style-type: none"> Product quality and safety Customer relation management Enterprise image Green product and innovative R&D Supply chain management Privacy right protection Information security management 	Dept. of Sales email: sales@planet.com.tw	Suppliers:	<ul style="list-style-type: none"> Corporate governance and operation performance Supply chain management Green product and innovative R&D 	COO email: shallon@planet.com.tw	Government agencies	<ul style="list-style-type: none"> Corporate governance and operation performance Integrity management and compliance with laws and regulations Investor protection Capital market internationalization Climate change Information security management 	CFO email: natalie@planet.com.tw	N/A
Stakeholder	Concerned issue	Contact																				
Employees	<ul style="list-style-type: none"> Talent attraction and retention Human rights Multiple equality and friendly workplace Occupational health and safety 	CEO email: ceo@planet.com.tw																				
Investors	<ul style="list-style-type: none"> Corporate governance and operation performance Integrity management and compliance with laws and regulations Risk management Privacy right protection Green product and innovative R&D 	Spokesperson email: natalie@planet.com.tw Acting Spokesperson email: shallon@planet.com.tw																				
Customer	<ul style="list-style-type: none"> Product quality and safety Customer relation management Enterprise image Green product and innovative R&D Supply chain management Privacy right protection Information security management 	Dept. of Sales email: sales@planet.com.tw																				
Suppliers:	<ul style="list-style-type: none"> Corporate governance and operation performance Supply chain management Green product and innovative R&D 	COO email: shallon@planet.com.tw																				
Government agencies	<ul style="list-style-type: none"> Corporate governance and operation performance Integrity management and compliance with laws and regulations Investor protection Capital market internationalization Climate change Information security management 	CFO email: natalie@planet.com.tw																				

Items under evaluation	Status		Summary	Any nonconformity to the Corporate Governance Best Practice Principles for TSEC/TPEX Listed Companies, and reasons thereof.									
	Yes	No											
			<table border="1"> <thead> <tr> <th>Stakeholder</th> <th>Concerned issue</th> <th>Contact</th> </tr> </thead> <tbody> <tr> <td>NPO/NGO</td> <td> <ul style="list-style-type: none"> • Human rights • Enterprise image • Environment protection • Climate change </td> <td>Special assistant email: jennys@planet.com.tw</td> </tr> <tr> <td>Community</td> <td> <ul style="list-style-type: none"> • Environmental protection • Community participation and care • Enterprise image </td> <td>Special assistant email: jennys@planet.com.tw</td> </tr> </tbody> </table>	Stakeholder	Concerned issue	Contact	NPO/NGO	<ul style="list-style-type: none"> • Human rights • Enterprise image • Environment protection • Climate change 	Special assistant email: jennys@planet.com.tw	Community	<ul style="list-style-type: none"> • Environmental protection • Community participation and care • Enterprise image 	Special assistant email: jennys@planet.com.tw	
Stakeholder	Concerned issue	Contact											
NPO/NGO	<ul style="list-style-type: none"> • Human rights • Enterprise image • Environment protection • Climate change 	Special assistant email: jennys@planet.com.tw											
Community	<ul style="list-style-type: none"> • Environmental protection • Community participation and care • Enterprise image 	Special assistant email: jennys@planet.com.tw											
VI. Has the Company commissioned a professional share registration and investor service institution for providing services to shareholders?	V		The Company has engaged the profession shareholders' affairs agency - Yuanta Securities Co., Ltd., to handle the affairs of Shareholders' meeting.	N/A									
VII. Disclosure of information													
(I) Does the Company have a website setup and the financial business and corporate governance information disclosed?	V		(I) The Company's website is in both Chinese and English versions to introduce the related activities. The Corporate Social Responsibility Section and Stakeholder Section are established to disclose the information related to finance, business, and corporate governance. (http://www.planet.com.tw/tw/ir/corporate-governance)	NA									
(II) Whether there are other means for disclosure adopted by the Company (e.g. set up a English website, with the personnel dedicated to gathering and disclosing relevant information, properly implement the spokesman system, and post the meetings minutes with institutional investors on the Company website)?	V		(II) The Company's website is in both Chinese and English versions to provide the information related to brands, products, and financial statements. There are dedicated personnel in charge of collecting and disclosing the Company's information, and updating the Company's website from time to time. Besides, spokesperson or acting spokesperson is designed to respond to the investors' questions and suggestions and spokesperson system is implemented. The Company held the second road show in 2021; participated in online performance press conference in TPEX on May 21, 2021; was invited to road show of Yuanda Securities on November 24, 2021. Information of road show is disclosed in the Stakeholder Section /shareholder service/road show of the Company's websites, for reference of shareholders and stakeholder. (https://planet.com.tw/tw/ir/financial-meetings)	N/A									
(III) Does the Company publish and make official filing of annual financial report within two months after the	V		(III) The Company announced and declared the 2021 financial report on February 24, 2022 (within two months upon the end of the accounting year). The financial reports of Q1 to	N/A									

Items under evaluation	Status		Summary	Any nonconformity to the Corporate Governance Best Practice Principles for TSEC/TPEX Listed Companies, and reasons thereof.																										
	Yes	No																												
end of an accounting period, and publish/file Q1, Q2 and Q3 financial reports along with monthly business performance before the required due dates?			<p>Q3 were announced on April 29, 2021, August 5, 2021, and November 4, 2021, respectively. These dates were earlier than the dates required by law, and the operation of each month was reported and announced before the deadlines.</p> <p>Announcement of Revenues during Various Months of 2021</p> <table border="1"> <thead> <tr> <th>Revenues</th> <th>Announcement Date</th> </tr> </thead> <tbody> <tr> <td>Jan. 2021</td> <td>Feb. 8, 2021</td> </tr> <tr> <td>Feb. 2021</td> <td>Mar. 8, 2021</td> </tr> <tr> <td>Mar. 2021</td> <td>Apr. 8, 2021</td> </tr> <tr> <td>Apr. 2021</td> <td>May 7, 2021</td> </tr> <tr> <td>May 2021</td> <td>Jun. 8, 2021</td> </tr> <tr> <td>Jun. 2021</td> <td>Jul. 8, 2021</td> </tr> <tr> <td>Jul. 2021</td> <td>Aug. 9, 2021</td> </tr> <tr> <td>Aug. 2021</td> <td>Sep.8, 2021</td> </tr> <tr> <td>Sep. 2021</td> <td>Oct. 8, 2021</td> </tr> <tr> <td>Oct. 2021</td> <td>Nov. 8, 2021</td> </tr> <tr> <td>Nov. 2021</td> <td>Dec. 8, 2021</td> </tr> <tr> <td>Dec. 2021</td> <td>Jan. 7, 2022</td> </tr> </tbody> </table>	Revenues	Announcement Date	Jan. 2021	Feb. 8, 2021	Feb. 2021	Mar. 8, 2021	Mar. 2021	Apr. 8, 2021	Apr. 2021	May 7, 2021	May 2021	Jun. 8, 2021	Jun. 2021	Jul. 8, 2021	Jul. 2021	Aug. 9, 2021	Aug. 2021	Sep.8, 2021	Sep. 2021	Oct. 8, 2021	Oct. 2021	Nov. 8, 2021	Nov. 2021	Dec. 8, 2021	Dec. 2021	Jan. 7, 2022	
Revenues	Announcement Date																													
Jan. 2021	Feb. 8, 2021																													
Feb. 2021	Mar. 8, 2021																													
Mar. 2021	Apr. 8, 2021																													
Apr. 2021	May 7, 2021																													
May 2021	Jun. 8, 2021																													
Jun. 2021	Jul. 8, 2021																													
Jul. 2021	Aug. 9, 2021																													
Aug. 2021	Sep.8, 2021																													
Sep. 2021	Oct. 8, 2021																													
Oct. 2021	Nov. 8, 2021																													
Nov. 2021	Dec. 8, 2021																													
Dec. 2021	Jan. 7, 2022																													
VIII. Other important information facilitating understanding of the functioning of corporate governance (including but not limited to, the state of employees' rights and interests, concern for employees, investor relations, vendor relations, rights of interested parties, continuing education of directors and supervisors, implementation of risk management policy and risk assessment criteria, implementation of customer policy, and liability insurance purchased by the Company for directors and supervisors)?	V		<p>(I) Employees Interests:</p> <p>1. Formulate complete employee benefit system:</p> <p>*Basic Benefits: Labor insurance and national health insurance, group insurance, marriage & death subsidy, childbirth subsidy and staff's children education subsidy</p> <p>*Remuneration/cash gift: Employee dividend, year-end bonus, operation performance bonus, festival cash for Dragon Boat, Mid-Autumn and Chinese New Year and birthday gift</p> <p>*Talent cultivation: Orientation training, director training and online learning platform</p> <p>*LOHAS activity: Employee tourism, family day, volunteer day, society and cultural and recreational activities</p> <p>*Employee health care: Regular annual health examination, regular on-site medical care, consultation of traditional Chinese and western medicine and</p>	N/A																										

Items under evaluation	Status		Summary	Any nonconformity to the Corporate Governance Best Practice Principles for TSEC/TPEX Listed Companies, and reasons thereof.
	Yes	No		
			<p>physiotherapist consultation</p> <p>2. Establish employee benefit committee, which takes charge of employee benefit fund planning and custody and holds various employee exchange activities.</p> <p>3. With a strong and continuous focus on talent cultivation, the Company provides diversified learning resources and channels, improves employees' knowledge, skills and expertise and cultivates middle and senior directors; implements succession plan and cultivate sustainable talents.</p> <p>(1) Cultivation of expertise: The Company decides its annual plans of continuing education and trainings for employees per year pursuant to the "Detailed Guidelines of Trainings", in order to enhance the employees' core competency, professional competency, and managerial competency. Besides the physical or online professional training for different departments, the Company also innovates e-Learning cloud learning platform through PLANET e-Learning platform, which enables employees' online independent learning, whatever their time and location, to improve the learning effectiveness, as well as the convenience for the employees' continuing education.</p> <p>(2) Development of competency: Experts are also invited to help the employees to understand their own personalities and development of careers through competency behaviors and test of characteristics, and thus the individual development plan (IDP) is established and sustainable talents are cultivated.</p> <p>(3) Annual performance appraisal and human resource inventory: Promotion and rotation are applied to employees based on their performance, to give them the job suitable for their talents, so that the potential talents in the Company may exploit their capabilities and realize their career development. All employees receive the annual performance appraisals. For the salary-related issue, employees may consult their supervisors directly before being approved by the management. Performance bonuses are granted to these who outperformed, as an incentive.</p> <p>4. Boost the equal workg opportunities for male and female employees:</p>	

Items under evaluation	Status		Summary	Any nonconformity to the Corporate Governance Best Practice Principles for TSEC/TPEX Listed Companies, and reasons thereof.
	Yes	No		
			<p>(1) The Company has respected the working equality of genders and human integrity, and established the “Guidelines of Preventing Sexual Harassment“, reviewed and approved by the Labor Bureau, New Taipei City Government, as well as the “Guidelines of Managing Gender Equality”, “Protection Program to the Maternal Health in Workplace” and “Preventive Program against Unlawful Infringement during Performance of Official Duties”. The regular consultancy by the professional occupational doctors is provided to the pregnant female employees and those who have given birth as cares to their mental and physical status. The breastfeeding room and contracted day-care services are also provided to establish a good gender-equal workplace</p> <p>(2) The Company respects the “gender equality”, and actively promotes this concept. Regardless their genders, all employees with the same job shares common compensation and quality. The equal employment and promotion for women in their career development are emphasized. Among the total number of employees in 2021 (155 persons), women accounted for 54% and men accounted for 46%. Number of directors was 38, with a 50% proportion of female directors. In 2015, the Company was rated as “Taiwan Mittelstand Award for Gender Equality” by MOEA. In 2019, the Company was recognized by MOEA with the “Taiwan Mittelstand Award for Workplace Friendliness” again.</p> <p>5. Emphasizing the occupational health and safety:</p> <p>(1) Establish the occupational safety and health management organization – Environment Safety and Health Office; designate full-time occupational safety and health management personnel.</p> <p>(2) Improve occupational safety and health education and training; besides statutory courses, formulate occupational safety and health courses meeting demand according to workplace attribute.</p> <p>(3) Promote on-site medical service and invite professional nurses and occupational medical doctors to offer one-to-one health consultation service.</p> <p>(4) Implement working environment monitoring and monitor carbon dioxide and isopropyl alcohol every six months.</p> <p>(5) Test indoor air quality on a semimanual basis and make record and management.</p>	

Items under evaluation	Status		Summary	Any nonconformity to the Corporate Governance Best Practice Principles for TSEC/TPEX Listed Companies, and reasons thereof.
	Yes	No		
			<p>(6) Identify laws and regulations regularly and formulate relevant measures on occupational safety and health.</p> <p>(7) Hold fire first aid safety education training and drill for two times every year and provide safe working environment for employees.</p> <p>(8) To respond to the COVID-19 epidemic, formulate “Epidemic Prevention Manual” and “COVID-19 Emergency Plan”, so as to provide sufficient information for employees and ensure normal operation of the Company.</p> <p>(9) Establish chemical control mechanism and implement the control through common knowledge training of hazard, automatic check and list of chemicals.</p> <p>6. To ensure that the liabilities and risks of the directors of the Board and key officers of the Company are under control and diversified, the liability insurance is provided every year and policy contents are reviewed regularly every year, so as to lower risks of directors, key staffs and the Company and establish complete corporate governance mechanism. The insurance is reported to the Board of Directors when the contract is renewed.</p> <p>(II) Cares to employees</p> <p>1. <u>Balanced Development Program for Employees’ Mental and Physical Health:</u></p> <p>(1) Health 360 Program: through various health seminars, the health awareness of employees are developed. The Company also hires physicians and Chinese medicine doctors to provide consultancy in the Company every quarter; also nurses come to the Company to provide services every month, as the assistance to the occupational health and safety issues. Moreover, to counter the COVID-19 outbreak, the Company promotes the measures and concepts of containment, as well as the works of containment, so that the health of the employees are well protected.</p> <p>(2) Every fortnight, the massage service is provided, and the office stretch activity is conducted weekly, as the measure to release physical and mental pressure. The Company also sponsors the “Healthy Fat-Losing Club” and “Smiling Super Jogging” Activity, where a professional</p>	

Items under evaluation	Status		Summary	Any nonconformity to the Corporate Governance Best Practice Principles for TSEC/TPEX Listed Companies, and reasons thereof.
	Yes	No		
			<p>instructor lead participants to work out and keep healthy.</p> <p>(3) “My Health Bank” program is launched: Employees could obtain corresponding health points after recording health activity on the Company’s website. It is able to boost health-focused atmosphere and the due employee will obtain award.</p> <p>2. <u>Care and coaching</u> to new employees:</p> <p>(1) Establish PLANET Care to Rookies by Veterans. In each department, veterans are appointed to assist the new employees, so that the latter may fit into their job better, and adapt to the Company’s culture quickly.</p> <p>(2) Vis-a-vis meetings between new employees and the head of HR are conducted regularly, so that how the new employees adapt to the Company and their needs are made known.</p> <p>3. <u>Childbirth Encouragement and Care Program</u></p> <p>The Company provides pregnant employees with good pregnancy package and prepares abundant and practical gifts for mothers and infants. Meanwhile, we also provide special vehicle for pregnant workers - taxi fare subsidy, to relieve pregnant workers’ fatigue in commuting. The Company has established a special breastfeeding room for the use of female employees during working time; for the special day-care services, the Company has signed contract with a nearby kindergarten that offers expense discount and group pickup, to eliminate worry of employees and their family members.</p> <p>4. <u>Education subsidies to employees’ children:</u></p> <p>The Company gives education subsidies to employees’ children to ease their burdens. In 2021, 81 employees applied for it and a total of 120 children were given the subsidies, reaching a total subsidy amount of NT\$1.2 million</p> <p>5. <u>Emergency relief to employees:</u></p>	

Items under evaluation	Status		Summary	Any nonconformity to the Corporate Governance Best Practice Principles for TSEC/TPEX Listed Companies, and reasons thereof.
	Yes	No		
			<p>If there's anything worrying an employee, the Company will provide an emergency relief program to employees, for the purpose of relieving their burdens, and keeping their lives acceptable during the difficult time, so that they may work and live without concern.</p> <p>6. <u>Flexible working hours and remote working:</u> When employees have changes in their lives or environments, or pursue continuing education, the flexible working hours or remote working program may be granted, so that they can continue their own development, while taking care of their work, lives, education, and families.</p> <p>7. <u>Diversified communication channels of employee opinions:</u> HR and CEO mailboxes have been set, so that employees could reflect opinions directly to HR director and CEO.</p> <p>(III) <u>Investor Relations:</u> The Company discloses information of the Company's finance, corporate governance, and CSR at the "Stakeholder Section" of the Company's website, for investors' review. The mailboxes of the Audit Committee, spokesperson, acting spokesperson are also provided as the communication channels between investors and the Company. Moreover, the "Procedures of Handling Investor Relationship" is established, to set up the spokesperson system. Investors' recommendations, questions, disputes, and litigations are handled by the spokesperson and acting spokesperson. Such events are also presented to the executives and the President. Every year, the investor relationship report of the previous year is presented to the President.</p> <p>(IV) <u>Supplier relationship:</u> The Company maintains the communication with suppliers always. Through conferences, video conferences, phone calls and the dedicated mailbox listed on the website, the product policies, quality objectives, and progress of</p>	

Items under evaluation	Status		Summary	Any nonconformity to the Corporate Governance Best Practice Principles for TSEC/TPEX Listed Companies, and reasons thereof.
	Yes	No		
			<p>cooperation are communicated. To respond to international environmental protection trend, the Company develops green products comprehensively and formulates “Principles for Development of Green-Energy Products”; abides by environmental protection codes and requirements in good faith during the stages from technical R&D, design, manufacturing and transport to recycling, develops design and energy-saving products, uses energy-saving chips, applies environmentally friendly and renewable packaging material to product carton and interior buffer material, and improves resources recycling efficiency.</p> <p>The Company has signed “Declaration of Conformity on Code of Conduct of Supply Chain” with suppliers, to ensure the supply of environmentally friendly and green products, so as to make sure the Company’s products are environmentally friendly and energy-saving and minimize the environmental impact in the entire process, ranging from raw materials to finished products.</p> <p>By staying true to the philosophy of ethical management, and on the basis of fairness and mutual respects, the Company strictly complies with the policy of no gift/ anti-bribery, and has established the “Principles of Gifts during Business”. The employees are strictly prohibited from receiving gifts, directly or indirectly, when conducting business. The gifts provided by the partners are also strictly regulated, to maintain the ethical business relationships between the Company and the vendors.</p> <p>(V) Rights of stakeholders: The Company has established the “Managerial Guidelines for Handling Material Information”, to protect the interests of investors. The Company abides by the requirements of information disclosure and transparency pursuant to laws, and uploads all material information to the MOPS in both</p>	

Items under evaluation	Status		Summary	Any nonconformity to the Corporate Governance Best Practice Principles for TSEC/TPEX Listed Companies, and reasons thereof.
	Yes	No		
			<p>Chinese and English. Also such information is communicated to all employees, managers, and directors through e-mail, to prevent the insider trading or violation to such requirements. The Company also values the protection to the interests of stakeholders. Besides creating a profitable performance, corresponding contacts are provided to the different type of stakeholders. To provide a safe workplace to employees, various trainings and activities are provided from time to time, to enhance their professional techniques and capabilities, while taking care of their mental and physical health, as the protection to employees' rights.</p> <p>(VI) Status of continuing education of directors & supervisors for 2021: On June 13, 2017, the Company established Audit Committee, which would supersede the supervisor. All directors enjoy relevant professional knowledge and participate in professional refresher course every year according to relevant decrees and specification. Directors of the Board choose the suitable course based on their available schedule and professional background. In 2021, every director satisfied the specification of further education of at least six hours and relevant further education has been declared as per provisions and announced on observation station of public information. To intensify professional functions of the Board of Directors, the Company, according to Article 40 of "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", specifies board members should participate in the further education courses of "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies" upon appointment and during employment. The Company formulated "Measures on the Management of Directors' Further Education". It was ratified by all directors in board meeting on December 24, 2021.</p>	

Items under evaluation	Status		Summary
	Yes	No	

The courses taken are described as follows:

Position	Name	Date		Institute	Name of Course	Hours	Is the continuing education compliant?
		Start	End				
Director	Chen, Ching-Kang	2021/04/26	2021/04/26	National Innovation and Entrepreneurship Association	New Thinking for Enterprise Risk Management under Enterprise Digital Transformation Strategy and Digital Era	6	Yes
Director	Hsu, Hwa-Lin	2021/08/31	2021/08/31	TPEX	2021 Online Forum for TPEX Sustainable Upgrading	2	Yes
		2021/09/01	2021/09/01	TPEX	2021 Online Forum for TPEX Sustainable Upgrading	2	
		2021/10/18	2021/10/18	TPEX	Equity Advocacy Seminar for Internal Personnel of TPEX and Emerging Stock Companies	3	
Representative of corporate director	Li, I-Chuan	2021/08/20	2021/08/20	Digital Governance Association of Taiwan	Key of the Success of Digital Transformation - International Case Sharing	3	Yes
		2021/08/31	2021/08/31	Digital Governance Association of Taiwan	International Trend of Net Zero Emission and Taiwan's Actions for Promoting Zero Carbon Transformation	3	

Items under evaluation	Status		Summary							Any nonconformity to the Corporate Governance Best Practice Principles for TSEC/TPEX Listed Companies, and reasons thereof.
	Yes	No								
			2021/08/20	2021/08/20	Digital Governance Association of Taiwan	Key of the Success of Digital Transformation -International Case Sharing	3	Yes		
			2021/10/27	2021/10/27	Taiwan Academy of Banking and Finance	Corporate governance and Business Continuity Seminar (Issue 17)	3			
			2021/09/16	2021/09/16	Securities & Futures Institute	Discussion on Intellectual Property Management from the Perspective of Board of Directors	3	Yes		
			2021/10/27	2021/10/27	Taiwan Academy of Banking and Finance	Corporate governance and Business Continuity Seminar (Issue 17)	3			
			2021/08/20	2021/08/20	Digital Governance Association of Taiwan	Key of the Success of Digital Transformation -International Case Sharing	3	Yes		
			2021/08/31	2021/08/31	Digital Governance Association of Taiwan	International Trend of Net Zero Emission and Taiwan's Actions for Promoting Zero Carbon Transformation	3			
			2021/04/26	2021/04/26	National Innovation and Entrepreneurship Association	New Thinking for Enterprise Risk Management under Enterprise Digital Transformation Strategy and Digital Era	6	Yes		
<p>(VII) Risk management policies and risk assessment standards: On November 4, 2020, the Company formulated the</p>										

Items under evaluation	Status		Summary	Any nonconformity to the Corporate Governance Best Practice Principles for TSEC/TPEx Listed Companies, and reasons thereof.
	Yes	No		
			<p>“Organization Regulations for Risk Management Committee”; on December 22, 2020, the board of directors established Risk Management Committee by appointing over half of independent directors (the committee consists of three members (including two independent directors); in particular, committee convenor Huang, Hsin Hsien enjoys legal expertise and the professional ability meeting needs of this committee), so as to control risks effectively and operate “Internal Control System” and “Detailed Principles to Implement the Internal Control” sustainably; Audit Office also worked in accordance with annual audit plan, so as to implement supervision mechanism and implement all kinds of risk management.</p> <p>Meeting of Risk Management Committee should be held for at least two times every year to report operation of the Company to the Board of Directors. The meeting was held respectively on July 14, 2021 and December 24, 2021.</p> <p>(VIII) Implementation of customer policy:</p> <ol style="list-style-type: none"> 1. The Managerial Regulations of Customer Credit Limits: a mechanism of credit rating and customer credit control is set up, to discover potential quality clients, and promotes the sales and business expansion. The relationships with clients follow the “Managerial Regulations of Customer Credit Limits”, supplemented with the receivable insurance, to ensure the collection of payments. 2. Customer service mailbox and technical consultancy services: The business unit and the technical engineers must reply to customers’ questions withing 24 hours. 3. The Regulations Handling Complaints: the channel of filing customer complaint is set, and the consumption compensation application procedure is established. 4. Customer satisfaction survey: the “Guidelines of Customer Satisfaction Survey” is established to conduct the customer satisfaction survey every year. The outcomes of such surveys will be taken into account when 	

Items under evaluation	Status		Summary	Any nonconformity to the Corporate Governance Best Practice Principles for TSEC/TPEX Listed Companies, and reasons thereof.
	Yes	No		
			<p>appraising the related execution departments. For the customer satisfaction survey of 2021, the overall satisfaction to the Company was 99.38%.</p> <p>5. After-sale service: The Warranty Policy is established to specify the complete after-sale services, providing the return and exchange of goods, maintenance, and recovery for the global distributors.</p> <p>6. Through the visits or video conference from time to time, the product training programs are provided to customers, to enable them to understand the functions and applications of products.</p> <p>7. In consideration of the COVID-19 pandemic situation, the Company joined virtual exhibitions and meet customers' requirements.</p> <p>(IX) Insurance against directors' liabilities To ensure that the liabilities, assets, and risks of the directors and supervisors are under control and diversified, on Jul. 25, 2008, the Board of Directors approved to amend some clauses of the Articles of Association, and the same was approved by the Shareholders' meeting in 2009. Since 2009, every year the directors and supervisors have been insured under the liability insurance. The insurance is reported to the Board of Directors, so that the directors may fulfill their duties of overseeing and governing the Company without concern. With respect to director liability insurance, the Company renewed the director and key staff liability insurance to MSIG Mingtai Insurance Co., Ltd., with insured amount of USD 1 million and term from September 1, 2021 to September 1, 2022. It was reported in board meeting on November 4, 2021.</p> <p>The continuing educations of the accounting officer complied with the requirements for 2021, and described as follows:</p>	

Items under evaluation	Status		Summary	Any nonconformity to the Corporate Governance Best Practice Principles for TSEC/TPEX Listed Companies, and reasons thereof:									
	Yes	No		Is the continuing education	Hours	Name of Course	Institute	Date		Name	Position		
				Yes	12	Continuing education program for accounting officer of issuer, securities firm and securities exchange	Accounting Research and Development Foundation	Start	End	Lin, Man-Tsu	Accounting officer	2021/09/09	2021/09/10

IX. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by TWSE Corporate Governance Center, and propose enhancement measures for any issues that are yet to be rectified:

The description of the outcomes of the 7th Term (2021) of Corporate Governance Evaluation, and the improvements

Question	Indicator	Type	Self-evaluation by the Company	Actual points received	Description of deviance	Improvements
1.6	Does the Company hold shareholders' meeting before the end of May?	A	0	0	It was originally planned to hold the Company's 2021 shareholders' meeting on June 10. According to instructions of Financial Supervisory Commission, the meeting was postponed to August 5, 2021. Since the Company didn't hold shareholders' meeting before the end of May, it obtained no points.	The Company's 2022 shareholders' meeting was held on May 27, 2022 and announcement has been made on Market Observation Post System. https://mops.twse.com.tw/mops/web/t108sb16_q1

Question	Indicator	Type	Self-evaluation by the Company	Actual points received	Description of deviance	Improvements
2.3	Are the Company's director and general manager or other personnel at equivalent position (the highest manager) the identical person or spouses to each other or other family members?	A	0	0	Since the Company's chairman and general manager (CEO) are acted by the identical person Chen, Ching-Kang, no points were given.	In 2023 reelection of directors and supervisors, the Company plans to increase one independent director in active response of various decrees.
2.7	Does the Company set up independent seats more than the number specified by decree? [Total score should be added by 1 point if number of the Company's independent director seats was above 1/2 of director seats.]	A+	0	0	The seven directors of the Company's 11 th Board of Directors include three independent directors and four directors. It didn't conform to index requirement and bonus point requirement.	In 2023 reelection of directors and supervisors, the Company plans to increase one independent director in active response of various decrees.
2.9	Does the Company formulate the succession plan for board members and important management and disclose the operation in the Company's annual report?	A	0	0	The Company hasn't formulated the succession plan of board members and key management or disclosed the operation in the Company's website or annual report, and therefore, it obtained no points.	The Company formulated the succession plan of board members and key management in January 2022 and disclosed the operation in Stakeholder Section / the Board of Directors/ diversified policy.
2.23	Is the performance evaluation measure formulated by the Company ratified by the Board of Directors? Is it specified to implement external evaluation at least every three years? Does the Company make evaluation according to the measures and disclose the implementation and evaluation result on the Company's website or annual report?	AA	0	0	The Company has formulated the "Performance Appraisal Measures of the Board of Directors", but hasn't determined it is required to implement external evaluation at least every three years; therefore, it obtained no points.	The 2021 performance appraisal of the Board of Directors, Audit Committee, Remuneration Committee, CSR Committee and Risk Management Committee was discussed and ratified in board meeting on February 24, 2022, and it is planned to implement external performance in 2022.

Question	Indicator	Type	Self-evaluation by the Company	Actual points received	Description of deviance	Improvements
3.4	Does the Company release the annual financial report within two months upon the end of accounting year?	AA	0	0	The Company's 2020 financial report was announced on March 11, 2021. Since the Company failed to release annual financial report within two months upon the end of accounting year, it obtained no points.	The Company announced and declared the 2021 consolidated financial report on February 24, 2022 (within two months upon the end of accounting year) on Market Observation Post System. Website: https://mops.twse.com.tw/mops/web/t163sb01 .
3.18	Does the Company establish the Company's English website? Does it include relevant information of finance, business and corporate governance?	A	0	0	The Company failed to establish the Company's English website for continuously three years and show financial, business and corporate governance information on the website; therefore, it obtained no points.	The Company has established its Chinese and English websites for continuous three years from Q4 of 2018 to Q4 of 2021 for investor's reference and disclosed English quarterly financial report, business or product introduction, annual report of board of shareholders and manual of rules of order.
4.5	Does the Company prepare corporate social responsibility report upon a third-party verification?	A	0	0	The Company has prepared CSR report but it didn't obtained third-party verification in 2019; therefore, it obtained no points.	Since 2020, the Company has entrusted independent and creditable third-party international certification institution – ANFOR to make verification. According to Type 1 medium guarantee level of AA1000AS guarantee standard (2008) and CoreOption of GRI Standards, it provided guarantee for report. Declaration of independent director is attached to appendix of this report. It is disclosed on Page 83 of 2021 Sustainability Report.

(IV) Disclose the composition, responsibilities, and functioning of remuneration committee, if available

(1) Information about Remuneration Committee members

ID	Qualification Name	Professional Qualifications and Experience	Compliance with Independence Principle	Number of Members of Salary and Remuneration Committees Working in Other Public Companies
Independent Director (Convener)	Chang, Pao-Thai	<p>Chang, Pao-Thai is a Master of Executive Class, Antai College of Economics and Management, Shanghai Jiao Tong University, and now is Chairperson of Premier International Co., Ltd., President of 36D HR Consultancy Co., Ltd. and Director and member of Remuneration Committee and Apex Science & Engineering Corp.</p> <p>Have experience required by business, finance and company operation, and professional skill including operating judgement, operation and management, crisis management, international market view, leadership and enough relevant knowledge in human resources industry, be qualified to be the convener of Remuneration Committee.</p>	<p>The Company's independent director, who meets the independence principle as follows :</p> <ul style="list-style-type: none"> · Including but not limited to the party concerned, spouse or two degrees of kinships who are not the director, supervisor or employee of the Company or its related enterprise; · The party concerned, spouse or two degrees of kinships do not hold the Company's any shares; · Not the director, supervisor or employee of companies with specific relationships with the Company · No reward by providing such services as business, legal affairs, finance, accounting, etc. for the Company within the latest 2 years. 	1

ID	Qualification on Name	Professional Qualifications and Experience	Compliance with Independence Principle	Number of Members of Salary and Remuneration Committees Working in Other Public Companies
Independent Director (Committee Member)	Chen, Shuh	<p>PhD in Business Administration, National Taiwan University, now Chairman of Central Investment Co., Ltd., Independent director of Asia Cement Corporation, and Chairman of Zhong Dao Association of Leadership and Culture. He has relevant experience as chairman of the Monetary Regulatory Commission of the Executive Yuan, Chairman of the Taiwan Stock Exchange and Independent director of Accton Technology Corporation.</p> <p>Have the qualification of lecturer in colleges and universities in business, finance, accounting and related departments, have the certificate of accountant and work experience required by business of the Company, and specialize in operation judgment, operation management, crisis management, international market outlook, leadership, financial accounting and financial industry knowledge, and be qualified to be a member of Remuneration Committee.</p>	<p>The Company's independent director, who meets the independence principle as follows :</p> <ul style="list-style-type: none"> · Including but not limited to the party concerned, spouse or two degrees of kinships who are not the director, supervisor or employee of the Company or its related enterprise; · The party concerned, spouse or two degrees of kinships do not hold the Company's any shares; · Not the director, supervisor or employee of companies with specific relationships with the Company · No reward by providing such services as business, legal affairs, finance, accounting, etc. for the Company within the latest 2 years. 	0

ID	Qualification on Name	Professional Qualifications and Experience	Compliance with Independence Principle	Number of Members of Salary and Remuneration Committees Working in Other Public Companies
Independent Director (Committee Member)	Huang, Hsin Hsien	<p>Bachelor of Department of Law, Soochow University, and passed Examination for Judges and Prosecutors and Bar Examination. Now Head of Chian-Yuan Law Firm and Director of Jinghua Society Cultural Foundation, and Judge of Chiayi, Taoyuan, and Shilin District Courts, Director and member of Remuneration Committee of Test Rite International Co., Ltd., Director of Tsai Won Industrial Co., Ltd., and Member of Committee of the Taipei City Center for Prevention of Domestic Violence and Sexual Assault.</p> <p>Have lawyer's qualification certificate, and work experience required by law affairs and business of the Company, and professional skill including operating judgement, operation and management, crisis management, international market view, leadership, legal knowledge relevant to the industry, etc., be qualified to be a member of Remuneration Committee.</p>	<p>The Company's independent director, who meets the independence principle as follows :</p> <ul style="list-style-type: none"> · Including but not limited to the party concerned, spouse or two degrees of kinships who are not the director, supervisor or employee of the Company or its related enterprise; · The party concerned, spouse or two degrees of kinships do not hold the Company's any shares; · Not the director, supervisor or employee of companies with specific relationships with the Company · No reward by providing such services as business, legal affairs, finance, accounting, etc. for the Company within the latest 2 years. 	0

(2) Information about status of Remuneration Committee

- I. The Company's Remuneration Committee consists of three (3) members, all of which are independent directors.
- II. Term of office of the members: from Jun. 10, 2020 to Jun. 9, 2023. In the most recent fiscal year (2021), Remuneration Committee has convened three (A) meetings. The qualifications and attendance of members are as follows:
- III. The key points of the Remuneration Committee in 2021 are as follows:
- Review the remuneration policies, systems, standards and structures, and performance of directors and managers.
 - Evaluate and decide the remunerations of directors and managers.
- IV. In 2021, the Company convened a total of three Remuneration Committee meetings, and operated as follows:
- Mar. 11, 2021:
Proposal of remunerations of employees and directors for 2020
 - Aug. 5, 2021:
Evaluation and decision of the remuneration distributed to directors and managers and employees for 2020
 - Dec. 24, 2021:
Review the year-end bonus of managers for 2021 and proposal of the fixed remuneration adjustment for 2022

Position	Name (Note)	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Convener	Chang, Pao-Thai	3	0	100%	
Member	Chen, Shuh	3	0	100%	
Member	Huang, Hsin Hsien	3	0	100%	

Other notes:

- I. In the event where the Remuneration Committee's proposal is rejected or amended in a board of directors meeting, please describe the date and session of the meeting, details of the motion, the board's resolution, and how the Company had handled the Remuneration Committee's proposals (describe the differences and reasons, if any, should the board of directors approve a solution that was more favorable than the one proposed by the Remuneration Committee)
- In 2021, the Company convened a total of three Remuneration Committee meetings:

Remuneration Committee meeting date and Term	Content of the motion	independent director's opinions or objections	Remuneration Committee resolutions	The Company's handling of the opinions of the Remuneration Committee
The 3th meeting of the 4th Term Mar. 11, 2021	Discussed the proposal of providing the remunerations to employees and directors for 2021: provided pursuant to the Articles of Association and as required by the Company Act.	None	Approved by all Committee members present in the meeting	None
The 4th meeting of the 4th Term Aug. 5, 2021	Discussed the proposal of remunerations distributed to directors, managers, and employees for 2020: referring to the peers' standard of payment, the personal performance, and the Company's future risks; the proposal was submitted to the Board of Directors for discussion.	None	Approved by all Committee members present in the meeting	None
The 5th meeting of the 4th Term Dec. 24, 2021	Discussed the proposal of the year-end bonus to the managers for 2021 and the adjustment of the fixed salaries for 2022: referring to the peers' standard of payment, operations in 2021, the personal performance, and the Company's future risk; the proposal was submitted to the Board of Directors for discussion.	None	Approved by all Committee members present in the meeting	None

The aforementioned proposals were presented to the Board of Directors upon the approval of the Remuneration Committee. After the full discussions by the Board of Directors, all directors passed the proposals of Remuneration Committee. Therefore, there is no status of non-adoption or modifications of the suggestions of the Remuneration Committee.

II. For resolution(s) made by the Remuneration Committee with the Committee members voicing opposing or qualified opinions on the record or in writing, please state the meeting date, term, contents of motion, opinions of all members and the Company's handling of the said opinions.

In 2021, the Company has convened total three Remuneration Committee meetings:

- Mar.11, 2021:

- Discussed the proposal of providing the remunerations to employees and directors for 2020

● Aug. 5, 2021:

Discussed the proposal of remunerations distributed to directors, managers, and employees for 2020

● Dec. 24, 2021:

Discussed the proposal of the year-end bonus to the managers for 2021 and the adjustment of the fixed salaries for 2022

For the aforementioned proposals, the members of the Remuneration Committee had fully discussed the remunerations to directors and managers, by referring to the peers' standard of payment, the personal performance, and the Company's future risks. When the Company discussed the remuneration and performance of specific committee member, the due committee member did not participate in it and avoided discussing or voting. The proposals were passed without objections with inquiries to all members. The discussions were documented in the meeting minutes, but there was no objection or reserved opinion of the Remuneration Committee's members.

Note: (1) If a member of the Remuneration Committee resigns before the end of year, the date of resignation shall be noted in the column of remark. The ratio of the attendance in person (%) shall be counted by the number of the meeting of the Remuneration Committee in the period of service and such member's actual number of attendance in person.


Note: (2) If the Remuneration Committee is re-elected before the end of year, both new and old members of the Remuneration Committee shall be filled in, and the information that such member is an old or a new member as well as the date of re-election shall be noted in the column of remark. The ratio of the attendance in person (%) shall be counted by the number of the meeting of the Remuneration Committee in the period of service and such member's actual number of attendance in person.


III. Information on the Operation of Nomination Committee

The Company has not established a nomination committee, so there is no information on its operation.

(IV) Implementation of Promoting Sustainable Development and Differences and Reasons of the Code of Practice for Sustainable Development of TWSE/TPEX Listed Companies:

Items under evaluation	Status		Difference from the code of conduct of sustainable development of listed companies and cause
	Yes	No	
I. Does the Company have a unit that specializes (or is involved) in CSR practices? Is the CSR unit run by senior management and does the unit report its progress to the board of directors?	V		<p>I. Corporate governance plays a basic role in realizing sustainable development, thus the Company set up functional committee, i.e., Sustainable Development Committee, which was the highest governance institution responsible for promoting the sustainable development of the Company. At operating level, the Company has established “Promotion Group of Sustainable Development” and sustainable development office, both of which are responsible for promoting sustainable development and implementing social responsibilities of the Company.</p> <p><i>Corporate Governance Framework</i></p> <pre> graph TD SM[Shareholders Meeting] --- BD[Board of Directors] SM --- BOA[Board of Auditors] SM --- RC[Remuneration Committee] SM --- SD[Internal Audit] BD --- SDCC[Sustainable Development Committee] BD --- RMC[Risk Management Committee] </pre> <p>“Sustainable Development Committee”, which was formerly known as “Corporate Social Responsibility Committee”, is the functional committee voluntarily established by board of directors on December 22, 2020. To comply with international development tendency and achieve sustainable development goal, the Company’s board of directors approved to rename the “Corporate Social Responsibility Committee” as “Sustainable Development Committee” on February 24, 2022.</p>

Items under evaluation	Status		Summary	Difference from the code of conduct of sustainable development of listed companies and cause
	Yes	No		
II. Has the Company conducted risk assessment on environmental, social and corporate	V		<p style="text-align: center;">“Organization of Sustainable Development Committee”</p>  <pre> graph TD SD[Sustainable Development Committee] --- CGG[Corporate Governance Group] SD --- GEPG[Green Energy Product Group] SD --- EPG[Environmental Promotion Group] SD --- SPG[Social Participation Group] </pre> <p>“Sustainable Development Committee” has a total of five members, including three independent directors and two directors. The committee, which is responsible for the company operation, also consists of one chairman, and four groups, which are respectively responsible for “corporate governance”, “environmentally friendly and green product”, “environmental protection promotion” and “social participation”. The group members are directors of relevant department in the Company. “Sustainable Development Committee” sets the sustainable development goal in a strategic and long-term way for the Company in accordance with the sustainable development trend, overall environment, major issues concerned by interested parties, as well as the latest development trend of the industry, check the goal and specific performance regularly. The committee shall report implementation and results of plan to the board of directors at least twice a year to strengthen the sustainable development policy and the specific implementation performance comprehensively. The committee reports the implementation achievements of corporate social responsibility and sustainable development in 2021 and annual development plan of 2022 on April 29, 2022 and December 24, 2021.</p> <p>To effectively control enterprise risks and achieve sustainable operation, on Dec. 22, 2020, board of directors voluntarily established the Corporate Social Responsibility Committee and Risk Management Committee, which should make overall plan on the</p>	N/A

Items under evaluation	Status		Summary	Difference from the code of conduct of sustainable development of listed companies and cause
	Yes	No		
governance issues that are relevant to its operations, and implemented risk management policies or strategies based on principles of materiality?			<p>implementation of relevant policies and goals, check performance regularly every year and report to board of directors.</p>  <pre> graph TD A["Risk Management Committee Chairman of Committee (Chairman)"] --- B["Enterprise Risk Team"] A --- C["Financial Risk Team"] A --- D["Operational Risk Team"] </pre> <p>With respect to the risk management policy, the Company, under the business policy, defined various risks according to internal control system and concerned various major issues at the Company’s governance, environment and society levels as per the stakeholders; made risk assessment and formulated risk prevention strategies and methods.</p> <p>Members of Corporate Social Responsibility Committee should make assessment from two aspects “the Company’s Impact on Economy, Environment and Social Production” and “Degree of Affecting Stakeholders’ Decision” according to diverse issue, to analyze and identify the influence and impact degree of each issue and generate a significant topic matrix. The Company’s ESG report was subject to the GRI sustainability reporting standards and major analysis and disclosure were made based on the steps such as identification, sorting and validation.</p> <p>The Company also implemented the 2021 risk assessment regarding the significant issues at the levels of corporate governance, environment and society.</p>	

Items under evaluation	Status		Difference from the code of conduct of sustainable development of listed companies and cause
	Yes	No	
			<p>[Risk assessment] Economy gradually recovers thanks to the vaccination against COVID-19 vaccine in 2021. However, there were still many risks and challenges in operating in international market, including unstable material supply in supply chain, sharp increase of prices in raw materials and freight transport, information security, geographical politics, climate change, new net zero carbon emission trend, etc., all of which have affected the recovery of economy.</p> <p>[Risk prevention strategy] In response to the continuous expansion of 5G, remote intelligent application technology and service, countries worldwide have maintained their investment in network infrastructure. PLANET has also paid close attention to the changes in industry, market and technology, adjusted market strategy and product structure, kept making innovations, brought forth differentiated products, highlighted international environmental standards, developed green products and provided efficient and energy-saving network communication equipment to meet the needs of network infrastructure construction from customers, explore new market and opportunities, create profits, shoulder social responsibilities and finally achieve sustainable development of the Company.</p> <p>[Risk response strategy] Keep a close watch on COVID-19 pandemic, take measures to protect the health of employees, care about the operating status of customers and suppliers, jointly reduce the impact of the pandemic or minimize the impact to maintain the continuous operation of the Company. Intensify technical advantage and improve the remote management and cloud management characteristics of PLANET network communications equipment; provide the steady and safe transmission for network infrastructures of market remote work, telemedicine</p>

Items under evaluation	Status		Summary	Difference from the code of conduct of sustainable development of listed companies and cause						
	Yes	No								
<p>III. Environmental issues</p> <p>(I) Does the Company have an appropriate environmental management system established in accordance with its industrial character?</p>	V		<p>and remote video and highlight product added value. Master materials supply, improve proportion of alternative material source and ensure the normal product manufacturing and supply. By upholding the concept of innovation and sustainable development, it endeavors to enhance brand competition and stabilize business in order to realize development and create sustainable value for the Company.</p> <p>(I) The Company has included the sustainable development strategy into its management system, worked hard for 2050 carbon neutralization and has formulated short, middle and long term environment sustainable goals to master the latest environment issues, such as energy and climate change, improvement of energy efficiency, pollution emission reduction, etc. The Company has formulated specific action plan and scheme to achieve sustainable development.</p> <p>Environment sustainable goal</p> <table border="1"> <thead> <tr> <th>Short term (To 2023)</th> <th>Middle term (To 2025)</th> <th>Long term (To 2050)</th> </tr> </thead> <tbody> <tr> <td>-adopt renewable energy -keep taking carbon reduction action -deepen environmental awareness</td> <td>-strengthen renewable energy -Carry out inventory of greenhouse gases</td> <td>-RE100 goal -net zero carbon emission</td> </tr> </tbody> </table> <p>The Company has established a complete environment management system based on the characteristics of network communication industry and the needs of the Company's</p>	Short term (To 2023)	Middle term (To 2025)	Long term (To 2050)	-adopt renewable energy -keep taking carbon reduction action -deepen environmental awareness	-strengthen renewable energy -Carry out inventory of greenhouse gases	-RE100 goal -net zero carbon emission	N/A
Short term (To 2023)	Middle term (To 2025)	Long term (To 2050)								
-adopt renewable energy -keep taking carbon reduction action -deepen environmental awareness	-strengthen renewable energy -Carry out inventory of greenhouse gases	-RE100 goal -net zero carbon emission								

Items under evaluation	Status		Summary	Difference from the code of conduct of sustainable development of listed companies and cause				
	Yes	No						
			<p>operation. In 2009, the Company was certified with ISO 14001 environment management system for the first time. On Nov. 27, 2015, the Company received the latest version of ISO 14001:2015 environment management system earlier than other domestic corporates. The latest certifications include the following:</p> <table border="1"> <thead> <tr> <th>Certification agencies</th> <th>Valid period</th> </tr> </thead> <tbody> <tr> <td>TUV Nord</td> <td>Feb. 9, 2022 to Feb. 8, 2025</td> </tr> </tbody> </table> <p>The Company made the environment protection policies as follows and made implementation regulations for the environment management based on it, so as to practice the spirit of the policies.</p> <p><u>Environment Protection Policies</u></p> <ol style="list-style-type: none"> (1) Conform to the legislations of environment protection and support environment protection. (2) Strengthen the education and training and clarify the responsibility of environment protection. (3) Lower the pollution continuously and reach the goal of waste reduction. (4) Make use of resources effectively and implement the recycling of resources. <p>The Company has improved green supply chain continuously and formulated “Code of Conduct of Supply Chain and Responsible Mineral Procurement Policy”; signed “Declaration for Code of Conduct of Supply Chain” with suppliers to ensure the supply of green and environmentally friendly products so as to ensure the Company’s products were environmentally friendly and energy saving and minimize the influence on environment in the entire process, ranging from raw materials to finished</p>	Certification agencies	Valid period	TUV Nord	Feb. 9, 2022 to Feb. 8, 2025	
Certification agencies	Valid period							
TUV Nord	Feb. 9, 2022 to Feb. 8, 2025							

Items under evaluation	Status		Summary	Difference from the code of conduct of sustainable development of listed companies and cause												
	Yes	No														
(II) Is the Company committed to achieving efficient use of resources, and using renewable materials that produce less impact on the environment?	V		<p>products.</p> <p>(II) PLANET promoted the improvement of resources utilization efficiency, including energy efficiency improvement, product efficiency improvement, utilization efficiency improvement of raw materials and the use of renewable materials that have low impact on environment, so as to lower environmental impact and implement responsible production.</p> <p>(1) PLANET carried out “Green Action Plan”, “Principles for Environmental Protection”, “Notices for Office Energy Saving”, and improved employees’ environmental awareness by environmental protection advocacy and lectures, replaced elevators with health corridor, set switching time for electrical equipment, turned off light during noon rest time to practice energy conservation and carbon reduction faithfully. The Company started green energy plan since 2020, and signed a green energy contract in 2021 with a view to using 10% of renewable energy in 2022.</p> <p>The total electricity consumed in the Company’s offices in 2021 was 690,270 kWh, with a YoY reduction of 6.9% comparing with that in 2020.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Electricity consumed in office (kWh)</th> <th>Electricity consumed by public facilities (kWh)</th> <th>Total electricity consumed (kWh)</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>373,217</td> <td>368,628</td> <td>741,845</td> </tr> <tr> <td>2021</td> <td>358,092</td> <td>332,178</td> <td>690,270</td> </tr> </tbody> </table> <p>(2) PLANET has focused on the development of green and environmentally friendly products, and formulated “Developing Principles for Green and Environmentally Friendly Products”. It satisfied the environmental protection requirements from every link, including technology R&D, design, manufacturing, transportation and recycling and reusing, used energy-saving chip, developed PoE switches that could save power better, used switch</p>	Year	Electricity consumed in office (kWh)	Electricity consumed by public facilities (kWh)	Total electricity consumed (kWh)	2020	373,217	368,628	741,845	2021	358,092	332,178	690,270	N/A
Year	Electricity consumed in office (kWh)	Electricity consumed by public facilities (kWh)	Total electricity consumed (kWh)													
2020	373,217	368,628	741,845													
2021	358,092	332,178	690,270													

Items under evaluation	Status		Difference from the code of conduct of sustainable development of listed companies and cause
	Yes	No	
(III) Does the Company assess potential risks and opportunities associated with climate change, and undertake measures in response to climate issues?	V	<p>powers which met the “Energy Star” regulations of the US Energy law in the entire production line and improved product efficiency. The outer box was in environmental design and the packaging materials are biodegradable /recyclable environmentally friendly buffer materials to improve resource recycling and reduce environment impact.</p> <p>(III) The Company faced risks brought by climate change actively, and distributed resources efficiently by seizing the chance of transformation to low-carbon economy in order to improve enterprise competitiveness and operating toughness.</p> <p>(1) The Company adopted Task Force on Climate-related Disclosures (TCFD) framework in 2021 for the first time in order to reflect the influence of climate change on its business. It disclosed governance, strategy, risk management, indexes and goals based on TCFD and stated relevant climate-related information in 2021 Sustainable Development Report.</p> <p>Sustainable development committee under the board of directors is PLANET’s highest organ responsible for climate risk and opportunity supervision. PLANET’s climate-related operations are in the charge of sustainable development group at operation level.</p> <p>(2) The Company summarized important climate risk projects and released the first edition of matrix table of Company’s climate risk in 2021. It also identified four high-impact risks, including “green energy regulations”, “criteria for suppliers changed by customers”, “cost increase of raw materials” and “severity of extreme weather events”, and the Company has also taken the corresponding countermeasures:</p> <ul style="list-style-type: none"> • The Company launched green energy (renewable energy) plan in order to give response to RE100 (Global Renewable 	N/A

Items under evaluation	Status		Summary	Difference from the code of conduct of sustainable development of listed companies and cause
	Yes	No		
(IV) Does the Company maintain statistics on greenhouse gas	V		<p>Energy Initiative) and finally reduced carbon dioxide emission by using green energy. The Company will consume 10% renewable energy in 2021 to slow down climate changes and plan to use renewable energy in full by 2050.</p> <ul style="list-style-type: none"> • Organize carbon inventory and calculate internal carbon pricing mechanism basing on the results. • Continuously deepen environmental protection awareness and promote energy saving and carbon dioxide reducing action. • Develop renewable energy network devices. PLANET’s first humanistic electronic intelligent management system for green network energy - “intelligent network management controller for renewable energy power supply ” could integrate natural energy such as solar, wind and water energy, which can decrease carbon dioxide emission in network infrastructure construction significantly. The friendly and innovative design was granted international and Taiwan’s awards including 2021 Taiwan Excellence Award, 2021 Best Choice Award, and 2021 International Innovation Award. • The Company has paid attention to international regulations and standards including carbon border tax, renewable energy laws, renewable power certificate system, etc.. 	N/A

Items under evaluation	Status		Summary	Difference from the code of conduct of sustainable development of listed companies and cause																				
	Yes	No																						
emission, water usage and total waste volume in the last two years, and implement policies aimed at reducing energy, carbon, greenhouse gas, water and waste?			<p>and water and power consumption and implemented annual greenhouse gas investigation by referring to the energy management spirit of ISO 50001; scope of greenhouse gas investigation includes the greenhouse gas emission generated by Category 1 (company vehicle) and Category 2 (power). The objectives and achievements in the most recent two years are summarized as the following :</p> <p>●Emission of greenhouse gas</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2020</th> <th>2021</th> <th>Actual %</th> <th>Objective %</th> </tr> </thead> <tbody> <tr> <td>Volume of greenhouse gas emission (tonne)</td> <td>193.03</td> <td>186.07</td> <td>-3.6 %</td> <td>± 5%</td> </tr> </tbody> </table> <p>The greenhouse gas emission in 2021 was 186.07 t/ CO₂e, with Category 2 accounting for 97% and category 1 accounting for 3%. In comparison to the data of last year, its emission decreased by 10.21 tons/CO₂e, with a drop of 5.3%, thanks to the anti-epidemic measures including staggered people flow in working hours and working at home. As a result, electricity consumption decreased, so are the carbon dioxide used for generating power.</p> <p>●Water consumption</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2020</th> <th>2021</th> <th>Actual %</th> <th>Objective %</th> </tr> </thead> <tbody> <tr> <td>Water consumption (m³)</td> <td>213</td> <td>184</td> <td>+ 14 %</td> <td>± 20 %</td> </tr> </tbody> </table> <p>Note: Water for waterproof verification test for industrial-grade product was increased.</p> <p>●Wastes; the annual objective is 2% deduction There had been no industrial wastes required reporting to the competent authority (New Taipei City Government) in 2020 and 2021. The objective was achieved.</p>	Year	2020	2021	Actual %	Objective %	Volume of greenhouse gas emission (tonne)	193.03	186.07	-3.6 %	± 5%	Year	2020	2021	Actual %	Objective %	Water consumption (m ³)	213	184	+ 14 %	± 20 %	
Year	2020	2021	Actual %	Objective %																				
Volume of greenhouse gas emission (tonne)	193.03	186.07	-3.6 %	± 5%																				
Year	2020	2021	Actual %	Objective %																				
Water consumption (m ³)	213	184	+ 14 %	± 20 %																				

Items under evaluation	Status		Summary	Difference from the code of conduct of sustainable development of listed companies and cause
	Yes	No		
IV. Social issues (I) Does the Company have the relevant management policies and procedures stipulated in accordance with the relevant laws and regulations and international conventions on human rights?	V		<p>(I) The Company has established the “Code of Practice for Sustainable Development” and the “Sustainable Development System and Policy”, where the gender equality is actively promoted, and the compliance to the related labor laws and regulations is also specified. The Company also complies with various international human rights conventions, supports the principles and spirits of “UN Universal Declaration of Human Rights”, the “United Nations Global Compact”, the “UN Guiding Principles on Business & Human Rights”, and the “International Labor Office Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy”, specifying that the basic rights of labors shall not be endangered, and the corporate responsibility of protecting human rights shall be duly fulfilled. In addition, the “Employees’ Rules of Working” have been established pursuant to the Labor Standard Act“. No labor violating laws, such as illegal or child labor, is hired. The mentally and physically challenged people are also hired.</p> <ul style="list-style-type: none"> ● Pay attention to diversity and gender equality in employment <p>The “Guidelines of Preventing Sexual Harassment”, the “Guidelines of Managing Gender Equality” and the “Preventive Plans for Removal of Illegal Violation from Personnel in Implementing their Works” are established. The training of “Prevention of Sexual Harassment and Protection to Human Rights” is conducted once a year. The outcome of the active promotion for the gender equality and friendly workplace, has won the Company the “Taiwan Mittelstand Award for Gender Equality” in 2015 and “Taiwan Mittelstand Award for Workplace Friendliness” in 2019, from MOEA. The Company will also submit regulations and principles related to “Work Regulations” to labor</p>	N/A

Items under evaluation	Status		Difference from the code of conduct of sustainable development of listed companies and cause
	Yes	No	
(II) Has the Company developed and implemented reasonable employee welfare measures (including compensation, leave of absence and other benefits), and appropriately reflected business performance or outcome in employees' compensations?	V	<p>bureau for approval and save them in its internal sharing platform for employees' consulting at all times. The Company holds labour and capital meetings regularly to keep favorable communication on labor and safeguard employees' rights and interests.</p> <p>(II) The Company has set forth in Article 19-1 of the Articles of Association: "I. Should there be profit in a year, no less than 5% shall be contributed as the remuneration to employees and no higher than 2% as the remuneration to directors. profits must first be set aside to offset cumulative losses if any". In the most recent two years, the contribution of the employees' remunerations have been 6%, to be distributed to all employees annually. The Company has established operation bonus for achieving operating goal, performance bonus, merit bonus and also formulated a sound salary adjustment system. Employee doing the same job are paid equally, whatever their gender. The Company has also paid special attention to female employees' equal rights in employment and promotion.</p> <p>In 2011, total salary amount of non-director full-time employees was increased by NT\$ 4.323 million compared with that of 2020, and in this year, the average amount of non-director full-time employees reached NT\$ 777,000.</p> <p>The Company follows the labor standard law, and has established a sound leave system and retirement system:</p> <p>(1) <u>Leave system</u></p> <p>The Company has granted employees "special vacation", in addition to "holidays", "rest days" and "legal holiday". Employee working in the Company for more than 6 months shall enjoy a special vacation of 3 to 30 days based on the total period when they</p>	N/A

Items under evaluation	Status		Difference from the code of conduct of sustainable development of listed companies and cause	
	Yes	No		
			Summary	
(III) Does the Company provide employees with a safe and healthy work environment? Are employees trained	V		<p>serve the Company. In addition to the special vacation above, the Company's employees are also entitled to paid sick leave, marriage leave, funeral leave, maternity leave, paternity and prenatal check-up leave, miscarriage prevention leave, volunteer leave, indigenous leave, etc.</p> <p><u>(2) Retirement system</u> Each month, the 6% new-system pensions are contributed to the labor's accounts under the Ministry of Labor. For the employees employed before Jul. 2005, 2% of their salaries are contributed to Bank of Taiwan. Every year, actuaries are engaged regularly to provide the actuary report. Employees qualified for retirement may apply retirement based on the "Managerial Regulations of Human Resources". Up to now, the contributed pensions in Bank of Taiwan has reached NT\$13,487,000, sufficient to pay pensions to these who are qualified for retirement.</p> <p><u>Happy and healthy workplace – Welfares:</u> Besides the basic welfares for employees, including health insurance, group insurance, annual bonus, bonus for three festivals, birthday cash gift, marriage and funeral allowance, education and training and annual health examination, employees are also entitled to educational subsidies for their children, birth allowance, subsidies for special car of pregnant employees, pregnancy caring bag, exclusive family physician consultation service (traditional Chinese medicine/ Western medicine/ physiotherapy consultation), health lecture, travel, community subsidy, etc. so that they could work at ease.</p> <p>(III) The Company establishes the fissional primary organization – Occupational Safety Office, which should formulae, plan and promote occupational safety and health affairs.</p> <ul style="list-style-type: none"> ● <u>Working environment</u> 	N/A

Items under evaluation	Status		Difference from the code of conduct of sustainable development of listed companies and cause
	Yes	No	
regularly on safety and health issues?			<p>Patrol check working place and formulate totally 12 equipment and environment improvement plans, including improvement of chemicals storage and disposal equipment, working environment monitoring, air quality monitoring and equipment safety mark. Provide employees with mouse pad and PPEs conforming to human engineering, such as safety shoes and goggles, so as to improve work safety. According to the independent check systems, such as spot check of safety equipment, 5S spot check and workplace patrol check, for the fire equipment, electrical equipment, environment and even elevator health in public area, so as to dig up problems and realize improvement and provide employees with a healthy and safe working environment.</p> <ul style="list-style-type: none"> ● <u>Education and training</u> Offer online education and training, such as personnel occupational safety training, fire education and training and sexual harassment prevention advocacy, and strengthen employee safety and fire protection awareness. Implement self-defense fire protection marshalling tasks and escape process operations and improve employee emergency response ability. Establish the management of relevant licenses about occupational safety and health and allocate managers according to requirements of laws and regulations; allocate business directors and managers in terms of occupational safety and health and the sufficient fire protection managers and first-aid personnel in terms of the first aid; maintain the validity of licenses through training of external institution and improve the Company's safety and health management. ● The Company has established relevant management system on occupational safety and health licenses, assigned relevant management employee in accordance with regulations,

Items under evaluation	Status		Summary	Difference from the code of conduct of sustainable development of listed companies and cause																		
	Yes	No																				
			<p>including business supervisors and managers responsible for occupational safety and hygiene, fire prevention managers and first-aid personnel for fire control and first aid, and maintain license validity via training provided by external agencies; I has also improved the Company's safety and health management.</p> <table border="1"> <thead> <tr> <th>Licenses</th> <th>Number of Persons Required as per Laws</th> <th>Valid Period</th> </tr> </thead> <tbody> <tr> <td>Level 1 supervisor of occupational safety and health</td> <td>1</td> <td>113/3/28</td> </tr> <tr> <td>Level 2 manager of occupational safety and health</td> <td>1</td> <td>111/8/18</td> </tr> <tr> <td>Fire prevention manager</td> <td>1</td> <td>113/4/1</td> </tr> <tr> <td>First-aid personnel</td> <td>4</td> <td>113/2/18</td> </tr> <tr> <td>Operation manager of organic solvent</td> <td>1</td> <td>113/11/29</td> </tr> </tbody> </table> <ul style="list-style-type: none"> ● There was no occupational accident occurred to the Company in 2021. ● COVID-19 pandemic prevention The Company established the "Contingency Panel of Pandemic Prevention" in Mar. 20, 2020. The panel is convened by the Chairman, and the general director is the vice president. Head of each department is in charge of news and PR, information security, HR/health and safety, procurement/production, sales, and R&D, to counter the occurrence of various risks. The Company formulated "Epidemic Prevention Manual" and "Emergency Plan against COVID-19 Epidemic" in 2021 to provide complete information for employees and maintain the normal operation of the Company. ● Supports to mental and physical growth: Other than family days, employee trips, volunteer activities, the innovative "Health 360" program has been conducted since 2016, to help the employees to maintain their own and their 	Licenses	Number of Persons Required as per Laws	Valid Period	Level 1 supervisor of occupational safety and health	1	113/3/28	Level 2 manager of occupational safety and health	1	111/8/18	Fire prevention manager	1	113/4/1	First-aid personnel	4	113/2/18	Operation manager of organic solvent	1	113/11/29	
Licenses	Number of Persons Required as per Laws	Valid Period																				
Level 1 supervisor of occupational safety and health	1	113/3/28																				
Level 2 manager of occupational safety and health	1	111/8/18																				
Fire prevention manager	1	113/4/1																				
First-aid personnel	4	113/2/18																				
Operation manager of organic solvent	1	113/11/29																				

Items under evaluation	Status		Summary	Difference from the code of conduct of sustainable development of listed companies and cause
	Yes	No		
(IV) Does the Company have an effective career capacity development training program established for the employees?	V		<p>families' health from all aspects. The measures include setting the health management equipment in offices, quarterly physicians and Chinese medical doctors consultancy, regular annual physical check, as well as the physical and mental seminars and activities from time to time, such as health-related seminars including "How to Relieve Life Stress", "How to Get Rid of Sarcopenia" and "Relieve your Neck & Shoulder" to help the employees to maintain their overall mental and physical health.</p> <p>(IV) By upholding the concept of long-term talent cultivation, the Company provides multiple learning resources and channels and encourages employees for self-learning to improve their knowledge and skill; cultivates middle managers, implements succession plan and cultivates talents for sustainable development.</p> <p>(1) Cultivation of expertise: Each year, the annual plans of continuing education and trainings for employees are decided pursuant to the "Detailed Guidelines of Trainings", to enhance the employees' core competency, professional competency, and managerial competency. Other than establishing the PLANET e-Learning platform, which enables employees' online learning regardless time and location, to improve the learning effectiveness, as well as the convenience for the employees' continuing education, different expertise trainings are provided to different departments. External courses are also engaged to improve the professional and managerial capabilities of employees.</p> <p>(2) Development of Competency: Experts are engaged to help the employees to understand their own personalities and development of careers through competency behaviors and test of characteristics, and thus the individual development</p>	N/A

Items under evaluation	Status		Difference from the code of conduct of sustainable development of listed companies and cause
	Yes	No	
(VI) Has the Company implemented a supplier management policy that regulates suppliers' conducts with respect to environmental protection, occupational safety and health or work rights/human rights issues, and tracked suppliers' performance on a regular basis?	V	(VI) The Company actively implemented responsible supply chain management, established long-term and efficient cooperation relationship with suppliers and ensured all suppliers performed their social responsibility together through risk assessment and audit verification of economy, environment and society to strengthen supply chain, reduce operating risk and realize its sustainable development. The Company included RBA code of conduct framework into supplier evaluation and audit, including labours' rights and interests, environmental protection, safety and sanitation, morality and management system. The Company required all suppliers to follow local laws and regulations and its code of conduct for supply chain. The Company formulated and improved measures in accordance with assessment result and assisted suppliers to make progress constantly, in hope to enhance the management performance of supply chain. The Company signed comprehensive "Declaration for Code of Conduct of Supply Chain" with suppliers to ensure the supply of green and environmentally friendly products in order to realize sustainable development. Concretely speaking, the declaration includes "code of conduct of supply chain ", "specification of environmentally friendly and green products" and " mineral procurement policies". The regulated items include: <ul style="list-style-type: none"> ●Suppliers must apply the lead-free processes ●The product design must comply with the principles of environmental friendliness and energy saving. ●No hazardous material is used in products. 	N/A

Items under evaluation	Status		Difference from the code of conduct of sustainable development of listed companies and cause	
	Yes	No		
			Summary	
V. Does the Company prepare Sustainable Development Report or any report of non-financial information based on international reporting standards or guidelines? Are the abovementioned reports supported by assurance or opinion of a third-party certifier?	V		<ul style="list-style-type: none"> ●Products comply with RoHS of EU, REACH, WEEE regulations, and EuP directives. ●Newly outsourced processing plants must have ISO 14001 certification in place. ●Outsourced processing plants must conform to the safety regulations. ●Suppliers do not use any illegal or child labor ●Materials of suppliers do not use the conflict mines and metals from the peripheral countries of Congo. <p>The percentage of signature for Declaration for Code of Conduct of Supply Chain in 2021 reached 100%. The Company announced ISO 14001 environment system to all suppliers to ensure the supply chain to compliant to the requirements of environment management regulations. If the contracts between the Company and main suppliers specify that if the supplier violates the Company's CSR policies and causes significant impact on the environment and society, it is deemed breach of contracts, and the Company may terminate or cancel the contract at any time. For the outsourced processing plants, the QA unit of the Company conducts audit and facilitation regarding environment, quality, and CSR management, to ensure these companies' productions conforming to the international environment and human right regulations.</p> <p>V. From 2011, the Company has voluntarily prepared the Corporate Social Responsibility Report every year, renamed as Sustainable Development Report in 2021 and published at the "CSR Section" of the official website. From 2014, the CSR reports have been uploaded to the MOPS before the end of Jun.</p> <p>Since the beginning of 2019, the report has been prepared in accordance with the GRI Standards 2016 issued by Global Reporting Initiative (GRI), which complies with "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" and UN's Sustainable Development Goals (SDGs). Add Task Force on Climate-related Financial Disclosures(TCFD) and Sustainability</p>	N/A

Items under evaluation	Status		Summary	Difference from the code of conduct of sustainable development of listed companies and cause
	Yes	No		
			<p>Accounting Standards Board (SASB) in 2021 Sustainable Development Report on the basis of GRI to improve the integrity ESG disclosing information.</p> <p>2021 Sustainable Development Report has been verified by the British Standards Institution (BSI) - a third-party international verification organization, passed AA1000 Guaranteed Specification and GRI Standards 110. In particular, it also passed BSI guarantee in SASB Standard for the first time. Third-party statement: https://www.planet.com.tw/tw/csr/corporate-citizenship</p>	

VI. If the Company has established ESG principles in accordance with “Code of Practice for Sustainable Development of TWSE/TPEX Listed Companies,” please describe its current practices and any deviations from the Best Practice Principles:



The Company has established the “Code of Practice for Sustainable Development” and the “Sustainable Development System and Policy”, included the social responsibilities as an integral part of the core business strategies, actively implemented corporate social responsibilities based on its code of conduct, and managed the influence of enterprise’s business activities on economy, environment and social risks so as to improve economy and environment and society and realize sustainable development. The CSRs are implemented pursuant to the Principles, and the Company has been recognized by the Government, media, and society. The Company was included in the top 5% listed companies with excellent corporate governance in the 7th Corporate Governance Ranking, and was selected by Common Wealth Magazine as the “Corporate Citizenship Awards” winner for 15 consecutive years. It won the “Asia Responsible Enterprise Awards - Social Empowerment”, organized by Enterprise Asia, and the “Taiwan Mittelstand Award for Workplace Friendliness” from MOEA again. It is the CSR&ESG model enterprise in both Taiwan and international countries and regions.

VII. Other information useful to the understanding of corporate social responsibilities:


PLANET Technology views CSR as an important section of the enterprise management strategy, and internalizes the concept of sustainable development into its corporate value culture. See Chapter 4 (Points 5~7) of Chapter Corporate Governance, page 39-40), set up a "Sustainable Development Promotion Team" at the operational level to specifically implement sustainable development actions, keep pace with international trends, and strictly implement corporate governance. Corporate commitment, environmental sustainability and social welfare, enhance brand value and sustainable corporate development.

Items under evaluation	Status			Difference from the code of conduct of sustainable companies and cause
	Yes	No	Summary	

The sustainable achievements of PLANT in 2021 are as follows:

In Terms of	Achievements	Corresponding SDGs Goals
Governance field	<ul style="list-style-type: none"> ● With the market covering more than 140 countries in the world, PLANT Technology has a stable profit income and its EPS in 2021 was NT\$5.14. ● In the 7th term of “Corporate Governance Evaluation System”, the Company is ranked at the top 5% of all TPEX listed companies. ● Won the first place in the backbone enterprise group of the "2021 World Sustainable Citizenship Award", The Company was the only TPEX listed company selected by Common Wealth Magazine as the “Corporate Citizenship Awards” winner for 15 consecutive years. ● The Company was listed in Benchmarking Enterprises of 2021 Enterprise ESG Annual for the fourth time. 	
Environmental field	<ul style="list-style-type: none"> ● With a strong focus on technological innovation and developing green and environmentally friendly products, the friendly and innovative design of PLANET’s power supply managing equipment of renewable energy won <i>2021 Computex Best Choice Award</i> and <i>International Innovation Award</i> of Enterprise Asia. ● Enhance responsible supply chain management. The percentage of signing declaration for compliance with codes of conduct of supply chain in 2021 reached 100%. ● As for promotion and action of energy conservation and emission reduction in office, the participation rate of staff’s involvement in ESG training was 100%. ● In response to RE 100, the Company launched the renewable energy plan with a view to using 10% renewable energy in 2022. ● The Company has adopted organic tea garden in Pinglin for consecutive 12 years and our employee adoptability rate reached 84%. The plant area of organic tea garden in Pinglin has increased from 1 hectare in 2010 to 53 hectares in 2021. ● The Company, in partnership with environmental protection technology company in 2021, has boosted the implementation of the plan called <i>Benefiting the Whole Taiwan with High-quality Air</i>. It advocates the action of climate change slowdown by reducing air pollution and carbon emission through reducing rice straw burning. 	

Items under evaluation	Status		Summary	Difference from the code of conduct of sustainable development of listed companies and cause
	Yes	No		

Social field	<ul style="list-style-type: none"> ● Obtain 2021 health workplace certification <i>Health Building Regulation</i>. ● There was no kind of discrimination happened in the recruitment for 2021. ● The total training hours of all employees were 2,660hrs in 2021, and every employee received a training of 17.16hrs on average. ● The Company strengthened its protection against COVID-19 by setting up an epidemic prevention and response team. Since Jan. 2020, the Company has been checking the temperature of the employees and visitors. No confirmed case was found in the Company till now. ● In 2021, it provided Chinese and western doctors' one-on-one health consultation service every season, with 83 persons participating totally. ● By implementing the policy of education subsidy for employees' children, the Company has assisted a total of 962 employees' children from 2006 to 2021. The Company has promoted the "Remedy Teaching for Disadvantaged Children/Mental Training Plan" for 17 consecutive years. Since 2004, the Company has helped nearly 10,000 disadvantaged children to regain the motivation and confidence in learning. Teachers and volunteers that engaged in this growing team activity totaled 1,859. The sponsorship number reached 11,683 persons in total. 	
--------------	--	--

“Sustainable development system and policy”

The Company has integrated corporate social responsibility into its core business strategy. It has gathered the core value of the corporate culture and paid special attention to the economic, environmental and social issues at home and abroad. By following the corporate governance, corporate commitment, environment protection and social charity in good faith, the Company has maintained its image as a favorable and outstanding enterprise and improved its brand value. It firmly holds the belief that only companies that are responsible for social diversity can acquire the recognition of all shareholders and achieve its sustainable development.

The vision and mission of the Company are to take the lead in global network communication products and technological products. It upholds the operational concept of honesty, innovation, quality and efficiency. By continuously innovating its transmission technology and equipment in digital network, the Company takes its lead in intelligent network with personalized management. It fulfills its CSR and creates the sustainable value of corporate.

Items under evaluation	Status		Summary	Difference from the code of conduct of sustainable development of listed companies and cause
	Yes	No		
<p>Based on the Company’s CSR development blueprint, it will, under the guidance of ESG sustainable investment value, comply with the UN sustainable development goals (SDGs), and implement its corporate social responsibilities (CSR), so as to achieve the economic, social and environmental sustainability vision of the globe.</p> <p>The corporate “Sustainable Development Policy” are established as follows:</p> <ul style="list-style-type: none"> ■ <u>Implement sound corporate governance</u> Ensures the adherence of code of business ethics, the independence of the Board, transparent disclosure of financial information, protection of shareholders' interests, labor rights and fair competition. ■ <u>Achieving highest level of corporate commitment</u> Commitment to customers and suppliers, employees training and care, and R&D innovations ■ <u>Striving for environmental sustainability</u> Promotes recycling, energy saving and carbon reduction, green product development and manufacturing ■ <u>Contributing to social activities to create long-term benefits</u> Applies the standards of business practice to social participation, aiming at create positive impacts on the society in the long run. <p>Therefore, our enterprise commitments are:</p> <ul style="list-style-type: none"> ■ Maintains strong corporate governance and adhere to the law and business ethics ■ Provides employees a healthy and safe working place ■ Protects employees working interests, and supports to fully develop their talents and capabilities ■ Invests on eco-friendly product research and development, actively involves in environmental protection and energy saving education ■ Creates a win-win partnership with customers and suppliers ■ Provides transparent disclosure of financial information ■ Creates value and enhances shareholders’ interests ■ Fulfills our role as a global corporate citizen and contributes to the community <p>By staying true to the spirit of corporate social responsibility, the Company seeks to enhance the operational indicators, to satisfy the employees, shareholders, clients, and vendors, in a strategic and long-term manner that implement the corporate social responsibility.</p>				

Items under evaluation	Status		Summary	Difference from the code of conduct of sustainable development of listed companies and cause
	Yes	No		
<p>Social engagement with long-term influences</p> <p>Based on the concept of “taking from the society, and applying to the society”, the Company feedback the society with appreciations. In 2020, the following initiatives have been taken continuously to engage the society, and promoted the harmonious relationship with community residents.</p> <p>1. Encouraging the employees to participate together, and contribute their efforts to various social services and charitable activities</p> <p>(1) The “Charity with Warmth Section” of the internal sharing platform regularly updates the information of charitable activities, as encouragements and introductions to employees for participating social charitable activities, and combining the power of groups to serve the society.</p> <p>(2) This was the twelfth year for adopting the organic tea garden at Pinglin. In 2021, 84% of employees participated in the adoption of organic tea garden, with a view to protecting water resources in the upstream of Feitsui Reservoir.</p> <p>(3) Since 2011, the Company has provided 1-day paid holiday for social service volunteers and established care and incentive plan in order to improve employees’ willingness to social services and build a better community environment and humanity. In 2021, the total volunteer service hours of the staff reached 416 and the specific volunteer activities include the adaptation of organic tea garden, cleaning of beach and mountain, blood donation, etc.</p> <p>2. “PLANET Educational Charitable Trust” - The first public trust fund in Taiwan focusing on education support</p> <p>This charitable trust was established in Aug. 2004, is the first charitable fund with the purpose of education. The focus is on the “education” issue, with mission of “promoting education business and enhancing workforce quality“, the efforts are made to cares for the education to the underprivileged and the promotion, and assist individuals, schools, or families to solve their difficulties while improve the development to their potentials. Tutoring services are provided to the children in economically underprivileged families, with activities such as remedy education, and emotion therapies. The purpose is to assist the underprivileged children to build the solid education foundations from all aspects, and shape healthy personalities, while improving the potential problems, as the joint success of schools, families, and the society.</p>				

Items under evaluation	Status		Summary	Difference from the code of conduct of sustainable development of listed companies and cause
	Yes	No		
			<p>The operation of this trust fund, infused with the managerial capabilities of enterprise, to establish and promote the executive standards, for strategic and effective execution. Since 2004, the Fund has sponsored the supplementary education to students from many schools in New Taipei City and Taipei City, as well as the sponsorship to academic researches of institutes and social charitable culture subsidies, including; in 2021, education culture subsidies include:</p> <p>(1) Tutoring and counselling to underprivileged: Over the past 17 years, a total of 9,824 students have attended the tutoring and counselling, and 1,859 teachers and volunteers have participated in the growth group activities with a total of 11,683 people sponsored and helped. <u>Schools:</u> Min-Dao Elementary School; Wan-Hsing Elementary School; Zhong-Zheng Elementary School; Bei-Xing Elementary School; Xin-He Elementary School; Chin-Tang Elementary School; Guei-Shan Elementary School; An-Ken Elementary School; Min-Yi Elementary School; Xuan-Cheng Elementary School; Yu-Lin Elementary School; Chin-Shan Elementary School; Sin-Dian Elementary School; Er-Chong Elementary School; Da-Ping Elementary School and Junior High School; Wu-Feng Junior High School; and Wan-Li Junior High School. <u>Non-profit organizations:</u> Wing On Church, Grace Association and Wheat Field Association</p> <p>(2) Reading program for primary and middle school in backward regions: The Company has cooperated with Global Views Commonwealth Publishing Co., Ltd. in “Cultivating Reading Habit for Children with a Great Future” for 8 years since 2014, and 15,348 magazines have sponsored 21 primary schools and 1 junior high school in Pitou Township, Changhua County and the townships nearby such as “Future Children” and “Future Kids” as of 2021, which cultivated students’ reading ability and broadened their international vision through regular reading. In 2021, in response to the call of Chairman Chen Ching-Kang, hundreds of innovation committee models joined the program and denoted more than 4,000 children’s magazines which benefited over 120,000 children in remote areas and made contributions to the future of 469 schools in backward regions.</p> <p>(3) Scholarships/grants: subsidies to labor’s children for 962 people.</p> <p>(4) Education subsidies: Chengfu Junior School Track and Field Team and the singing teaching program by the Kibbutz Senior Association.</p> <p>(5) Disease prevention education: Taiwan Lung Foundation and Foundation of Doctors without Border.</p>	

(VI) Enforcement of business integrity, deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies

The Company has taken efficiency, innovation, quality and honesty as its quality policy since its establishment. To ensure the implementation of the ethical management policies, on Dec. 24, 2010, the Board's meeting established the "Ethical Corporate Management Best Practice Principles", and reported such in the 2011 Shareholders' meeting. On Apr. 21, 2015, the Board of Director passed the amendment of the "Ethical Corporate Management Best Practice Principles", based on which, the "Procedures for Ethical Management and Guidelines for Conduct" were added. On Apr. 25, 2016, The Dept. of Finance is appointed as the dedicated unit, under the Board of Directors, to amend, implement, interpret, provide consult service regarding the Operational Procedures and the Guidelines for Conduct, documenting the reports, and report the implementation outcomes to Board of Directors regularly each year. On Dec. 24, 2021, the outcomes of implementation were reported to the Board of Directors. On November 4, 2021, the Board included "Ethical Operation and Management" in the yearly audit plan by preparing "Ethical Operation and Management" internal control system and implementation details of internal audit so as to make audit stricter.

Implementation of ethical business practices

Items under evaluation	Status			Any nonconformity to the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof:
	Yes	No	Summary	
<p>I. Establish ethical business policies and programs</p> <p>(I) Has the Company established a set of board-approved business integrity policy, and stated in its Memorandum or external correspondence about the polices and practices it implements to maintain business integrity? Are the board of directors and the senior management committed to fulfilling this commitment?</p>	V		<p>(I) The Company made “Ethical Corporate Management Best Practice Principles” on Dec. 24, 2010 and added “The Procedures for Ethical Management and Guidelines for Conduct” on Apr. 21, 2015. These policies clearly specify that “the Company shall establish the ethic-based policies on the basis of the operational philosophy of integrity, transparency, and responsibility, and establish the good corporate governance and risk control mechanism, to build up an operating environment with sustainable development.” and “when conducting business activities, the directors, managers, employees and appointees or people with actual control abilities (hereinafter referred to as “actual controllers”) of the Company shall not, either directly or indirectly, offer, commit, require or accept any illegal interests, or make unethical behaviors in violation of ethnics, illegal actions or violation to the trustee obligations, so as to acquire or maintain the interests.”</p> <p>And following prevention measures were made:</p> <ol style="list-style-type: none"> 1. Forbid bribery and corruption. 2. Forbid providing illegal political contributions. 3. Forbid improper charitable donation or sponsors. 4. Forbid offer or accept improper gifts, entertainments or other illegal interests. 5. Forbid infringement to business secrets, 	N/A

Items under evaluation	Status			Any nonconformity to the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies,, and reasons thereof.
	Yes	No	Summary	
(II) Has the Company developed systematic practices for assessing integrity risks? Does	V		<p>trademark rights, patents, copyrights, or other rights of intellectual properties.</p> <p>6. Forbid engagement in unfair competition.</p> <p>7. Forbid direct or indirect damage to customers or other shareholders' rights and interests, health and safety caused by the products and service in the process of R & D, procurement, manufacturing, offering or sale.</p> <p>The directors and the executives must provide the declaration of complying with the ethical management policies, and such compliance must be specified in the offer letter. New employees of the Company signed "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" when signing the labor contracts and would start education and training upon registration. On December 24, 2021, the "2021 Implementation of Ethical Management" was reported to the Board of Directors. And on July 14, 2021, "Common Pattern and Example of Disgorgement of Short-term Trading" instructed by competent departments was conducted. On December 24, 2021, a 30-minute course, "Initiative of Common Violation Pattern of Internal Personnel", was conducted to the Board of Directors and managers, for total 11 people. Such regulations are disclosed at the "Stakeholder Section" of the Company's website (http://www.planet.com.tw/tw/ir/corporate-governance) and the MOPS.</p>	N/A

Items under evaluation	Status			Any nonconformity to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies,, and reasons thereof.
	Yes	No	Summary	
the Company perform regular analyses and assessments on business activities that are prone to higher risk of dishonesty, and implement preventions against dishonest conducts that include at least the measures mentioned in Paragraph 2, Article 7 of “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?”			<p>Paragraph 2 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” setting forth the conditions requiring prevention measures, the “Procedures for Handling Political Donation” are established to prevent briberies and illegal political donations, while strictly controlling the limit and approval authorities for political donations. The accounting of such donations must comply with the Political Donations Act, other relevant laws and regulations, and accounting treatment procedures. The “Procedures for Handling Charitable Donations or Sponsorships” are established, to specify that the de facto controller, i.e. directors, managers, and employees, must comply with the related laws and regulations and internal regulations when making charitable donations. The disguised bribery is strictly forbidden, and the donation limits and approval authorities are strictly controlled. The “Managerial Regulations of Business Secrets” are established, to prevent the invasions to the Company’s business secrets, trademark rights, copyrights, and rights to other intellectual properties. The keepers of such are responsible to keep and protect the business secrets, without leaking at will; shall there be any loss or leaking, such events will be handled pursuant to the working rules or related laws and regulations. The Principles of Gifts during Business” are established, strictly prohibiting from giving or taking unreasonable business gifts, hospitality or other improper benefits. Thus the Company establishes good corporate governance and risk management mechanism, builds up an operating environment with sustainable development, and implement such thoroughly in the internal management and</p>	

Items under evaluation	Status			Any nonconformity to the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof.
	Yes	No	Summary	
(III) Has the Company defined and enforced operating procedures, behavioral guidelines, penalties and grievance systems as part of its preventive measures against dishonest conducts? Are the above measures reviewed and revised on a regular basis?	V		<p>external business activities.</p> <p>Inquiry: the information is disclosed in the “Stakeholder Section” at the Company’s website http://www.planet.com.tw/tw/ir/corporate-governance and the MOPS website.</p> <p>(III) To prevent any unethical behavior, the Company has established related regulations, including the “Ethical Corporate Management Best Practice Principles”, “The Procedures for Handling Political Donation”, the “Procedures for Handling Charitable Donations or Sponsorships”, and the “Detailed Principles of Awards and Disciplinary Actions”, as the reference of implementation to the Board of Directors and the management. Such regulations are regularly reviewed and amended. The “Ethical Corporate Management Best Practice Principles” and the “Procedures for Ethical Management and Guidelines for Conduct”, requiring the directors and the executives must provide the declaration of complying with the ethical management policies, and such compliance must be specified in the offer letter. The audit plan will be prepared based on the risk assessment of unethical behaviors, to be reported to the executives and dedicate unit of the ethical management, before preparing the audit reports to be presented to the Board of Directors. According to Article 20 of Accounting and Internal Control of the "Code of Business Integrity", the internal audit unit shall formulate relevant audit plans according to the assessment results of the</p>	N/A

Items under evaluation	Status			Any nonconformity to the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof.
	Yes	No	Summary	
			<p>risk of dishonest behavior, including audit objects, scope, items, frequency, etc., and conduct audits accordingly. Regarding the compliance of the prevention plan, it was approved by the board of directors on November 4, 2011, and the internal control system and internal audit implementation rules of "integrity management and operation" were added, and the commitment of the integrity management policy was actively implemented. The Company has established the "Operational Procedures to Prevent Insider Trading". Every year, the promotions of preventing insider trading and ethical management are conducted to the insiders. On Dec. 24, 2021, a 30-minute course, "Strict Prohibition of Insiders Trading and the Penalties", was conducted to the Board of Directors and managers, for total eleven people. The Company also conducts the trainings of "Corporate Ethic Regulations", "Ethical Corporate Management Best Practice Principles", and the "Employees' Code of Conducts" to the new employees. The complete whistle-blowing, complaint, and disciplinary action systems are established for the thorough implementation.</p>	
<p>II. Implementation of ethical business practices</p> <p>(I) Does the Company evaluate the integrity of all counterparties it has business relationships with? Are</p>	V	(I)	<p>The Company conducts business in the manner of fairness, honest, reliability, and transparency, on the basis of principles of ethical management. Before conducting business, the Company investigate the counterparties, including agencies,</p>	N/A

Items under evaluation	Status			Any nonconformity to the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof.
	Yes	No	Summary	
<p>there any integrity clauses in the agreements it signs with business partners?</p>			<p>suppliers, clients, or other parties, to check if they are involved with any unethical behaviors, which in turn resulting the termination or elimination of contracts. To maintain fairness and mutual respects, it is forbidden to ask or accept any benefit, such as commission or kickback with any cause, either directly or indirectly or either actively or passively. The Company strictly implements the policy of no gift/ anti-bribery, with the “Principles of Gifts during Business”. The gifts provided by the partners are also strictly regulated, to maintain the ethical business relationships between the Company and the vendors.</p>	
<p>(II) Does the Company have a unit that enforces business integrity directly under the board of directors? Does this unit report its progress (regarding implementation of business integrity policy and prevention against dishonest conducts) to the board of directors on a regular basis?</p>	V		<p>(II) The Company designated the Financial Department to implement the ethical operation of the Company and propel its implementation. At the end of each year, outcomes of implementation are reported to the Board of Directors. On Dec. 24, 2021, the outcomes of implementation were reported to the Board of Directors and managers for total ten people, to enable the supervision of the Board of Directors.</p>	N/A
<p>(III) Does the Company have developed policies to prevent conflicts of interest, provided adequate channel for communication, and</p>	V		<p>(III) To prevent any conflict of interests, the Company has established the “Code of Conducts for Directors and Managers”, providing an appropriate channel for directors and managers to voluntarily declare their potential conflict of interests with the Company. If any attendee and participant of a</p>	N/A

Items under evaluation	Status			Any nonconformity to the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof.
	Yes	No	Summary	
<p>substantiated the policies?</p> <p>(IV) Has the Company implemented effective accounting policy and internal control system to maintain business integrity? Has an internal or external audit unit been assigned to devise audit plans based on the outcome of integrity risk assessment, and to audit employees' compliance with various preventions against dishonest conduct?</p>	V		<p>Board's meetings, who has a personal interest in the matter under discussion at the meeting, which may impair the interest of the Company, although they may express their opinions and reply inquiries, they shall not discuss or vote, while recusing from the discussion and voting, nor exercise the voting right on behalf of another director. The directors shall not support each other in an inappropriate manner.</p> <p>(IV) On November 4, 2021, the Board included "Ethical Operation and Management" into the yearly audit plan by preparing "Ethical Operation and Management" internal control system and implementation details of internal audit so as to make audit strictly. Regarding the business activities and operational procedures with higher possibility of unethical behaviors, the Company has established the effective accounting and internal control system, which are under regular review, to ensure the continuous effect of the design and execution of such systems, as the implementation of ethical management. The internal auditors not only schedule the annual audit plans based on the risk assessments, every month they inspect the compliances pursuant to the annual audit plan, and report to the Audit Committee via emails. The audit implementations are also presented to the Board of Directors and the Audit Committee. The internal control systems are also be audited by engaging accountants.</p>	N/A
<p>(V) Does the Company organize internal or external training on a regular basis to</p>	V		<p>(V) During the orientations to new employees, the trainings of ethical management are conducted. In 2021, 21 trainings, 41 person-times, were</p>	N/A

Items under evaluation	Status			Any nonconformity to the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof.
	Yes	No	Summary	
maintain ethical management?			conducted. On Dec. 22, 2021, a 30-minute course, “Initiative of Common Violation Behaviors of Internal Staff”, was conducted to the Board of Directors and managers, for total eleven people.	
III. Reporting of misconducts				
(I) Does the Company provide incentives and means for employees to report misconducts? Does the Company assign dedicated personnel to investigate the reported misconducts?	V		(I) The Company has established the disciplinary action and complaint systems for the violations of ethical management, with well-rounded whistle-blowing system and channel. The “Stakeholder Section” at the Company’s website provides the mailboxes of the Audit Committee, CEO, spokesperson, and acting spokesperson; other corresponding contacts are also provided to the different type of stakeholders. Complaints may be filed through various channels, and will be accepted by the dedicated personnel.	N/A
(II) Has the Company implemented any standard procedures for handling reported misconducts, and subsequent actions and confidentiality measures to be undertaken upon completion of an investigation?	V		(II) The Company has various complaint channels in place. The complaints may be filed through the mailboxes or telephone of CEO, the Audit Committee, HR, spokesperson, and acting spokesperson. The employees may file their opinions directly to the CEO or Dept. of Administration. The Company has established the “Guidelines of Preventing Sexual Harassment and the Penalties”. Anyone encounters any sexual harassment may report to HR directly. An investigation team will be organized by the Dept. of Administration immediately pursuant to laws. During the investigation and review, the rights of the plaintiff will be defended, without leaking his/her identity and information. All outcomes of investigation are documented for retaining.	N/A

Items under evaluation	Status			Any nonconformity to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and reasons thereof.
	Yes	No	Summary	
(III) Has the Company provided proper whistle blower protection?	V		<p>The Company also has various confidentiality mechanisms, specified in the “Rules of Management“, the “Managerial Regulations of Business Secrets”, and “Labor Contract”.</p> <p>(III) In all regulations of the Company, it is specified the rights of whistle-blowers must be protected during the investigations and reviews, so that they are not treated improperly due to whistle-blowing. The complaints are handle in manner of absolute confidentiality, names of whistle-blowers and any identifiable information are strictly prohibited from leaking.</p>	N/A
IV. Strengthening information disclosure Has the Company disclosed its Ethical Corporate Management Best Practice Principles and progress onto its website and MOP?	V		<p>The “Ethical Corporate Management Best Practice Principles” and the “Procedures for Ethical Management and Guidelines for Conduct” are disclosed at the “Stakeholder Section” of the Company’s website. The information and effects of the ethical management is also disclosed at the “CSR Section” and “About US/Company Overview” of the Company’s website. The Ethical Corporate Management Best Practice Principles are also disclosed on the MOPS.</p> <p>“Stakeholder Section” at the Company’s website (http://www.planet.com.tw/tw/ir/corporate-governance)</p> <p>“About Us/Overview/Ethical Management” (https://planet.com.tw/tw/about/manage)</p> <p>MOPS “Corporate Governance Section”(http://mops.twse.com.tw)</p>	N/A
<p>V. If the Company has established its ethical corporate management best practice principles in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”,</p> <p>The Company, pursuant to the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”, has established the “Ethical Corporate Management Best Practice Principles” on Apr. 21, 2015; and pursuant to the amendments of the “Ethical Corporate Management Best Practice Principles“, the Company added the “Ethical Management and Guidelines for Conduct”.</p>				

Items under evaluation	Status			Any nonconformity to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and reasons thereof.
	Yes	No	Summary	
			<p>On Apr. 30, 2020, pursuant to the Letter Tai-Cheng-Chi-Li-Zhi No. 1080008378 issued by TWSE, the “Ethical Corporate Management Best Practice Principles” were amended, as well as pursuant to Letter Tai-Cheng-Chi-Li-Zhi No. 1090002299 issued by TWSE, the “Ethical Management and Guidelines for Conduct” were amended. The Board of Directors, management, and all employees shall fully comply with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” for their practices. On November 4, 2021, the Board included “Ethical Operation and Management” into the yearly audit plan by preparing “Ethical Operation and Management” internal control system and implementation details of internal audit so as to make audit strictly.</p>	
VI.			<p>Other information relevant to understanding the Company’s ethical management operation (e.g. review of the Ethical Corporate Management Best Practice Principles):</p> <p>The Company has established the “Ethical Corporate Management Best Practice Principles”, and the “Procedures for Ethical Management and Guidelines for Conduct“. The Dept. of Finance is appointed as the dedicated unit, under the Board of Directors, to amend, implement, interpret, and consult the issues regarding the related affairs. On Apr. 30, 2020, pursuant to the Letter Tai-Cheng-Chi-Li-Zhi No. 1080008378 issued by TWSE, the “Ethical Corporate Management Best Practice Principles” were amended, as well as pursuant to Letter Tai-Cheng-Chi-Li-Zhi No. 1090002299 issued by TWSE, On November 4, 2021, the Board included “Ethical Operation and Management” into the yearly audit plan by preparing “Ethical Operation and Management” internal control system and implementation details of internal audit. The “Ethical Management and Guidelines for Conduct” were amended. At the end of each year, the report is presented to the Board of Directors, as the implementation of ethical business practices.</p>	

(VII) If the Company has adopted corporate governance best-practice principles or related bylaws, disclose how these are to be searched:

1. The Company has established the following regulations and guidelines pursuant to the “Corporate Governance Best-Practice Principles”:

- (1) The Rules of Procedure for Shareholders’ meetings
- (2) The Rules of Procedure for Board’s Meetings
- (3) The Rules of Responsibility Scope of Independent Directors
- (4) The Organization Regulations for Audit Committee
- (5) The Regulations for Intercompany Financial and Operation of Affiliates
- (6) The Regulations of Director Election
- (7) The “Code of Conducts for Directors and Managers”
- (8) The Asset Acquisition and Disposal Procedures
- (9) The Procedures for Providing Endorsements/Guarantees.
- (10) The Procedures for Loaning Funds to Others.
- (11) The Organization Regulations for Risk Management Committee
- (12) Ethical Corporate Management Best Practice Principles

- (13) Best-practice Principles of Sustainable Development
- (14) Guidelines of Appraising Performance of the Board of Directors'
- (15) Guidelines of Appraising Performance of the Directors
- (16) The Organization Regulations for Remuneration Committee
- (17) The Operational Procedures to Prevent Insider Trading
- (18) The Guidelines of Appraising Performance of the Auditors
- (19) The Program to Evaluate the Quality of Internal Audit
- (20) The Managerial Regulations of M&A Strategy and Examination
- (21) The Managerial Guidelines for Handling Material Information
- (22) The Procedures for Handling Political Donation
- (23) The Procedures for Handling Charitable Donations or Sponsorships
- (24) The Oversight Operation to Subsidiaries
- (25) The Operational Procedures for Transactions Among Certain Companies, Group's Enterprises, and Related Party
- (26) The Managerial Regulations for Operation of Long- and Short-Term Investment
- (27) The Managerial Regulations for Liability Commitments and Contingencies
- (28) The Procedures for Ethical Management and Guidelines for Conduct
- (29) System and Policy of Sustainable Development
- (30) The Operational Procedures of Applying Suspension or Resumption of Transactions
- (31) The Managerial Regulations of Shareholders' Affairs
- (32) The Managerial Regulations of Personal Information Protection
- (33) The Procedures for Handling Requests Made by Directors
- (34) The Organizational Rules of ESg Committee
- (35) Regulations on Continuing Education of Directors

2. Inquiry: the information is disclosed in the "Stakeholder Section" at the Company's website (<http://www.planet.com.tw/tw/ir/corporate-governance>) and the MOPS website (<http://mops.twse.com.tw>).

(VIII) Other important information material to the understanding of corporate governance within the Company:

1. Since the Audit Committee established on Jun. 13, 2017, it holds regular meeting each quarter to fully discuss the presentation of the Company's financial statements, internal control system and audit, as well as the amendments to various regulations. Audit directors and CPA will communicate with audit committee at regular intervals.
2. The Company stipulated Organizational Regulations of CSR Committee and Regulations of Risk Management Committee on Nov. 4, 2020, and on December 22, 109 the Board of

Directors established the Corporate Social Responsibility Committee and the Risk Management Committee . CSR Committee was renamed as Sustainable Development Committee in 2021, which consists of 3 independent directors and 2 director. Half of Risk Management Committee members are independent directors and at least 2 meetings are held each year.

3. The Company always inform the directors seven days prior to the meeting through emails. The meeting notices not only specify the reasons of convention, but also provide sufficient information for the directors to review. The meeting minutes were sent to directors within 20 days after the meetings. During the meeting, shall the independent directors have objections or reserved opinions, such happenings would be recorded in the meeting minute. Also to establish a good corporate governance, assist directors to fulfill their duties, and enhance the performance of the Board of Directors, the Company has established the “Procedures for Handling Requests Made by Directors“ on Mar. 21, 2019, specifying that the requests made by directors shall be handled within five working days, to fully facilitate the directors to fulfill their duties with corresponding information and resources.
4. The Company respects and values the recommendations of the independent directors. The management regularly presents the operation reports, CSR implementation report, internal audit report, ethical management implementation report, and educational promotion of insider trading prevention to the Board of Directors, so that the independent directors may have insights to the Company’s operations in the regards of finance, business, R&D, and materials, and their compliance with related laws and regulations are assisted.
5. The Company is not only obliged to fully disclose information to the domestic investors, but also voluntarily discloses the following information in English to the international investors:
 - (1) Material information
 - (2) Annual financial reports and financial reports of Q1 to Q3
 - (3) Meeting notices of Shareholders’ meetings and the rules of procedure handbooks
 - (4) Annual reports of Shareholders’ meetings
 - (5) Sustainable report
6. Base on management 3.0 of competent authority company-sustainable development blueprint, promoting five main axes, and enhancing the performance of corporate governance, the following was completed in 2021:
 - (1) Independent directors are no less than the one third of the directors.
 - (2) Annual newspaper and website of multiple information disclosure for directors board.
 - (3) Introduce corporate risk management system, and set up risk management committee which takes more than half of independent directors as its members.
 - (4) Carry out the performance evaluations of director board, some directors, and functional

committee, which were passed by director board on Feb. 24, 2022.

(5) Provide multiple training programs for the directors.

(6) Set up a competent corporate management officer and define his or her responsibilities.

(7) More than half of the independent directors shouldn't serve for more than three consecutive terms.

(8) From 2021, financial report of each quarter should be agreed by Audit Committee.

(9) The Corporate Social Responsibility Report formulated annually changed name into Sustainable Report from 2021

(10) On May, 2022, The Corporate Social Responsibility Report was checked by the third-party.

(11) The annual financial statement will be announced 75 days after the expiration of the year.

(12) Since 2017, shareholder meeting has adopted electronic voting.

(13) Since 2014, the manual is reported in 30 days before and annual report of the shareholder meeting is reported in fourteen days before.

(14) The voting on motions of the shareholder meeting should be reported after the meeting.

(15) At least 2 illustration meetings for legal person should be held in each year.

(16) Annual financial report is declared 2 months after the end of the current year, so as to make information as transparent as possible.

(17) Plan on the succession of board of directors and major executives are formulated.

(IX) Disclosure of internal control system

1. Internal Control Declaration:

PLANET Technology Corporation
Declaration of International Control System

Date: Feb. 24, 2022

Based on the findings of a self-assessment, PLANET Technology Corporation states the following with regard to its internal control system during the year 2021:

- I. The Company's Board of Directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. Our internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency of our reporting, and compliance with applicable rulings, laws and regulations.
- II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. The Company's internal control system is designed with a self-monitoring mechanism; therefore, corrective actions will be activated upon identifying any nonconformity.
- III. The Company has assessed the effectiveness of the internal control system design and implementation in accordance with the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "the Regulations"). Assessment criteria introduced by "The Governing Principles" consisted of five main elements, each representing a different stage of internal control: 1. Control environment; 2. Risk evaluation and response; 3. Procedural control; 4. Information and communication; and 5. Supervision. Each of the five elements is then divided into a sub-category. Please refer to "the Regulations" for details.
- IV. The Company has adopted the abovementioned criteria to validate the effectiveness of its system design and execution.
- V. Based on the result of the assessment, the Company finally determined the effectiveness of the design and implementation of our internal control system until Dec. 31, 2021 (including supervision and management of subsidiaries) regarding the effectiveness and efficiency of operations, the reliability, promptness, and transparency of reports and compliance with relevant laws and regulations. This system provided reasonable assurance that the above objectives have been achieved.
- VI. The Declaration of Internal Control System is the main content of the Company's annual report and prospectus published. Any false and concealment of the published contents referred to above involves the liability illustrated in Article 20, Article 32, Article 171, and Article 174 of the Securities and Exchange Act.
- VII. The Declaration of Internal Control System was resolved at the Board meeting with the objection of 0 board directors out of the 7 attending board directors on Feb. 24, 2022. The contents of the declaration have been accepted without objection.

PLANET Technology Corporation

Chairman: Chen, Ching-Kang

Signature/Seal

CEO: Chen, Ching-Kang

Signature/Seal

2.The internal control audit report issued by the CPA commissioned to conduct an internal control audit, if any: N/A.

(X) Penalties imposed against the Company for regulatory violation, or penalties against employees for violation of internal control system, in the most recent year up till the publication date of annual report that may significantly impact shareholders’ interest or security price; describe details of the penalty, areas of weakness and any corrective actions taken: None.

(XI) Resolutions reached in the shareholder’s meeting or by the Board of Directors during the most recent year and up to the date of publication of this annual report:

1. Shareholders’ meetings

Date of meeting	Type of meeting	Important resolution	Result	Status
Aug. 5, 2021	Shareholders’ meeting	1. Ratified the business report and financial statements 2020.	Outcome of the poll to this proposal: When voting, the voting rights were 32,157,874 votes of the attending shareholders; the favorable votes were 31,968,497 votes (30,196,488 votes were executed via e-voting), or 99.41% of the all voting rights; the unfavorable votes were 5,672 votes (5,672 votes were executed via e-voting); invalid vote was zero, and the abstained votes were 183,705 votes (183,705 votes were executed via e-voting). The proposal was passed as proposed by the Board of Directors.	
		2. Ratifying the proposal of 2020 earnings distribution.	Outcome of the poll to this proposal: When voting, the voting rights were 32,157,874 votes of the attending shareholders; the favorable votes were 32,115,055 votes (30,343,046 votes were executed via e-voting), or 99.86% of the all voting rights; the unfavorable votes were 8,114 votes (8,114 votes were executed via e-voting); invalid vote was zero, and the abstained votes were 34,705 votes (34,705 votes were executed via e-voting). The proposal was passed as proposed by the Board of Directors.	The ex-dividend base date was set on Aug. 12, 2021, and the cash dividends were paid on Sep.3, 2021, for total NTD 250,003,856.
		3. Amendment to the “Rules of Procedure for Shareholder Meetings” of the Company.	Outcome of the poll to this proposal: When voting, the voting rights were 32,157,874 votes of the attending shareholders; the favorable votes were 32,097,497 votes (30,325,488 votes were executed via e-voting), or 99.81% of the all voting rights; the unfavorable votes were 20,672 votes (20,762 votes were executed via e-voting); invalid vote was zero, and the abstained votes were 39,705 votes (39,705 votes were executed via e-voting). The proposal was passed as proposed by the Board of Directors.	Operated with the amended “Rules of Procedure for Shareholder Meetings”.

Date of meeting	Type of meeting	Important resolution	Result	Status
Aug. 5, 2021	Shareholders' meeting	4. Amendment to "Regulations on Director Election".	Outcome of the poll to this proposal: When voting, the voting rights were 32,157,874 votes of the attending shareholders; the favorable votes were 32,094,497 votes (30,322,488 votes were executed via e-voting), 99.80% of the all voting rights; the unfavorable votes were 20,672 votes (20,672 votes were executed via e-voting); invalid vote was zero, and the abstained votes were 42,705 votes (42,705 votes were executed via e-voting). The proposal was passed as proposed by the board of directors.	Operated as per the amended "Regulations on Director Election".

2. Board of Directors

Date of meeting	Type of meeting	Important resolution
Mar. 11, 2021	Board of directors	<ol style="list-style-type: none"> 1. Proposal of staff and directors' remunerations for 2020. 2. Proposal of "Statement of Internal Control System" for 2020. 3. Proposal of the consolidated and parent-company-only financial statements for 2020. 4. Proposal of amendment of internal control system and implementation details of internal audit. 5. Proposal of amendment of "Rules of Procedure for Shareholders' Meetings". 6. The related terms of 2021 General Meeting of Shareholders and receiving proposal of 1% shareholders. 7. Proposal of evaluation of directors and the performance evaluation of directors board for 2020. 8. Proposal of evaluating performance of functional committee of 2020. 9. Proposal of evaluation of the independence and competence of CPA for 2020. 10. Proposal of remuneration and appointment of CPA for 2021. 11. Proposal of performance evaluation of managers and evaluation of auditors for 2020
Apr. 29, 2021	Board of directors	<ol style="list-style-type: none"> 1. Proposal of business report for 2020. 2. Proposal of earnings distribution for 2020. 3. Additions and corrections of related terms of 2021 General Meeting of Shareholders and receiving proposal of 1% shareholders.
July. 14, 2021	Board of directors	<ol style="list-style-type: none"> 1. Proposal of stipulation of postponed date and place of shareholder's meeting of 2021.
Aug. 5, 2021	Board of directors	<ol style="list-style-type: none"> 1. The proposal of intending to apply credit line renewal to the Shanghai Commercial Bank 2. Proposal of remuneration distribution of directors and managers for 2020.
Nov. 4, 2021	Board of directors	<ol style="list-style-type: none"> 1. Proposal of amendment of internal control system and implementation details of internal audit of the Company. 2. Proposal of update of "Ethical Operation and Management" and Internal Control System and Implementation Details of Internal Audit of the Company. 3. Audit Plan for 2022.
Dec. 24, 2021	Board of directors	<ol style="list-style-type: none"> 1. The operation plan and budget for 2022. 2. Proposal of amendment of "Guidelines of Evaluating Performance of the Directors". 3. Proposal of amendment of "Corporate Governance Best-Practice Principles". 4. Proposal of Update of "Regulations on Continuing Education of Directors". 5. Proposal of year-end bonus of managers for 2021 and adjustment of fixed remuneration for 2022.
Feb. 24, 2022	Board of directors	<ol style="list-style-type: none"> 1. Proposal of remunerations of staffs and directors for 2021. 2. Proposal of "Declaration of Internal Control System" for 2021. 3. Proposal of consolidated and parent-company-only financial statements for 2021. 4. Proposal of amendment of "Procedures on Acquisition and Processing of Asset Handling" 5. Proposal of "Internal Control System and Implementation Details of Internal

		<p>Audit”.</p> <ol style="list-style-type: none"> 6. Proposal of renaming of “Code of Practice for CSR”. 7. Proposal of amendment of “Regulations on CSR” and renaming of “CSR Committee” 8. Proposal of amendment of “CSR System and Policy”. 9. The related terms of 2022 General Meeting of Shareholders and receiving proposal of 1% shareholders. 10. Proposal of performance evaluation of director board for 2021. 11. Proposal of performance evaluation of Functional Committee for 2021. 12. Proposal of the evaluation of the independence and competence of CPA for 2021. 13. Proposal of appointment and remuneration for 2022. 14. Performance evaluation of managers and evaluation of auditors for 2021.
Apr. 15, 2022	Board of directors	<ol style="list-style-type: none"> 1. Proposal of business report for 2021. 2. Proposal of earnings distribution for 2021. 3. Proposal of amendment of Partial Articles of Incorporation. 4. Proposal of amendment of “Rules of Procedures for Shareholders’ Meeting”. 5. Proposal of amendment of “Corporate Governance Best-Practice Principles”. 6. Additions and corrections of related terms of 2022 General Meeting of Shareholders and receiving proposal of 1% shareholders.
Apr. 28, 2022	Board of directors	<ol style="list-style-type: none"> 1. Proposal of “Greenhouse Gas Inventory and Plan for Verification Schedule”

(XII) Recorded or written statements made by any director or supervisor which specified dissent to important resolutions passed by the Board of Directors during the most recent year and up to the date of publication of this annual report:None

(XIII) Resignation or dismissal of the Chairman, CEO, head of accounting, head of finance, chief internal auditor, corporate governance officer or head of R&D in the most recent year up till the publication date of annual report:None

V. Disclosure of auditors’ remuneration

(I) The Company shall disclose the audit fee and non-audit fee, as well as the contents of the non-audit service of CPA, CPA firm and their affiliates.

Disclosure of auditors' remuneration

Unit: thousands NTD

Firm Name	CPA Name	Audit Period of the Accountant	Audit Fee	Non-audit Fee (Note 2)	Total	Remarks
Baker Tilly Clock & CO	Lai, Yung- Chi; Wu, Hsin- Liang	2021	2,060	390	2,450	

Note 1: The audit period of the accountants covered the complete fiscal year, and the year of audit is 2021.

Note 2: Non - audit fees refer to tax attestation fee of NT\$ 360,000 and consultant fee for annual report review of NT\$ 30,000.

1. Change of accounting firm that resulted in the reduction of audit remuneration from the previous year; disclose audit remuneration before and after the change and the cause of such change: No accounting firm was changed, and thus not applicable.
2. Any reduction in audit remuneration by more than 10% compared to the previous year; state the amount, the percentage and reason of such variation: None, and thus not applicable.

(II) Auditing fees stated above refer to the fees paid to certified public accountant for audit, review and re-audit of financial report and financial budget review.

VI. Information regarding independent auditor replacement: in the recent two fiscal years and the before/after the period, there was no internal adjustment of accountant.

VII. Information About Chairman, CEO, and Financial or Accounting Manager of the Company Who Has Worked with the CPA Firm Which Conducts the Audit of the Company or Affiliate to Such Firm in the Most Recent One Year: N/A

VIII. Any transfer of equity interests and pledge of or change in equity interests by a director, supervisor, managerial officer or shareholder with a stake of more than 10 percent in the most recent year and until to the date of publication of the annual report

(I) Changes of the shareholdings of directors, managers and shareholders holding more than 10% of the shares

Unit: shares

Position	Name	2021		2022, up till Mar. 29	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman/CEO	Chen, Ching-Kang	—	—	—	—
Chairman/Vice President	Hsu, Hwa-Lin	—	—	—	—
Director	Representative of Puyang Investment Co., Ltd: Li, I- Chuan	—	—	—	—
Director/CFO	Representative of Puyang Investment Co., Ltd: Lin, Man- Chu	—	—	—	—
Independent director	Chen, Shuh	—	—	—	—
Independent director	Huang, Hsin- Hsien	—	—	—	—
Independent director	Chang, Pao-Thai	—	—	—	—
CTO	Shih, Yi-Shen	(7,000)	—	—	—
COO	Wu, Hsueh-Ju	—	—	—	—
Assistant Manager	Kang, Shih- Sheng	—	—	—	—
Assistant Manager	Leong, Chi-Tong	—	—	—	—

Note: 1. Number of shares is based on the shareholder register.

2. None of director or manager pledged shares.

(II) Shall the counterpart of the share transfer or share pledged be a related party, the relationship and the shares obtained or pledged between directors, supervisors, managers, and the shareholder holding 10% or more shares: None.

IX. Relationships characterized as spouse or second-degree relatives or closer among top-ten shareholders

Information about the relationship among the Company's 10 largest shareholders:

Mar. 28, 2022

Name	Own shareholding		Current Shares Held by Spouse and Children of Minor Age		Total shareholding Under the Name		Information on top 10 shareholders in proportion of shareholdings and are related to one another or kin at the second pillar under the Civil Code to one another, their names and relations.		Remarks
	Shares	Shareholding Ratio	Shares	Ratio of shareholding	Shares	Shareholding Ratio	Name	Relationship	
Puyang Investment Co., Ltd: Responsible person Hsu, Hwa-Lin	16,856,237	26.97%	--	--	--	--	Hsu, Hwa-Lin	Chairman	--
							Chen, Ching-Kang	Director	
Chen, Ching-Kang	4,211,978	6.74%	3,030,241	4.85%	--	--	Hsu, Hwa-Lin	Spouse	--
							Puyang Investment Co., Ltd	Chen, Ching-Kang is a director of Puyang Investment	
							Hsu, Ya-Ling	Older sister of the spouse	
Hsu, Hwa-Lin	3,030,241	4.85%	4,211,978	6.74%	--	--	Chen, Ching-Kang	Spouse	--
							Puyang Investment Co., Ltd	Hsu, Hwa-Lin is the Chairman of Puyang Investment	
							Hsu, Ya-Ling	Older sister	
PLANET fund dedicate trust account, Bank of Taiwan	1,506,293	2.41%	--	--	--	--	--	--	--
Fengteng Investment Co., Ltd	560,000	0.90%	--	--	--	--	--	--	--

Name	Own shareholding		Current Shares Held by Spouse and Children of Minor Age		Total shareholding Under the Name		Information on top 10 shareholders in proportion of shareholdings and are related to one another or kin at the second pillar under the Civil Code to one another, their names and relations.		Remarks
	Shares	Shareholding Ratio	Shares	Ratio of shareholding	Shares	Shareholding Ratio	Name	Relationship	
Chou, Hsiao-Chuan	483,917	0.77%	--	--	--	--	--	--	--
Huang, Wei-Jen	482,511	0.77%	--	--	--	--	--	--	--
Hsu, Ya-Ling	410,892	0.66%	213,786	0.34%	--	--	Chen, Ching-Kang Hsu, Hwa-Lin	Brother in law Younger sister	--
Lin, Man-Tsu	323,555	0.52%	5,665	0.01%	--	--	--	--	--
Shih, Yi-Shen	306,775	0.49%	127,205	0.20%	--	--	--	--	--

X. The number of shares held by the Company and the Company's directors, supervisors and managers, and the number of shares invested in a single company which are held by the entities directly or indirectly controlled by the Company, and calculating the consolidated shareholding percentage of the above categories

Unit: shares; %
Mar. 31, 2022

Investee	Invested by the Company		Invested by directors, supervisors, managers, and entities controlled by the Company directly or indirectly		Combined investment	
	Shares	Ratio of shareholding	Shares	Ratio of shareholding	Shares	Ratio of shareholding
Planet International Inc.	100,000	100.00%	--	--	100,000	100.00%

Note: This is the long-term equity investment of the Company

Four. Status of Fund Raising

I. Capital and shares

(I) Source of Share Capital

1. Categories of Issued Shares in the most recent year up to the printing date of the annual report

Unit: share; NTD

Mar. 31, 2022

Year/Month	Issuance price (NTD)	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Share Capital	Paid in properties other than cash	Others
1992.12	10	500,000	5,000,000	500,000	5,000,000	Share capital at the Incorporation	N/A	—
1997.05	10	2,000,000	20,000,000	2,000,000	20,000,000	Cash capitalization 15,000,000	N/A	Note 1
2000.11	10	11,000,000	110,000,000	11,000,000	110,000,000	Cash capitalization 90,000,000	N/A	Note 2
2001.05	10	14,340,000	143,400,000	14,340,000	143,400,000	Capital increase upon recapitalization of employee bonus 400,000 Capital increase upon recapitalization of earnings 33,000,000	N/A	Note 3
2002.07	10	43,620,000	436,200,000	21,660,000	216,600,000	Capital increase upon recapitalization of employee bonus 4,368,000 Capital increase upon recapitalization of earnings 68,832,000	N/A	Note 4

Year/Month	Issuance price (NTD)	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Share Capital	Paid in properties other than cash	Others
2003.07	10	43,620,000	436,200,000	28,000,000	280,000,000	Capital increase upon recapitalization of employee bonus 4,918,000 Capital increase upon recapitalization of earnings 58,482,000	N/A	Note 5
2004.08	10	43,620,000	436,200,000	34,200,000	342,000,000	Capital increase upon recapitalization of employee bonus 6,000,000 Capital increase upon recapitalization of earnings 56,000,000	N/A	Note 6
2005.04	10	43,620,000	436,200,000	34,343,000	343,430,000	Conversion of employee options to 143,000 common shares	N/A	Note 7
2005.08	10	64,471,000	644,710,000	41,125,000	411,250,000	Capital increase upon recapitalization of employee bonus 6,002,600 Capital increase upon recapitalization of earnings 61,817,400	N/A	Note 8
2006.04	10	64,471,000	644,710,000	41,163,000	411,630,000	Conversion of employee options to 38,000 common shares	N/A	Note 9

Year/Month	Issuance price (NTD)	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Share Capital	Paid in properties other than cash	Others
2006.08	10	64,471,000	644,710,000	47,165,000	471,650,000	Capital increase upon recapitalization of employee bonus 6,508,100 Capital increase upon recapitalization of earnings 53,511,900	N/A	Note 10
2007.05	10	64,471,000	644,710,000	47,193,000	471,930,000	Conversion of employee options to 28,000 common shares	N/A	Note 11
2007.09	10	64,471,000	644,710,000	51,640,000	516,400,000	Capital increase upon recapitalization of employee bonus 6,715,600 Capital increase upon recapitalization of earnings 37,754,400	N/A	Note 12
2008.01	10	64,471,000	644,710,000	51,676,000	516,760,000	Conversion of employee options to 36,000 common shares	N/A	Note 13
2008.09	10	64,471,000	644,710,000	55,130,000	551,300,000	Capital increase upon recapitalization of employee bonus 8,702,000 Capital increase upon recapitalization of earnings 25,838,000	N/A	Note 14
2009.04	10	64,471,000	644,710,000	54,820,000	548,200,000	Cancellation of treasury shares to reduce capital of NTD 3,100,000	N/A	Note 15

Year/Month	Issuance price (NTD)	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Share Capital	Paid in properties other than cash	Others
2009.09	10	64,471,000	644,710,000	56,464,600	564,646,000	Capital increase upon recapitalization of earnings 16,446,000	N/A	Note 16
2010.03	10	64,471,000	644,710,000	56,469,600	564,696,000	Conversion of employee options to 5,000 common shares	N/A	Note 17
2010.04	10	64,471,000	644,710,000	56,489,600	564,896,000	Conversion of employee options to 20,000 common shares	N/A	Note 18
2010.09	10	64,471,000	644,710,000	58,184,288	581,842,880	Capital increase upon recapitalization of earnings 16,946,880	N/A	Note 19
2013.08	10	64,471,000	644,710,000	59,347,974	593,479,740	Capital increase upon recapitalization of earnings 11,636,860	N/A	Note 20
2013.10	10	64,471,000	644,710,000	59,723,974	597,239,740	Conversion of employee options to 376,000 common shares	N/A	Note 21
2014.01	10	64,471,000	644,710,000	60,073,974	600,739,740	Conversion of employee options to 350,000 common shares	N/A	Note 22
2014.09	10	64,471,000	644,710,000	61,275,454	612,754,540	Capital increase upon recapitalization of earnings 12,014,800	N/A	Note 23
2015.09	10	64,471,000	644,710,000	62,500,964	625,009,640	Capital increase upon recapitalization of earnings 12,255,100	N/A	Note 24
2019.07	10	100,000,000	100,000,000	62,500,964	625,009,640	-	N/A	Note 25

Note 1: May 8, 1997, Jing-Chien-Yi-Zhi No.86290601

Note 2: Dec. 18, 2000, Jing (89) Shang-Zhi No.089145887

Note 3: May 18, 2001, Jing (90) Shang-Zhi No.09001178620

Note 4: Aug. 5, 2002, Jing (91) Shang-Zhi No.09101312500

Note 5: Jul. 17, 2003, Jing-Shou-Zhong-Zhi No.09232366230
 Note 6: Aug. 6, 2004, Jing-Shou-Zhong-Zhi No.09332521780
 Note 7: Apr. 21, 2005, Jing-Shou-Zhong-Zhi No.09431988860
 Note 8: Aug. 25, 2005, Jing-Shou-Zhong-Zhi No.09432723610
 Note 9: Apr. 19, 2006, Jing-Shou-Zhong-Zhi No.09532043620
 Note 10: Aug. 22, 2006, Jing-Shou-Zhong-Zhi No.09532715340
 Note 11: May 21, 2007, Jing-Shou-Zhong-Zhi No.09632131340
 Note 12: Sep. 28, 2007, Jing-Shou-Zhong-Zhi No.09601234250
 Note 13: Jan. 15, 2008, Jing-Shou-Zhong-Zhi No.09701009640
 Note 14: Sep.11, 2008, Jing-Shou-Zhong-Zhi No.09701229750
 Note 15: Apr. 6, 2009, Jing-Shou-Zhong-Zhi No.09801065870
 Note 16: Sep.4, 2009, Jing-Shou-Zhong-Zhi No.09801201880
 Note 17: Apr. 19, 2010, Jing-Shou-Zhong-Zhi No.09901077640
 Note 18: Jun. 24, 2010, Jing-Shou-Zhong-Zhi No.09901130940
 Note 19: Sep.13, 2010, Jing-Shou-Zhong-Zhi No.09901205760
 Note 20: Aug. 27, 2013, Jing-Shou-Zhong-Zhi No.10201176380
 Note 21: Oct. 16, 2013, Jing-Shou-Zhong-Zhi No.10201212740
 Note 22: Jan. 20, 2014, Jing-Shou-Zhong-Zhi No.10301010040
 Note 23: Sep.1, 2014, Jing-Shou-Zhong-Zhi No.10301180350
 Note 24: Sep.4, 2015, Jing-Shou-Zhong-Zhi No.10401183390
 Note 25: Jul. 2, 2019, Jing-Shou-Zhong-Zhi No.10801079940

Unit: shares
 Apr. 30, 2022

Type of share	Authorized share capital (Note)			Remarks
	Outstanding shares (TPex listed shares)	Unissued shares	Total	
Common registered share	62,500,964	37,499,036	100,000,000	—

Note: The Shareholders' meeting in 2012 approved the share capital to be 1 billion NTD, because the latest enforced Company Act deleted Article 278 on November 1, 2018: "No capital shall be increased unless a company has fully issued the defined total shares. The total shares after the capital increase may be issued in different batches". Therefore, the Company has changed to the registration in 2019 to apply the increase of approved share capital, and the application was approved by MOEA with the letter Jing-Shou-Zhong-Zhi No. 10801079940, dated Jul. 2, 2019.

2. If approval has been granted to offer and issue securities by shelf registration, additionally disclose the approved amount and information regarding securities to be issued or already issued: None

(II) Composition of shareholders

Unit: shares, shareholder, %
Mar. 28, 2022

Composition of shareholders	Government agencies	Financial institution	Other juristic persons	Individual	Foreign institutions and foreigners	Total
Quantity						
Number of person	—	1	58	7,709	43	7,811
Shares held	—	1,506,293	18,122,839	41,344,795	1,527,037	62,500,964
Ratio of shareholding	—	2.41%	29.00%	66.14%	2.45%	100.00%

Note: TWSE and TPex listed, and emerging companies shall disclose the shareholding ratio of Mainland Chinese shareholders: “Mainland Chinese shareholders” refer to people, legal persons, organization, other institutions from Mainland China, or the companies invested by them in a 3rd place, set forth in Article 3 of the “Regulations for the Investment Permits to the Mainland Chinese in Taiwan”.

(III) Distribution of shareholding

Distribution of shareholding

Unit: shareholder; share
Mar. 28, 2022

Range of Shares	Number of Shareholders	Shares held	Ratio of shareholding
1 to 999	2,239	396,898	0.64%
1,000 to 5,000	4,352	8,648,317	13.84%
5,001 to 10,000	589	4,379,420	7.01%
10,001 to 15,000	236	2,881,839	4.61%
15,001 to 20,000	111	1,974,747	3.16%
20,001 to 30,000	96	2,373,847	3.80%
30,001 to 40,000	48	1,664,267	2.66%
40,001 to 50,000	33	1,498,081	2.40%
50,001 to 100,000	60	4,109,766	6.58%
100,001 to 200,000	25	3,256,452	5.21%
200,001 to 400,000	14	3,775,261	6.04%
400,001 to 600,000	4	1,937,320	3.10%
600,001 to 800,000	0	0	0.00%
800,001 to 1,000,000	0	0	0.00%
Over 1,000,001	4	25,604,749	40.95%
Total	7,811	62,500,964	100.00%

Note: No preferential share issued by the Company

(IV) Major shareholders: If the number of shareholders with more than 5% ownership interest is less than ten, disclose the top ten shareholders with the highest shareholding

Unit: shares
Mar. 28, 2022

Name of Major Shareholder	Share	Shares held	Ratio of shareholding
Puyang Investment Co., Ltd		16,856,237	26.97%
Chen, Ching-Kang		4,211,978	6.74%
Hsu, Hwa-Lin		3,030,241	4.85%
PLANET fund dedicate trust account, Bank of Taiwan		1,506,293	2.41%
Fengteng Investment Co., Ltd		560,000	0.90%
Chou, Hsiao-Chuan		483,917	0.77%
Huang, Wei-Jen		482,511	0.77%
Hsu, Ya-Ling		410,892	0.66%
Lin, Man-Chu		323,555	0.52%
Shih, Yi-Shen		306,775	0.49%

(V) Information on market value, net value, earnings and dividends per share in the most recent two years

Information on market value, net value, earnings and dividends per share

Unit: NTD; share

Item		Year	2020	2021	2022 up to Mar 31 (Note 8)
		Market price per share (Note 1)	The Highest	70.90	69.70
	The Lowest	51.00	60.90	68.40	
	Average	63.10	65.43	72.20	
Net value per share (Note 2)	Before distribution	21.34	22.48	23.73	
	After distribution	17.34	17.78	-	
EPS	Weighted average shares		62,500,964	62,500,964	62,500,964
	EPS (Note 3)	Before adjustment	4.33	5.14	1.25
		After adjustment	-	-	-
Dividend per share	Cash dividend		4	4.7 (Note 9)	-
	Free-Gratis dividends	From earnings	-	-	-
		Capital surplus shares distribution	-	-	-
	Cumulative unpaid dividends (Note 4)		-	-	-
Return on investment analysis	Price-Earnings Ratio (Note 5)		14.57	12.73	-
	Price-Dividend Ratio (Note 6)		15.78	13.92	-
	Cash dividend yield (Note 7)		6.34%	7.18%	-

* If shares are distributed in connection with a capital increase out of earnings or capital reserve, further disclose information on market prices and cash dividends retroactively adjusted based on the number of shares after distribution

Note 1: Setting forth the highest and lowest market price per share of common stock for each fiscal year, and calculating each fiscal year's average market price based upon each fiscal year's actual transaction prices and volume.

Note 2: Using the number of the outstanding issued shares at year end as the basis, and filling in pursuant to the resolved distribution by the Shareholders' meeting.

Note 3: If it is necessary to make adjustment retroactively due to Free-Gratis dividends, please identify the EPS before and after adjustment.

Note 4: If the issuance conditions of the equity securities set forth that the undistributed dividends in a year may be accumulated until the year with profit to be distributed, the unpaid dividends up to the current year shall be disclosed individually.

Note 5: Price-Earnings Ratio = Average Closing Price per Share in current year/Earnings per Share

Note 6: Price-Dividend Ratio = Average Closing Price per Share in current year/Cash Dividend per Share

Note 7: Cash Dividend Yields = Cash Dividend per Share/Average Closing Price per Share in current year

Note 8: Net worth per share and earnings per share are based on audited (auditor-reviewed) data as at the latest quarter before the publication date of annual report. For all other fields, calculations are based on data as at the end of their respective years.

Note 9: Approved by the Board of Directors on Apr. 15, 2022

(VI) Dividend Policy and the Status of Implementation:

1. The dividend police set forth in the Company's Articles of Association is as the following:

Article 20

- I. If the Company has a profit in the total final account of a fiscal year, it shall first pay the taxes, make up any losses from past years, and then make contribution of 10% as the statutory reserve unless the statutory reserve reaches the total amount of the paid-in capital. The special reserves may be made or reversed when necessary. Shall there be earnings, the Board of Directors may propose the earning distribution pursuant to the Company's dividend policy. If new shares will be issued as distribution, the proposal shall be submitted to the Shareholders' meeting for resolution.

The Company may, pursuant to Paragraph 5, Article 240 of the Company Act, 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.

- II. The Company's dividend policy is as the following: to be adaptable to the growth characteristic of the industry, the long-term financial planning, and fund demands for operation expansion, the residual dividend policy is applied. While the earnings are distributed pursuant to Article 20 of the Article of Association, the principle toward shareholder bonus is to distribute the share dividends and cash dividends in a balanced manner. The Board of Directors proposes the contribution from the distributable earnings for the shareholder bonus, and the amount shall not be less than 30% of the distributable earnings of the year. Such proposal will be submitted to the Shareholders' meeting for resolution. The needed funds are reserved via the share dividends distribution, and then the remaining earnings are distributed in cash; provided, the percentage of the cash distribution shall not be less than 10% of the total dividend amount.

Article 20-1

The Company may, pursuant to Article 241 of the Company Act, all or part of the legal reserve and capital reserve may be distributed to shareholders, in cash or shares, proportionally to their shareholdings; in case of cash, the Company may 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.

2. Allocation of dividends proposed at the Shareholders' meeting in the current year:

The proposal of 2021 earning distribution has been resolved by the Board of Directors on Apr. 15, 2022, to distribute cash dividend NTD 4.7 per share. It is intended that the Board of Directors authorize the Chairman to decided the ex-dividend base date, payment date, and handle other related affairs. This cash dividends will be calculated in round-off manner and the total sum of amount after decimal points will be handled by the person designed by the chairman.

The proposed earning distribution table for the Shareholders' meeting is as the following:

PLANET Technology Corporation

2021 earning distribution table

Item	Amount(NTD)
Undistributed balance at the beginning of the period	45,341,507
Add: net profit after tax	321,150,007
Add: adjustment for the actual difference from the employee benefit actuarial plan of the year	28,165
Distributable net profit	366,519,679
Less: Provision of 10% legal reserve	32,117,817
Distributable items:	
Shareholder bonus - stock 0	0
Shareholder bonus - cash 4.7	293,754,531
Unappropriated retained earnings	40,647,331
Note: The distribution is made based on the after-tax net profits of the current year in priority. This cash dividends will be calculated in round-off manner and the total sum of amount after decimal points will be handled by the person designed by the chairman.	

Chairman: Chen, Ching-Kang Manager: Chen, Ching-Kang Accounting officer: Lin, Man-Tsu

3. If any material change is expected regarding the dividend policy, please specify:
none.

(VII) Impacts of proposed share dividends on the Company's business performance and earnings per share: Not applicable. As the Company has not disclose the 2021 financial forecast, nor share dividend will be distributed, this is not applicable.

(VIII) Remunerations to Employees, Directors and Supervisors

1. Proportion or scope of remuneration to employees and directors/supervisors as stated in the Articles of Association:

Article 19-1 of the Company's Articles of Association sets forth:

- I. Shall there be profit in a year, no less than 5% shall be contributed as the remuneration to employees and no higher than 2% as the remuneration to directors. profits must first be set aside to offset cumulative losses if any.
- II. The aforesaid remuneration to employees may be in cash or shares; the eligible receivers may include the employees of the Company or the subsidiaries or

companies under the Company's control. The aforesaid remuneration to directors may only be made in cash. The remuneration to employees and directors shall be resolved by the Board of Directors, and reported to the Shareholders' meeting.

2. The accounting in the case of deviation from the basis for stating remuneration to employees and directors/supervisors, the basis for calculating the quantity of stock dividends to be allocated, and the actual allocation:

The Company has estimated the 2021 remuneration to employees and directors is NTD 25,469,000 and NTD 6,367,000, respectively; the basis is the profit of the pre-tax net profit before deducting the remuneration to employees and directors, and the estimation percentage is 6% and 1.5%, respectively

3. Allocation of remuneration approved by the board of directors:
 - (1) Remunerations to employees, directors and supervisors paid in cash or shares
If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed.
 - A. Employee remuneration: NTD 25,469,030 in cash
 - B. Director remuneration: NTD 6,367,258
 - C. There is no discrepancy from the these expenses are recognize in 2021 financial report.
 - (2) Proposed amount of employees' remuneration in shares as a percentage to the current period net profit after tax and the total amount of employees' remuneration: no share was distributed to employees.
4. Actual payment of employees'/directors'/supervisors' remuneration for the previous year (including the number of shares allocated, the sum of cash paid, and the price at which shares were issued), and any differences from the figures estimated (explain the amount, the cause, and treatment of such discrepancies).
 - (1) Remuneration to employees, directors and supervisors for 2020 approved by the Board of Directors 2021:
 - A. Employee remuneration: NTD 21,297,518 in cash.
 - B. Director remuneration: NTD5,324,379.
 - C. There is no discrepancy from the these expenses are recognize in 2020 financial report.
 - (2) The proposal of earning distribution for 2020 has been approved by the Annual General Meeting on Aug. 5, 2021; the actual distribution was in line with the proposal of earning distribution approved by the Shareholders' meeting on Sep.3, 2021.

(IX) Holding or disposition of the Company's stock by subsidiaries in the most recent year and up to the publication date of the annual report: N/A.

- II. Disclosure relating to corporate bonds: None
- III. Disclosure relating to preferential shares: None
- IV. Disclosure relating to depository receipts: None
- V. Disclosure relating to employee stock options: None
- VI. Disclosure relating to restricted stock awards (RSA): None
- VII. Disclosure relating to new shares issued for the acquisition or transfer of other company's shares: None
- VIII. Implementation of fund utilization
 - (I) Description of plan:
Any incomplete previous issuance or private placement, or any offering completed within three recent years but without effect seen: None
Implementation: N/A

Five. Overview of Operation

I. Business contents

(I) Business lines

1. Business contents

(1) The Company is engaged in the principal business specified below:

- A. CC01060 Wired Communication Equipment and Apparatus Manufacturing
- B. CC01070 Telecommunication Equipment and Apparatus Manufacturing
- C. CC01080 Electronic Parts and Components Manufacturing
- D. CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing
- E. CC01110 Computers and Computing Peripheral Equipments Manufacturing
- F. E605010 Computing Equipments Installation Construction
- G. E701010 Telecommunications Construction
- H. E701030 Restrained Telecom Radio Frequency Equipments and Materials Construction
- I. F113020 Wholesale of Household Appliance
- J. F113050 Wholesale of Computing and Business Machinery Equipment
- K. F113070 Wholesale of Telecom Instruments
- L. F118010 Wholesale of Computer Software
- M. F119010 Wholesale of Electronic Materials
- N. F213030 Retail sale of Computing and Business Machinery Equipment
- O. F213060 Retail Sale of Telecom Instruments
- P. F218010 Retail Sale of Computer Software
- Q. F219010 Retail Sale of Electronic Materials
- R. F401010 International Trade
- S. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
- T. I301010 Software Design Services
- U. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

(2) The Company is committed to the research, development, manufacture and sales of computer network and communications products. The main product lineup includes:

- A. (LAN Ethernet Switch)
- B. (PoE, Power over Ethernet)
- C. (Fiber-optic Network)
- D. (Industrial Ethernet Network)
- E. (Industrial Automation)
- F. (Network Security)
- G. (5G NR, AIOT)

- H. (Wireless LAN Network)
- I. (IP Surveillance)
- J. (VoIP)
- K. (Network Management System)
- L. (Home Automation, Network Peripheral)

2. 2021 Sales Revenue Classified by Product Category

Unit: NTD thousands

Product categories	Sales Revenue	Business Proportion (%)
LAN Ethernet Switch	132,323	9.27%
Fiber-optic Network	204,279	14.31%
Power over Ethernet	391,275	27.42%
Industrial Ethernet Network	599,028	41.98%
Wireless LAN Network	18,900	1.32%
VoIP	15,547	1.09%
IP Surveillance	3,745	0.26%
Broadband Communication	39,202	2.75%
Others	22,798	1.60%
Total	1,427,097	100.00%

3. Current products of the Company

(1) LAN Ethernet Switch:

Provides high-speed Ethernet Fast Ethernet, Gigabit Ethernet to 10G/40G/100G metro switches with different bandwidths. These switches range from Layer 2 managed, Layer 3 IPv4/IPv6 routing managed, stackable network ones to touch screen ones and Ethernet backbone ones which meet the requirements of network infrastructure and applications in diverse fields.

(2) PoE (Power over Ethernet):

Commercial and industrial-grade network devices, which are mainly used for data transmission and power supply, include:

- A. IEEE 802.3at PoE+, 802.3bt PoE++ compliant Layer 2, Layer 2 Stackable, Layer 3 managed switches, touch screen management switches, industrial-grade Ethernet switches, etc. The power supplied from one port ranges from 15W, 36W to up to 95W.
- B. IEEE 802.3at PoE+, 802.3bt PoE++ compliant managed PoE injectors, splitters, and extenders.
- C. Long Reach PoE or Power over Coaxial, Power over telephone line switches, extenders.

(3) Fiber-optic Network:

Fast Ethernet, Gigabit Ethernet, 10Gbps fiber-optic network converters which are available for management of the multi-slot Media Converter Chassis for fiber-optic converters to provide long-distance, low-interference and stable network construction. The equipment includes:

- A. Standard, smart, managed fiber-optic converters with several bandwidths from 10/100Mbps to 1000Mbps and 10Gbps. The fiber-optic transmission distance is between 20 and 120 km.
- B. Standard, managed, 7 to 16-slot Media Converter Chassis.
- C. Various media conversion devices which convert fiber optic to analog video, Serial over Ethernet, VDSL2 to coaxial cable and other transfer or extension device.
- D. Multi-mode/single-mode fiber transceivers.
- E. PON (passive optic network) devices, including the single-unit/multi-unit ONU and OLT.
- F. Fiber routers, including the wireless routers, fiber routing switches, etc.

(4) Industrial Ethernet Network:

Applicable to the related network devices for different challenging environments with high and low temperatures and unstable power supply for the Industry 4.0, vehicle, railway, transportation, agriculture, fishery, mine, telecommunications fields. They are shock-resistant, drop-resistant and waterproof, and allow you to easily to transmit data and provide the backup mechanism which keep the network up and running. The industrial Ethernet network product lineup includes:

- A. Managed switches with G.8032 ERPS network redundant high-speed ring and IEEE1588 network time calibration, Modbus TCP switches IP67, M12 waterproof, MIL-SPEC, EN50155 vehicle PoE switches, and PoE switches for renewable energies, such as solar, wind and hydropower.
- B. Ethernet switch with patented flat design, router, and tough friendly-user interface.
- C. Fiber Bypass Switch
- D. Media Converter
- E. Ethernet Extender, PoE over Coaxial
- F. Industrial and automotive wireless/4G LTE/GPS switches, routers and central monitoring platforms
- G. Industrial PSUs.

(5) Industrial Automation:

Suitable for connection devices with diverse protocols for Industry 4.0 and IoT. The product lineup includes:

- A. Serial device server.
- B. Modbus RTU gateway.
- C. EtherCAT slave I/O module.

(6) Network Security:

Cascade advanced security devices, such as firewalls, VPN routers, Anti-Virus / Anti-Spam devices for information networks.

A. Corporate network security, packet monitoring, bandwidth control devices: Provide enterprise security and protection functions such as anti-virus, packet monitoring, point-to-point software monitoring, and wireless AP control, in addition to multi-WAN port, firewall, VPN.

B. Enterprise routers and multi-routing devices: Multi-WAN port routers and router gateway with SSL VPN (Secured Service Layer / Virtual Private Network), IPSEC (IP Security) VPN, firewall, intrusion prevention features.

C. Home routers: WAN (Wide Area Network) one-port, 10/100Mbps, 10/100/1,000Mbps routers, wireless routers, integrated voice routers, broadband routers.

(7) 5G wireless communication networking, AIoT and IoT communication devices (5G NR and AIoT)

Provide a large number of IoT infrastructures or nodes applied to digital network with no delay and with a high bandwidth, based on 5G high-speed networking via either cloud and public or private 5G or 6G communication in the future:

A. 4G LTE / 5G NR wireless communication devices include: 4G LTE vehicle router, 5G NR industrial information security router, 5G information security edge calculation router.

B. IoT / AIoT automatic communication devices include: LPWAN wireless sensor, LP RS485 Modbus sensor and LP wireless sensor gateway, etc. Establish automatic IoT with large quantity and scale and less maintenance, which can be used in multiple application fields depending on this characteristics.

(8) Wireless LAN Network:

Compatible to 802.11a/b/g/n - high-speed 802.11ac/ax wireless transmission standard; 2.4 GHz, 5 GHz or dual-frequency/multi-frequency band communication; production lines include:

A. Wireless access devices: Various wireless access devices, routers (Wireless AP, AP Router), Bridge for outdoor use, 4G LTE wireless router for telecommunication.

B. Wireless adapter: IEEE 802.11a/b/g/ac compliant wireless transmission standards.

C. Wireless network accessories: 2.4GHz, 5GHz wireless network antenna, amplifiers, lightning arresters, etc.

D. Wireless network control platforms which enable centralized management of the wireless bands, encryption, connection settings and status of all wireless devices over the network to effectively the management costs and improve the security of the wireless network.

(9) IP Surveillance:

Various types of ONVIF H.264/H.265 cameras, NVR (Network Video Recorder), CMS (Central Management Software).

- A. CMOS IP cameras, including indoor/outdoor high-speed domes with the HD, Full HD, 4K to 5MP resolutions, IR, explosion-proof, zooming, 360° fisheye, and industrial specifications, and the video cameras with the AI smart recognition feature.
- B. NVR (network video recorder), AI NVR, HDVR (Hybrid DVR) and Ethernet power supply switch NVR.
- C. Central management software, smart recognition, license plate recognition, phone monitoring app.
- D. Accessories for monitoring devices, such as joysticks, lightning arresters, brackets, etc.

(10) VoIP:

Various SIP-based VoIP devices help users reduce significant costs of voice communications.

- A. IP Phone: Mono/color high-quality IP phones, DECT wireless IP phones, ATA (analog telephone adapter), video conference phones, multimedia phones, and multi-point conference IP phones.
- B. Door Phone: Indoor or outdoor single-dwelling, multi-dwelling video intercoms with the ONVIF feature and mobile app which enable remote monitoring and door opening.
- C. Audio announcer: SIP Public Announcement adapters perform audio announcement, monitoring, interactive conversation, and remote device control via SIP.
- D. Voice Gateway: 2 to 32-port SIP voice gateway.
- E. SIP IP PBX: PBX with 30 to 500 extension lines, which support fax, PSTN, BRI/PRI, and GSM central office terminal serial port.

(11) Network Management System:

Management platforms for centralized management of a large amount of network devices with a graphic interface which helps the IT staff improve the network management performance. Product lineup includes:

- A. Software-based smart central network management platform which manages up to 10,000 nodes.
- B. Hardware-based network management controller which is plug-n-play and supports management of up to 1,000 nodes.
- C. Touch network management controller which supports up to 1,000 nodes for factories and server rooms to manage network in real time.
- D. Renewable-energy network management controller with a graphic interface which displays electricity collection and consumption and provides warning system to properly manage renewable-energy devices built in various regions.
- E. App managed by cloud-based mobile device, and App monitored by Android/iOS platform device.

(12) Home Automation, Network Peripheral :

- A. Home automation systems: Indoor touch home automation control platform and indoor/outdoor central control device for door access, TVs, air conditioners, motorized curtain blinds, room temperature sensing, air sensing, light control,

situation control. They can also be controlled by a smartphone app.

B. Office/room automation: IP Power Management, room KVM switches, temperature and humidity sensing, etc.

C. PCI-E network adapter: Include 1G fiber, 10G fiber, 10G RJ45 network adapters with the PoE feature. They are high-speed network adapters which are pluggable into computer host to supply power to remote PoE powered devices.

D. Other peripherals: IP HDMI extenders, network storage devices.

4. Planned products:

(1) The Company developed IoT and AIoT networking devices. Related LoRa products include LPWAN LoRa sensors, such as sensors of temperature and humidity, water level, data receiving sensor LoRa nodes, and LPWAN gateways, all of which are used for cloud connection, search, application and data analysis of smart farm, factory, construction and utilities.

(2) For various applications driven by Industry 4.0, such as smart factory, IIoT, AIoT and IoV, the Company has also developed relevant wired/wireless and OT/IT linked network equipment with time-sensitive network ability, multi-port over 10G and 95W Ethernet power supply.

(3) The Company has developed 5G NR and Wi-Fi 6 high-speed wireless interface network equipment oriented to mobile network, including home router, vehicle/industrial router, communication & security router and IoT terminal networking equipment. It has also established central/cloud management platform and provided services such as data-based connection, transmission, equipment management and big data collection.

(4) To address the large quantity of connected devices, the Company has dedicated to researching and developing central network management platform (UNI-NMS) and mobile network management platform app (CloudView) to provide Internet construction with a high efficiency and a low management cost, and added-value services such as cloud management and intelligent analysis.

(II) Overview of industry

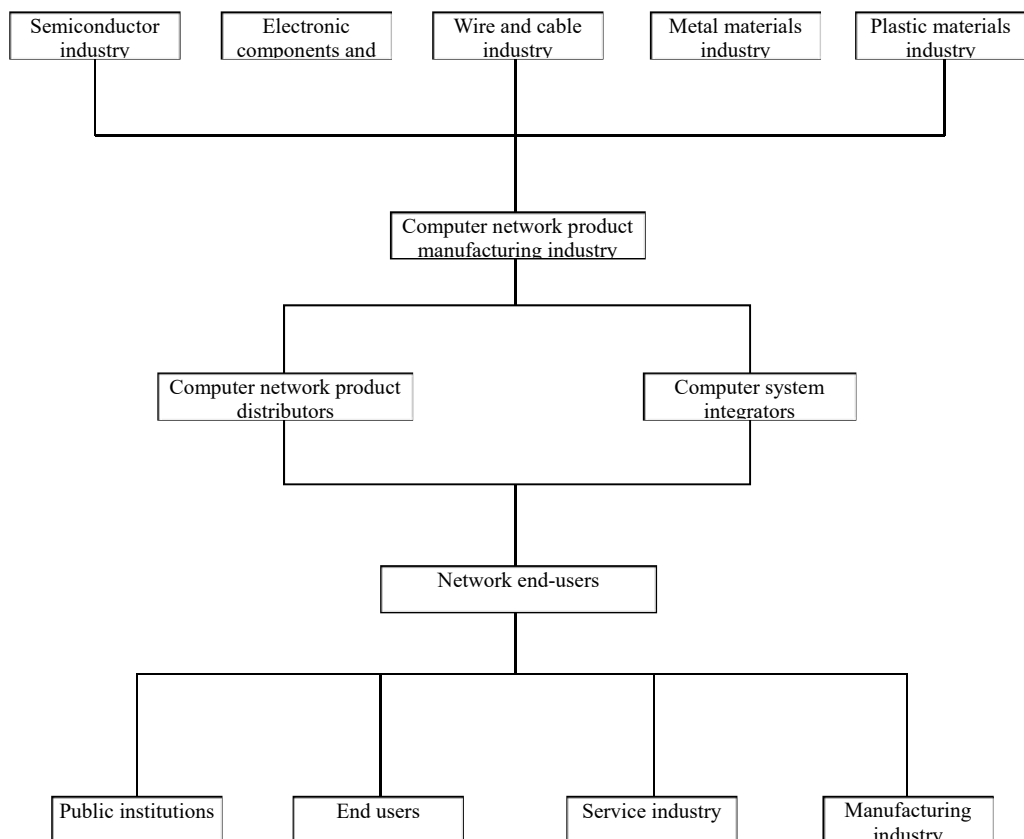
1. Overview and development of Taiwanese network communication industry

According to the IEK research of ITRI (Industrial Technology Research Institute), the overall production value of the Taiwanese communications equipment in 2020 was worse than that of 2019 due to the influence of global COVID-19 pandemic. But since benefited from the 5G drive, including upgrading of various network equipment and products (e.g. mobile phone, wireless network, GPS, Ethernet switch and terminal broadband network equipment), the estimated value of the Taiwanese communications equipment in 2021 will be NT\$868 billion, a 4% growth compared with that of last year. Meanwhile, with the continuous fermentation of remote business opportunities and the application and growth of emerging technologies (high-efficiency operation), market prospects of IoT, cloud operation and edge operation are promising, thus meeting the needs of relevant equipment for network infrastructure.

2. Correlation between the up-stream, mid-stream and down-stream dealers in the industry

The company is engaged in the research, development, production and marketing of network communications devices. Our main products include switches, PoE, industrial Ethernet devices, fiber optic network conversion equipment, wireless network, IP surveillance, IP telephony, broadband network communication, network information security, central network management platform, home automation systems, network peripherals, etc. The upstream of the industry is mainly composed of the semiconductor industry (chipset) and electronic components industry (PCBs, PSUs/adapters, etc.), wire and cable industry, metal materials industry, plastic materials industry, etc. Domestic manufacturers in related industries have developed rich production experience and technical capabilities over the years so that they have built a complete upstream supply system. The downstream of the industry is mainly computer / network system integrators and computer network product distributors. Its final utility is to achieve the purpose of information transfer and resource sharing through network communication. In line with the business philosophy of integrity, PLANET has established a good interactive relationship with upstream and downstream suppliers and customers for many years. We have reached a consensus in terms of quality requirements, price rationalization, and delivery deadlines. In the future, we will continue to closely work with each other through strategic alliances to strengthen market competitiveness.

Relevance between the upstream, middle stream, and downstream of the computer network industry



3. Development trends of each main product

(1) LAN Ethernet Switches /PoE devices

With the full realization of intelligent networking applications such as IoT, IIoT, IoV etc., enterprises around the world have the layout of business digital transformation, which will drive the relevant demand for cloud center construction and high bandwidth network exchange. The Ethernet power supply (PoE) switching equipment guarantees data and power supply through network cables, which, furthermore, improves the provisioning flexibility of networked equipment. PLANET has developed Layer 3 managed switches with many ports, including the 100G managed, fiber-optic managed, latest standard 802.3bt PoE ++ 95-watt PoE switch, Touch LCD smart managed switch, and long-distance Ethernet device to meet the needs for smart network applications, and the infrastructure provisioning of telecommunications providers, cloud service providers, big data centers, governments, enterprises, schools, communities, etc.

(2) Fiber-optic/broadband network

Today's optical fiber network transmission has become the mainstream of the community and enterprise network media. With the huge amount of data transmitted and up to 120km transmission distance, it can meet the requirements of the high-definition video and audio bandwidth transmission in this network generation. In response to construction of FTTx infrastructures, PLANET has developed and launched a full range of fiber-optic converters, metro fiber-optic switches, GEAPON OLT central office devices and ONU terminal devices, PoE fiber-optic converters, etc. We also provide VDSL2 broadband devices to provide a more flexible solution for the last-mile broadband construction for telecom terminals, communities and home users.

(3) Industrial network devices

With the maturity of Ethernet technology and the demand for intelligent production in factory automation, Ethernet has become one of the important communication technologies in the industrial field, and the equipment linked through industrial Ethernet technology has replaced the traditional industrial Fieldbus linked equipment. IIoT and automatic application are accelerated. The industrial network device is the main product lineup of PLANET Technology. It has launched multi-port rack-type backbone switches, Modbus TCP/IP network devices, DIN-rail switches, and renewable energy PoE managed switches, 95-watt PoE network devices, fiber optic managed devices, and other full-range industrial Ethernet solutions. It has also developed more product lines of industrial automation and mobile transportation network transmission to provide network applications in severe environments such as industrial networks, large public infrastructure and transportation, and enhance the Company's differentiated competitive advantage in products.

(4) Wireless LAN Network

The wireless transmission has been moving toward 5G mobile broadband technology,

and more and more 802.11ax WiFi 6, LTE and other related wireless APs are being provisioned. It is an important channel for IoT and mobile network communications, and the market is expected to grow in the future. PLANET's full range of wireless AP central management PoE switches enable managers to remotely monitor, control and manage wireless network devices in real time. When used with our indoor and outdoor 2.4/5GHz dual-band wireless routers and APs using 802.11ax and 802.11ac technology, they facilitate the construction and management of large-scale wireless networks, and promotes telecommunications network, mobile commerce, home networking, and audio-visual multimedia wireless applications, making users enjoy digital life experience with ultra-high-speed wireless broadband connectivity.

(5) Network communication application devices

VoIP, IP surveillance and smart networking gradually spread from enterprise networks to consumer applications. To maintain the gross profit, PLANET mainly develops network appliances for enterprises. VoIP devices include the IP PBX, VoIP Gateway, high-definition IP phones, multimedia touch screen phones, LCD color screen video telephones, conference IP phones, etc. IP surveillance devices include a full range of 5MP, 4K, Full HD, fisheye 360-degree panorama, PTZ, speed dome cameras, network video recorders (NVR) and highly technically integrated central monitoring and management software, license plate recognition, intelligent identification software, etc. They are combined with cloud services and monitoring APPs, providing high value-added security monitoring solutions for operators, enterprises, and home users. In addition, we provide home automation system devices, including home automation central control devices, IP door phone, Z-Wave wireless sensing devices, to help communities and home users enjoy a friendly and convenient smart home automation network.

(6) Network management system

With gradual popularization of intelligent network and 5G network, a great number of devices are interconnected, and how to manage all network devices efficiently is a great challenge for system managers. PLANET provides intelligent central management systems and equipment and renewable energy central management platforms (NMS system), which enable efficient centralized management of community, enterprise, factory, and public area network devices. Managers can use the graphical management interface to quickly know the status of all connected devices over the network and improve network management performance.

4. Competition

In response to the demands for application of market IoT and remote communications, PLANET Technology gives play to the R&D energy of IP core technology and has launched innovative high-quality and high value-added innovative networking devices and intelligent central managed platform, which provide networking device solutions required by other network infrastructures, such as smart city, smart transportation, smart factory, smart home to create competitive differentiation. Through the extensive dealer network in more than 140 countries, professional international networking trade shows, and diverse digital marketing as well as promotion strategies, the company has enhanced the professional networking brand image and awareness of PLANET. In terms of brand strategies, response to market

demand, cost control, product development and technology leadership strategies, we have established time-to-market plans to maintain the brand's competitive advantage.

(III) Overview of technology and R&D

1. R&D expenses during the most recent year and up to the date of publication of this annual report:

Unit: NTD thousands

Item	2021	Q1 2022
R&D expenditures	79,629	20,466
Ratio of operating revenue	5.58%	5.66%

2. Technologies or products successfully developed in the most recent year and as of the publication date of annual report

- (1) 5G/AIoT product lineup: Following the industrial information security of gateway (LoRa WAN Gateway), the Company has also launched several application products, including fiber-interface 5G WAN router, commercial fiber LoRa WAN gateway, LoRa Node/Data Collector and related sensor and applications by catering the development of IoT.
- (2) Wireless product lineup: The Company has launched multiple industrial and commercial wireless Wi-Fi 6 APs, which could provide connection rate of 5GHz 2,400Mbps at most. With WPA3 wireless encryption, MESH, fiber-optic interface and UNI-NMS central management capability, they can be used by enterprises, restaurants and factories where wireless connection must be safe and fast.
- (3) Industrial product lineup: In response to the trend of Private 5G, the Company has launched multiple industrial 10GbaseT Cat/6 RJ45 switches to provide 5G or 6G high-speed WAN connection and meet the basic requirements of Internet connection for telecommunication, enterprise, factory and future mobile vehicle.
- (4) Network management platform: The Company has modified and updated CloudViewer app to provide simple information interface so that users can get access to instant information easier via devices including Ethernet switches, PoE switches, WAN router, wireless AP/router, etc. Charged version that supports management and setting will be launched in Q3, which can extend product lineup, improve product value and lay a solid foundation for Cloud management platform of next stage.

(IV) Long-term and short-term business development plans

1. Short-term development plans

- (1) Brand marketing and market development strategies
Respond to market change demand flexibly, strategically adjust channel operation and create brand efficiency with digital brand marketing and differentiated products.
- (2) R&D and production
Expand the layout in intelligent networking infrastructure and equipment development of 5G network, including the equipment with cloud connection ability, 10 Gbps network switch and extension equipment and WiFi 6 wireless AP. In terms of production, insist on quality and control production and inventory costs, so as to provide customers with high-quality and high-added value product solution and keep product competitive advantages.
- (3) Business management
Implement corporate governance and CSR, maintain steady financial operation, realize

enterprise value optimization and customer satisfaction and achieve the Company's profit objectives.

2. Long-term development plans

(1) Brand marketing and market development strategy

Keep up with market demand, strategically expand global brand channel, keep improving brand value and consolidate the leading status among global network communications brands.

(2) R&D and production

Keep up with the application requirements such as IoT, IIoT, IoV, Cloud Service, Data Center and AI, expand revenue niche with differentiated products, accumulate IP technology patent assets and improve quality and cost control efficiency.

(3) Business management

With the corporate philosophies of integrity, quality, innovation and efficiency, maintain good quality and customer satisfaction, improve ESG practice continuously and create sustainable business value.

II. Overview of market and production & marketing

(I) Market analysis

1. Sales Revenue Classified by Regions

Unit: NTD thousands

Regions	2020		2021	
Europe	551,663	44.96%	647,410	45.37%
America	287,727	23.45%	351,463	24.63%
Asia	234,491	19.11%	256,818	17.99%
Others	153,224	12.48%	171,406	12.01%
Total	1,227,105	100.00%	1,427,097	100.00%

2. Market share of main products

PLANET Technology focuses on the design and R&D of networking devices, keep a close watch on market changes and customer needs, and provides a comprehensive range of network infrastructure, communication and transmission devices and solutions for connections between the digital networks of businesses, government/public agencies, telecom networks, home automation networks, and strict industrial environment, including transportation, factory automation, public network connection, etc. Its full range of complete IP digital network devices can meet the requirements at different levels. Its products are widely used and well recognized in various global markets. A number of PoE and industrial network devices have been repeatedly nominated for use in the European and American markets and government projects, which successfully increase market share. In addition, through the extensive global dealer network, we actively participate in the representative networking technology trade shows in the world, and supplemented with digital brand promotion, strengthen the professional networking brand image and visibility, and boost PLANET's global brand.

3. Future supply & demand and growth of market

(1) LAN Ethernet Switches and PoE devices

In response to the needs of cloud services, data centers, metropolitan networks and various smart networking infrastructure, the Ethernet switch market has grown steadily. In addition to high-bandwidth and secure management functions, the PoE switch demand has grown gradually. The US's research institute Grand View Research analyzes and estimates that the global PoE market will grow at US\$3.77 billion in 2025.

PLANET Technology has launched the 100G managed Layer 3 IPv4/IPv6 routing switches, Layer 3 managed stackable industrial multi-port fiber-optic managed switches and more. It is an industry leader in touch LCD smart PoE managed switches, and continues to develop high-wattage PoE switches with hot-swappable power supplies (CRPS) to improve network management efficiency and meet the requirements of telecommunications services, cloud networks, data centers, and high-performance network transmission and processing in large enterprise networks.

(2) Fiber-optic/broadband network

According to the market research report published by P&S Intelligence, optical networking and communications market is expected to reach US\$32.8 billion by 2030. The growth in the market can be mainly attributed to high network bandwidth requirements, various intelligent networking and M2M application. In addition to the existing fiber-optic broadband network devices, such as multi-port fiber network managed switches, fiber network conversion devices, GEAPON fiber devices, PoE fiber converter, PLANET continues to develop VDSL2, coaxial cables, and PoE fiber switches to meet the need of conversion between different transmission interfaces.

(3) Industrial network devices

Industry 4.0 and Industrial Internet of Things are applied gradually extensively, which improves various industrial fields, including the production and automatic control for transportation, energy, aviation and national defense and driving the growth of the industrial network market. According to research published by Global Market Insights, the global industrial Ethernet market scale exceeded US\$35 billion in 2019, and that number is expected to grow at a compound annual growth rate of 15% from 2020 to 2026. PLANET Technology is actively developing industrial networking devices, and will continue to expand high-end industrial Layer 3 managed devices, renewable energy PoE network management switches and PoE device, etc., and develop the industrial network devices with the 40G high-frequency bandwidth and with "Industrial Network Protocol." It will also continue to develop network devices that utilize traditional operational technology (OT), strengthens product competitiveness, and meets the requirements of network infrastructure applications of smart factories, smart transportation, smart health care, smart campuses, outdoor remote areas, etc.

(4) Wireless LAN Network

The wireless broadband transmission technology has been upgraded to the standard of 802.11ax Wi-Fi 6, and improvement of Internet access and the remote communications demand stimulated by the COVID 19 pandemic situation to promote the growth of application markets of public local area network and home wireless network. As estimated

by investigation report of the international research institution Research and Markets, scale of global wireless network equipment will reach US\$141.1 billion by 2025. PLANET has launched the dual frequency ultra-high speed wireless accessor supporting 802.11ax and 802.11ac, which meet various environment setup wireless networks and provide friendly wireless network management. It also launches wireless AP central controller, provides complete solution for operators, middle- and small-sized enterprises, SOHO/ household and even urban wireless network provisioning, so as to provide the management efficiency of wireless network.

(5) Network communication application devices

In response to future smart network audio and video communication needs of the business, industry, transportation, transportation, home, etc., in addition to providing a strong network infrastructure product lineup, PLANET Technology continues to develop network voice devices for diverse applications, such as enterprises VoIP devices, IP-based audio announcement devices, multi-mode indoor and outdoor video intercoms, etc. PLANET Technology has launched high-end network cameras with license plate recognition and intelligent recognition capabilities, will develop relevant software and hardware platform devices able to link with cloud service demand through home automation networks and establish a digital, automated, and secure digital environment.

(6) Central network management system

In response to the trend of cloud-based network management, in addition to providing a strong network infrastructure product lineup, PLANET provides the devices with cloud connectivity and networking advantages for a secure connection between the people, machines, and cloud through cloud platforms such as Amazon AWS and Microsoft AZURE. We have developed cloud switches, PoE, and routers with cloud connectivity and developed cloud managed Apps to provide a subscription-based network management platform for network administrators and device holders, to develop new network management mechanisms and create new source of profit.

4. Competition niches

Since its establishment in 1993, the company has focused on the research and development of IP-based technology, developing a full range of high-quality, high value-added networking products and comprehensive solutions, which successfully help bring its own brand PLANET to the international market. Furthermore, in the trend of smart networking applications, the company quickly responded to market demands, launched niche-based network communication infrastructure solutions, and enhanced PLANET's competitiveness in the international professional networking market. In 2020, PLANET, by formulating the brand-new enterprise slogan “Shaping Future Networking”, highlighted the core spirits of PLANET brand which lies in the continuous innovation of digital network transmission technology and equipment and lineage with future wisdom, friendly and sustainable new era of science and technology. The PLANET brand dealership network has been in more than 140 countries in the world. In the future, it will continue to integrate the global marketing channel platform, maximize the team's synergy, grow with channel partners, and consolidate the world-class professional networking brand status.

5. Advantages and disadvantages for future development, and the countermeasures

(1) Advantages:

A. Sharp growth of remote communications improves product differentiation completeness.

With rapid market changes of the era of science and technology and increasingly growth of intelligent network and remote communications, PLANET focuses on the R&D and innovation of network communications infrastructure, develops the innovative and differentiated full range of network communications equipment conforming to environmental protection requirement, improves remote communications efficiency, keeps product differentiation competitiveness and improves the Company's oval operation steadily.

B. Digital promotion of the brand for improved international brand benefits

Intensify digital brand marketing and promotion strategy, promote the real-time interaction with market and customer, create comprehensive efficiency for brand and product promotion in multiple ways, strengthen local brand promotion through global distribution channel across more than 140 countries and improve branding and competitiveness.

C. Improve ESG practical performance and create enterprise's sustainable competitive value.

The CSR philosophies are rooted in the Company's corporate culture. While pursuing better business performance and fulfilling social responsibilities, we improved ESG practical performance. We have won the Excellence in Corporate Social Responsibility of Common Wealth Magazine for 14 consecutive years. We also won the award "Excellent Mittelst and Enterprise Building Friendly Workplace" by Ministry of Economic Affairs, and "Asia Responsible Enterprise Awards," sponsored by CSRone. These demonstrate PLANET Technology is an example of CSR companies, where it has operated stably for a long time, with the mindset of good social growth and sustainable operation values.

(2) Unfavorable Factors and Countermeasures

Unfavorable Factors:

The COVID-19 pandemic affects global economic development. Part of countries implement border control from time to time due to the pandemic situation, affecting materials supply or goods transportation. The overall economy is expected to face challenges in 2022.

Corresponding countermeasures:

- A. Keep a close watch on COVID-19 pandemic, take measures to protect the health of employees, care about the operating status of customers and suppliers, jointly reduce the impact of the pandemic or minimize the impact to maintain the continuous operation of the Company.
- B. Intensify technical advantages, improve the remote management and cloud management capabilities of PLANET's networking devices to provide stable and safe

transmission for the network infrastructure of remote working, telemedicine, and remote video in the market, and strengthen the added value of the product.

- C. Monitor the availability of materials and improve the ratio of alternative material sources to ensure normal manufacturing and supply of products.

(II) Important purpose and manufacturing processes of main products

1. Important purpose of main products:

- (1) LAN Ethernet Switches:** They include Ethernet switches, network adapters, etc. Network switches provide Fast Ethernet (Gigabit), Gigabit Ethernet (Gigabit), and 10G Ethernet (10 Gigabit) transmission rates, and are now moving towards faster transmission rates such as 40Gbps and 100Gbps. The switch with management functions can help the installer or administrator to effectively control the network resources and perform debugging, while the serial network terminals can be connected to the central server or have cloud computing capabilities. A network adapter is a basic hardware component that connects a personal computer to the network. With the driver, it can operate under different network operating systems. It can be used with wired connection devices, such as network switches to achieve the function of information sharing.
- (2) Fiber-optic converter/fiber-optic network system devices:** The fiber-optic converter is a medium used for UTP (un-shielded twisted pair) conversion into fiber-optic lines. Through the conversion of electronic and optical media, the digital connection distance of the network can be extended to 2 kilometers, 20 kilometers, or even up to 120 kilometers while the bandwidth is increased. There will be no need to rebuild the fiber network due to device upgrades (such as 1Gbps to 10Gbps). With the increasing popularity of fiber-to-the-home (FTTH) and fiber-to-the-enterprise (FTTC) applications, fiber optic networks are characterized by energy saving, interference resistance, and high scalability, and have become the mainstream of today's backbone network transmission.
- (3) Power Over Ethernet (PoE) devices:** Wired network devices which are located 100 meters away are powered through the Ethernet, while still providing data connection, without the need to find an additional power outlet or install sockets at an additional cost during network setup. The network devices can be directly installed, which gives convenience to networking device system integrators. The power supplied by PLANET's latest PoE devices has been increased to 95 watts to meet the power requirements of various powered data devices and even high-power terminal devices. In addition, power supplies can be centrally managed more, PLANET PoE product lineup is complete and power management function has market uniqueness; effective control is implemented oriented to power equipment, to achieve the benefits of energy saving and carbon reduction.

- (4) Industrial Ethernet devices and industrial automation devices:** With the promotion of IPv6, fiber-optic networks, public transportation, Industry 4.0, and the Industrial Internet of Thing (IIoT), the demand for networks used in harsh environments in the future is relatively increasing. The biggest difference between industrial network devices and general network devices is that its required operating state and operating environment are more severe than those of general commercial devices; for example, they can still be used in a complex power source, an environment with a temperature of minus 40 degrees C or a high temperature of 75 degrees C. They comply with the requirements of interference resistance, anti-vibration, anti-shock, anti-drop and so on in harsh environments. Provide more stable network infrastructure for future unmanned field applications.
- (5) Wireless network devices:** In places where it is not easy to perform wiring or where the user's location is not fixed and there is a need for network connection, wireless products are an ideal solution for the user. With the popularity of 4G / LTE, 5G NR and mobile devices, such as smart phones / tablets with wireless capabilities, there are increasing needs for wireless network bandwidth and safety connection level. Nowadays wireless transmission bandwidth has been upgraded to WiFi 6, and the 10Gbps transmission rate can be realized.
- (6) IP Surveillance devices:** The IP-based network cameras allows companies to use existing Ethernet or wireless networks for security monitoring purposes, thereby reducing the overall cost of building security monitoring for companies. At the same time, they provide megapixel-grade high-definition images suitable for monitoring applications in various industries. The mainstream image quality has been upgraded from HD to Full HD, and is developing towards 4K UHD. With the development of compression technology H.265, this also drives the market demand for high-resolution surveillance such as 8K, and integrates AI in response to the needs of big data to provide data analysis, e.g. the application fields such as face recognition, behavior, environmental changes and automatic drive are gradually expanded.
- (7) VoIP devices:** Voice over IP allows companies or individuals with Internet connectivity to convert analog voice into digital packets without any additional cost, and perform video communications all over the world via digital network. They have the advantages of high-quality audio and video communications cost-efficiency and safe.
- (8) Network Security devices:** Information security devices enable companies to connect to the Internet via IP routing or multi-routing, and through a virtual channel (VPN) function, the information transmitted on the network is encrypted and sent to ensure that the data will not be stolen to maintain corporate information security. The advanced security devices have the resource management and IPv4 / IPv6 routing / channel transmission capabilities. Features include scanning spam messages, blocking advertising messages, establishing secure channels, firewalls, bandwidth control and assignment, packet content monitoring and capturing, etc., which effectively controls confidential corporate information and avoids losses.

- (9) **Broadband networking devices and passive fiber-optic networks:** Broadband communication allows users to connect to the Internet at home, office, or anywhere where this network exists through the existing telephone line or ADSL, VDSL network. The bandwidth has been upgraded towards 1000 Mbps. The passive fiber-optic network provides another option for the last mile. Through optical splitters, high-speed digital networks can be deployed at large scale in the community.
- (10) **Home automation system/network peripherals:** Home automation network devices allow home users to easily control access control, electrical appliances, voice communication, etc. at home by using connected devices or mobile phones. With cloud servers and app, network connection and management become more convenient. The digital IP KVM (Keyboard, VGA and Mouse) can control a large number of equipment in the remote computer room, and can manage computer room servers without installing any software on the server. IP power management has the ability to manage room power remotely. The room manager can remotely obtain power consumption and ambient information, auto/manually switch on/off power, and adjust as well as control the room temperature and humidity.
- (11) **5G wireless communication networking and AIoT automatic IoT communication device (5G NR and AIoT) system:** With the demand of the Internet of Everything, all tangible and intangible digitized information or equipment can be connected to the cloud. Therefore, IOT-related connection equipment, data collection equipment, sensing equipment, etc. are used in different industries such as smart agriculture, smart factories, smart buildings, water, electricity and gas metering, environmental monitoring tools, etc., will undertake the mission of safely uploading or providing these information to the builder's platform. 5G is one of the requirements for its design in response to a large number of layouts. In response to the transmission of a large amount of IoT data, related equipment includes 5G routers, 5G networking, 5G edge computing, etc. Uploading IoT data or securely uploading it after processing by artificial intelligence such as AI will be the main purpose of this 5G device.
- (12) **Network management system:** In response to multi-location or large-scale construction of future networks, PLANET has developed the central network management system for network administrators to quickly know the status of all installed devices over the network and manage them. The cloud app management platform provides a mobile management interface, so that the connected devices can also be instantly monitored anytime, anywhere.

2. Production processes of the primary products

Except for some products which are outsourced, the Company develops, researches, and design the rest of its products on its own. It also strictly monitors and controls the production processes of all products from production, burn-in machines, assembly inspection to stocking at each stage to ensure product quality.

(III) Supply of main raw materials

The Company has a good relationship with the outsourced factories and raw material suppliers. The raw materials used are not special materials and are easily accessible in the market. The availability of raw materials is normal.

(IV) Suppliers/Customers Accounted for at Least 10% of Purchase/Sales and Respective Amount and Percentage in the most recent 2 years, and describe reasons for changes

1. Name list of the customer to whom the Company has supplied 10 percent or more of the Company's sales in one of the recent two (2) years

Unit: NTD thousands

Item	2020				2021				As of Q1, 2022			
	Name	Amount	Annual net purchase ratio [%]	Relationship with the issuer	Name	Amount	Annual net purchase ratio [%]	Relationship with the issuer	Name	Amount	Net procurement ratio as of previous Q1 of the current year [%]	Relationship with the issuer
1	Company B	69,500	11.50%	N/A	Company B	106,632	14.04%	N/A	N/A	-	-	N/A
2	Company D	534,956	88.50%		Others	652,624	85.96%		Others	208,002	100.00%	
	Net procurement	604,456	100.00%		Net procurement	759,256	100.00%		Net procurement	208,002	100.00%	

Note: Consolidated financial statements developed in accordance with the International Accounting Standards

Reasons for change: The feedstock of Company B accounted for 8.22% in Q1 of 2022, which was no more than 10% due to the Company's adjustment of feedstock strategy.

2. Name list of the customer to whom the Company has supplied 10 percent or more of the Company's sales in one of the recent two (2) years.

Unit: NTD thousands

Item	2020				2021				As of Q1, 2022			
	Name	Amount	Annual net sales ratio [%]	Relationship with the issuer	Name	Amount	Annual net sales ratio [%]	Relationship with the issuer	Name	Amount	Net sales ratio as of previous Q1 of the current year [%]	Relationship with the issuer
1	N/A	-	-	N/A	N/A	-	-	N/A	N/A	-	-	N/A
2	Others	1,227,105	100.00%		Others	1,427,097	100.00%		Others	361,609	100.00%	
	Net sales	1,227,105	100.00%		Net sales	1,427,097	100.00%		Net sales	361,609	100.00%	

Note: Consolidated financial statements developed in accordance with the International Accounting Standards

Reasons for change: None

(V) Production value over the last two (2) years

Unit: pcs (port); NTD thousands

Main products	Year Production value	2020			2021		
		Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Switch		—	843,184	75,210	—	977,150	82,674
Fiber-optic Network		—	345,491	100,672	—	430,279	117,149
Power over Ethernet		—	1,156,105	222,340	—	1,464,037	252,417
Industrial Ethernet Network		—	832,717	251,268	—	1,217,123	329,387
Wireless LAN Network		—	31,335	14,801	—	26,796	12,929
Voice		—	22,935	13,206	—	21,993	12,597
Monitoring		—	8,293	4,183	—	4,302	1,912
Broadband Network		—	33,517	21,730	—	38,196	24,794
Others		—	20,614	9,195	—	25,020	12,141
Total		—	3,294,191	712,605	—	4,204,896	846,000

(VI) Sales value over the last two years

Unit: pcs (port); NTD thousands

Main products	2020		2021					
	Domestic market		Export		Domestic market		Export	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
LAN Ethernet Switch	16,580	3,241	846,331	116,987	20,065	4,264	954,016	128,059
Fiber-optic Network	11,652	6,705	344,141	179,403	9,928	5,576	410,015	198,703
Power over Ethernet	35,886	11,941	1,127,771	338,732	32,373	10,417	1,426,951	380,858
Industrial Ethernet Network	41,996	22,728	797,175	444,487	47,057	21,973	1,202,869	577,055
Wireless LAN Network	1,911	1,138	28,421	20,396	2,416	1,507	29,092	17,393
VoIP	2,937	1,651	17,681	15,422	4,197	2,205	17,388	13,342
IP Surveillance	723	592	6,240	4,526	665	418	4,473	3,327
Broadband Communication	2,412	2,567	33,596	35,557	2,221	3,357	34,376	35,845
Others	23,793	1,802	52,920	19,230	19,100	1,119	36,094	21,679
Total	137,890	52,365	3,254,276	1,174,740	138,022	50,836	4,115,274	1,376,261

III. Information about the employees in the recent two years and as of the printing date of the annual report

Unit: shareholders; %

Year		2020	2021	2022 As of Apr. 28th
Number of employees	Manager or above	23	22	23
	R&D units	36	38	37
	Sales marketing units	20	23	20
	Production management units	55	52	56
	Administration management units	19	19	22
	Total	153	154	158
Average age		41.02	41.08	42.01
Average years of service		8.47	8.71	8.69
Qualification	Doctoral degree	0.7%	0.7%	0.6%
	Master's degree	16.3%	15.6%	15.2%
	University/college	70.6%	72.0%	72.8%
	High school	12.4%	11.7%	11.4%
	High school (or below)	-	-	-

IV. Environmental protection expenditure information

Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

The Company never has any losses caused by environmental pollution before. After evaluation, it still has no risks of losses in the future. The following describes the environmental protection actions for product development and business management respectively:

1. "Product development" — The Company has developed the "principles for green product development" for complete development of green products:
 - (1) Products comply with international laws and regulations: RoHS of EU, REACH, and EuP directives.
 - (2) Design and development of energy saving products:
 - A. Featuring EOC chips

- B. All products apply the switching power gradually, conforming to the “Energy Star” regulations of the California Energy Commission Appliance Efficiency Regulations.
 - C. Switch products have been upgraded to Green Switches (Power Saving Switches) gradually.
 - D. PoE switches feature smart PoE power management.
 - E. The outer packages and inner cushioning materials are environmentally friendly.
- (3) The new outsourced factories shall be certified by ISO 14001 Environmental Management System.
- (4) The lead-free process is applied on all product lines.
2. “Operation management” - PLANET has integrated the concept of environmental protection into its corporate policies, and environmental sustainable development into its management system. It has also set short, medium and long term sustainable goals with a view to coping with the environmental issues that change continuously, such as energy and climate change, improving resource efficiency and curbing pollutant emissions, etc., in order to realize the goal of Road to Zero.
- The total costs on environmental protection of 2021 were NT\$618,524, including the following: According to the requirements of ISO14001 standard, we have established the provisions on environmental management system process and their mutual influences and documented them. All employees have implemented the files and kept improving their effectiveness. Since 2011, we have passed ISO14001 environmental management system certification for 11 consecutive years. The total verification investment we have made amounts to NT\$ 94,000.
- (1) Climate change:
- A. PLANET continues to conduct annual greenhouse inspection. It also manages energies by referring to the requirements of ISO 50001 standard.
 - B. It launched the Cooperative Plan of Environmentally Friendly Power, in order to use 10% renewable energy in 2022 and the total investment was estimated to be NT\$280,000.
 - C. It launched “Parent-child Drawing Activity on the Earth Day” with an investment of NT\$9,219.
 - D. It purchased coffee on the principle of trading fairness with investment of NT\$34,285 in order to promote environmental protection and sustainable production.
- (2) Ecological water resources and environmental protection:
- A. It has participated “Adopting Action of Pinglin Organic Tea Garden” for 12 consecutive years with an investment of NT\$200,000.
 - B. It has cooperated with environmental protection companies to start the “Taiwan Yufutian Good Air Plan”, which is estimated to invest NT\$125,000.
- (3) Energy conservation and carbon emission reduction:
- A. It promoted internal vegetarian activity to reduce carbon emission, which was responded by 1,268 persons in 2021, with a total investment of NT\$69,281.
 - B. It replaced partial office lights with LED with a total investment of NT\$53,210
 - C. It purchased energy-saving aire purifier with a total investment of NT\$8,672.
- (4) Plastic consumption reduction in life:
- A. Product package material: the Company has used bubble packs with environment-friendly materials to replace the traditional filling materials. Investment in devices and consumables amounted to NT\$24,857.
 - B. It gave employees environment-friendly cups to replace disposable paper ones.

C.The wastes generated by operation were disposed by qualified third-party Class A waste disposal and recycling agency.

V. Employee relations

1. Fringe benefits, further education, trainings, pension funds and their implementations, agreements between the employees and the management, as well as various employee rights protection measures are as follows:

(1) Fringe benefits and pension funds: to promote employee physical and mental health, and productivity, our comprehensive care measures are as follows:

Items	Measures
[Be Happy] Protecting employees physical and mental environment	Courses for mental health, counseling, stress management workshops, diagnosis, consultation, follow-up counseling are offered.
[Be Cultured] Humanistic quality	A staff welfare committee is set up to hold various art societies and activities .
[Be Athletic] Exercises	A staff welfare committee is set up to set up various sports clubs and activities such as fitness club, badminton club and rock climbing club.
[Be Healthy] Health management	Regularly employee health checkups, health seminars, and quarterly consultations are held by PLANET contracted family doctors and doctors of traditional chinese medicine; and monthly on-site health care services are provided by specially appointed nurses.
[Be Long-Lived!] Lifestyles of Health and Sustainability (LOHAS)	<p>Various LOHAS health activities, such as courses for well-being, office aerobics, organic farm experience, regular sharing of LOHAS articles on the Company's intranet etc.</p> <p>Set up [Stress Relief and Health] area:</p> <ul style="list-style-type: none"> ■ Charitable Massage services: professional visually-impaired massage therapists are on-site and offer their services; employees not only enjoy pain relief, but also provide financial assistance to therapists. ■ Health monitoring "station": provides blood pressure monitors, body fat analyzers, ear (forehead) thermometers, etc., the station also helps employees to keep and track their health records. ■ Fun exercises: professional fitness instructors are invited to the Company to offer dance-along sessions, so that employees can stretch and release stress. ■ Health passbook activity: to promote a healthy environment and cultural development, employees who take part in Company's internal health promotion activities will be granted corresponding health points and prize and health activities will be launched on the Company's website.

In addition to the standard benefits such as National Labor & Health insurance, education and training, year-end bonus, group insurance, health checkups, 3 festival bonuses (for Dragon-boat festival, Mid-autumn festival and Chinese new year), birthday bonus and subsidies for weddings and funerals; employee dividends, organized staff trips, club and society subsidies, leisure and recreational activities, art exhibitions, etc are also provided.

Based on the new government policy, 6% of superannuation contributions will be made to the designated bank accounts governed by the Ministry of Labor; 2% of superannuation contributions will be made to the Bank of Taiwan for employees hired prior to Jul. 2005. An actuary was hired at an opportune time to submit an

actuarial report on estimation of the accrued pension liabilities. As of Apr. 2022, NTD\$13,487,000 has been allocated, and should be sufficient to cover the pensions of retiring staff. Additionally, employees are free to communicate their rights and concerns with the management through any forms of channels; here we enjoy well-maintained employee relations.

(2) Staff further education and trainings

A. Offering trainings to employees is a responsible investment to the Company. We endeavor to develop the potentials of our employees, so they can be even greater assets to the Company. Courses and on-the-job trainings are held every year to enhance the professional skills and management knowledge of our employees. The employee trainings are outlined as follows:

Training categories	Training objectives	Training courses
Core competency-based trainings	Developing staff solidarity, and building the core culture of the enterprise	Teamwork, strength of execution, and innovative courses
Managerial competency-based training	Building supervisor's management skills	Team leadership, performance management, risk management
Professional competency-based trainings	Professional knowledge and skill-based trainings	R & D project management, sales skills
General knowledge trainings	Improving self-management skills on top of professional knowledge	Communication skills, archives management

B. To meet the Company's development objectives and build up employees' knowledge and skills, all employee trainings and courses are scheduled in accordance with the annual plan formulated by the "Education and Training Implementation Standards". In addition to inviting scholars and experts from professional institutes and our own lecturers, since 2011, the brand new e-learning method became available and is still popular since its inception; it diversified learning channels and resource sharing for our employees.

a. 2021 Education and training courses are as follows:

b. 2021 Online e-Learning Platform

Specialized Courses		General Courses	
1	Measures on the Test of Inventory Quality	1	Staff Pre-employment Training Program
2	Measures on the Management of Equipment & Instrument Calibration	2	Staff Induction by Department
3	Measures on Periodic Test System	3	Staff Training - Corporate Culture

Specialized Courses		General Courses	
	Inspection		
4	Measures on the Management of Electrostatic Discharge (ESD)	4	Staff Training - Product Introduction
5	[TCFD+ESG]Climate-related Financial Disclosure - Online Discussion	5	Management of Decrees and Other Regulations
6	Connection of ESG Indicator and Company Financial Disclosure Addressed by TCFD and SASB	6	Safety and Hygiene Training Program
7	Subsidy Plan on Work - Life Balance in 2021- Road Show to Publicize Machine Write-off	7	Fire Fighting Training
8	6ET Network Communication (Industrial Computer) Cooling	8	Sexual Harassment and Protection Training
9	Digital Transformation of Three Basic Lines	9	Training on General Education of Injury and Damage
10	Equity Advocacy Seminar for Internal Personnel of TPEX and Emerging Stock Companies	10	Material Stocking and Handling Safety
11	Overview on New Policy of “Sustainable Development”, Climate Governance and Low-carbon Management	11	Office Safety
12	Summer Global Economy Forum	12	Acupoints Forum – A Wonderful Office Life by Eradicating Physical Pains
13	Audit and Management of Enterprise “Cost Saving” and “Competition Strategy”	13	Health Forum <i>Get Rid of Lower Back Pain</i>
14	Audit and Management of Enterprise “Information Security Protection” and “Information Framework”	14	Waste Management Measures
15	Talent Training in Enterprise Sustainable Development	15	New Product Education Training
16	Comprehensive Fine Management - Production Efficiency and 5S	16	Training - Rival Analysis
17	Training for Supervisor in Organic Solvent Operation	17	Production Education Training - Wireless LANs
18	Training for Fire Prevention Managers	18	CSR Education Training – “Corporate Social Responsibility” Course _ Online Course
19	Training for Emergency Staff in Safety	19	Annual Cultural Management and

Specialized Courses		General Courses	
	and Hygiene		Education Training
20	Course of Business Continuity Management (BCM) Plan	20	Introduction of Corporate Quality and Protection System and Relevant Precautions
21	Continuing Learning Courses for Accounting Directors of Issuer's Securities Stock Exchanges	21	2021 Annual Meeting prior to Internal Audit
22	Analysis on Sustainable DNA of Small and Medium-sized Enterprises	21	Introduction of Quality System
23	Operational Practice and Case Study of Remuneration Committee	23	How to manage times
24	Novice & Basic-level Director Training Course	24	How to improve communication
25	『Cellular Gateway』	25	Skills for English Presentation
26	『SD-WAN』	26	PowerPoint 2013 Presentation Creative Individual
27	Improvement Report of 8D Problems	27	Problem Analysis and Program Planning
28	AWS_Cloud Experience Sharing and App Upload Mode		
29	BGA Operational Practice		
30	Experience Sharing of ERPS Operation		
31	How to encourage the customer to carry the product line which they don't carry b		
32	How to expand/stabilize the business partnership with new customers?		
33	How to make full use of the webinar/webex for biz development?		
34	7 IE Measures		
35	IFRSs Discussion - IFRS15 Customer Engagement Revenue		
36	IFRSs Discussion - IFRS16 "Renting"		
37	IFRSs Discussion- IFRS19 Staff Welfare & IAS26 Retirement Benefits Scheme		
38	IFRSs Discussion - IAS2 Inventory		
39	Real-practice Experience Sharing of IOS & Android APP		
40	MSA Measurement System Analysis		
41	Education and Training of New Function		

Specialized Courses		General Courses	
	of NMS (Phase III)		
42	Experience Sharing of NMS Operation		
43	SFP Product Introduction		
44	Wireless(Wi-Fi 6) Product Introduction		
45	Job Responsibilities and Functions (File Group)		
46	Education Training in STD Responsibilities and Job Rotation		
47	Stocking Procedure Introduction		
48	Calculation and Audit of Processing Fee		
49	Safety Certificate on Routine and Layout Planning		
50	Summary of Fixed Assets Management		
51	Risk Management		
52	PS Software Teaching		
53	Professional Image and International Etiquette		
54	Institution Introduction		
55	Marketing Power of Audio and Video Content		
56	Be Familiar with Cloud Deployment and Operation Office365		
57	Be Familiar with Live-streaming Environment and OBS Operation		
58	Compensation and Payment of Occupational Accident		
59	Railway Regulations (EN50121-4) and Introduction of Related EMC Design		
60	ISO 27001 Clause Explanation Training		

The annual total e-Learning time taken by staff was 212.6 hours. Course classifications and average hours spent:

- I. School of finance: 19 sessions in total, course hours: 29.4.0
- II. School of general knowledge: 41 sessions in total, course hours:81.8
- III. School of information technology: 38 sessions in total, course hours: 48.7
- IV. School of marketing & logistics: 14 sessions in total, course hours: 21.7
- V. School of human resource: 10 sessions in total, course hours: 31.0

To facilitate information and knowledge sharing, the syllabus and key highlights are uploaded on the Company's internal sharing platform; other professional on-the-job training and department specific skill-based courses are conducted by managers

through periodic coaching and training sessions, to ensure professional skills and task related techniques are communicated. In 2021, total staff training time was 2,685.14 hours.

(3) Employee behavior and code of conduct: details are set out in the following table.

Item No.	Protection measures	Implementation/policies	Note
1	I. Code of ethics	Work rules	Rules are stipulated according to the Labor Standards Law and its affiliated regulations, and are approved and recorded by the Ministry of Labor.
2		<ul style="list-style-type: none"> • Sexual harassment prevention and disciplinary measures • Measures for gender equality in employment 	In order to safeguard gender equality and dignity at work, based on the New Taipei City Self-Government Ordinance for Sexual Harassment Prevention, “Sexual Harassment Prevention and Disciplinary Measures”, and “Measures for Gender Equality in Employment” were set out. We endeavor to achieve a well balanced gender equality working environment.
3		Human resource management policies	<ol style="list-style-type: none"> 1. The employee code of conduct is clearly stipulated, and provides details on the rules of conduct and service standards that our employees must abide by. It is uploaded on the Company's shared intranet platform for easy reference. 2. Standards and disciplinary measures are stipulated against staff rewards and antisocial behaviors. 3. All employees are required to abide by the following rules: <ol style="list-style-type: none"> a. Maintain company reputation, and abide by company rules and regulations. b. Behaviors that tarnish the reputations of individuals or the Company, such as bullying, unwarranted personal gains and absenteeism, will not be tolerated. c. Receipt of personal gifts and invitations through work relations is not acceptable. d. Except conducting work related tasks, any unauthorized activities on behalf of the Company are not permitted. e. Regardless of job scope or tasks performed, every employee is responsible for maintaining absolute confidentiality; R&D

Item No.	Protection measures	Implementation/policies	Note
	I. Code of ethics		<p>technology, finance & accounting, business classified data and all company related operational information must be remained confidential.</p> <p>f. Employees are responsible for the safekeeping of personally managed documents and valuables. Company properties and funds are not be exploited for personal purposes or misused; and such properties must not leave the Company's premises without supervisor's consents.</p> <p>g. Creations, work-related ideas, concepts, findings, inventions, improvements, formulas, programs, manufacturing techniques, writings, or business classified data during one's employment, whether or not the staff has obtained patents, exclusive trademarks, copyrights, or any other rights, the Company remains the sole owner of all related rights and benefits.</p> <p>h. Within a supervisor's reasonable job scope, when tasks are assigned, employees must follow the instructions.</p> <p>i. Due to business requirements, employees are required to comply with requests such as working extra hours, working in different locations or capacities or go on business trips.</p> <p>j. Honesty and good behaviors are highly regarded. Illegal conducts such as gambling, binge drinking, drug abuse and other criminal offenses are not tolerated.</p> <p>4. To comply with new government policies immediately, our leave regulations have been partially amended.</p>
4		Staff manual	<p>1. During inductions, all new employees will be given a copy for their perusal.</p> <p>2. Human resource management policies, staff code of conduct, and measures to the implementation of rewards and disciplinary actions were announced.</p>
5		Corporate virtues and code of ethics	To ensure our employees comply with virtues and code of ethics, through internal campaigns, each

Item No.	Protection measures	Implementation/policies	Note
			department sets out and implement its own code of ethics. The Company implemented this policy to ensure all employees share our business social responsibilities.
6	II. Honesty and code of integrity	Honesty and code of Integrity are the cores of our business Integrity business operating procedures and behavioral guidelines	The code of integrity assisted the Company to establish an honest corporate culture and a resounding development; it also serves as a great example for future establishment of good business operations.
7	III. Code of conduct for confidentiality	Office rules	Set out office confidentiality principles: 1. Revealing business classified data during conversations is strictly prohibited. 2. Handle, store and destroy confidential documents with extreme care.
8		Labor contract	1. To protect the Company's business classified data, the labor contract specifies the confidentiality agreement on relevant business and the ownership of intellectual properties. 2. Classified information such as marketing, client details, sales, and pricing of the Company's products, should be kept confidential; and employees are not permitted to sell products to compete against the Company, be it for personal or competitor's business.
		Trade Secret Act and measures	1. To enhance the management of trade secrets, based on our Human resource management policies, measures are set out in our labor contracts and work rules, to avoid leakage of our trade secrets and company loss. 2. These measures are devised in accordance with the relevant laws and regulations based on intellectual property rights management, such as the Patent Law, Trademark Law, Copyright Law, and Trade Secret Act.
9	IV. Information security regulations	Information system security management and measures	We have establish information system security management regulations to avoid the leakage of confidential and sensitive information and company losses.
10		Consent to use legal software	In respect of intellectual property rights, our employees shall not use illegal and unauthorized

Item No.	Protection measures	Implementation/policies	Note
			software.
11		MIS introductions and rules for our new employees	Information security code of conduct is stipulated and should be adhered to.

(4) Measures on providing a safe and hygienic environment and employee personal safety protection:

PLANT Technology takes the lead in professional network communication. Since its establishment, the Company has deeply known that employees and suppliers are the most important assets in the corporate sustainable development. Besides conforming to relevant laws and regulations concerning occupational safety and health, the Company shall improve its safety and health continuously, so as to avoid unsafe behaviors, environment and devices and prevent occupational damage, thus bearing the responsibility of safeguarding employees' safety.

Our protection measures for employees are as follows:

- A. Establish a safety and health organization: The Company holds meetings of Vocational Safety and Health Committee on a quarterly basis and management and auditing meetings annually.
- B. Calculation of annual vocational damages: Through various safety and health management plan, the Company has realized zero vocational damage for consecutive 6 years (from 2016 to 2021). The combined damage index is 0 in 2021.
- C. Organize safety and health education training and practice: In 2021, 2 "fire prevention practice" were made.
- D. Propel risk evaluation and safety auditing: 43 laws and regulations were regularly examined and identified. 5S and safety equipment were regularly checked.
- E. Implement the management of chemicals: The Company has made the hazard communication plan. Implementation personnel shall examine the sites before operation, and regular checks shall be conducted to the equipment. Chemicals shall be stored in designated places and personal protection devices shall be provided. There is no near miss happened in 2021.
- F. Implement monitoring of operational environment: The Company implemented indoor laboratory air quality monitoring every six months, and the results reached 100% excellent. It also implemented density monitoring of CO2 and chemicals in operational environment, and the results reached 100% qualified. For every season, the quality of drinking water will be examined and regular cleaning and disinfection will be conducted.
- G. Found emergency response team: Response to major disasters and coordinate administrative supports, so as to improve disaster prevention and rescue efficacy, reduce the accident loss and ensure the normal operation of the working site and the employees' safety.
- H. Organize annual health check: The Company is superior to laws and regulations by providing free health check to employees every year.
- I. Provide sound personal protection equipment: The Company is equipped with local exhaust ventilation system and provides personal protection devices, so as to prevent the damages caused by metal smokes generated in the R&D and maintenance process to human bodies.

- J. Propel clinical medical health service: The Company recruited doctors of Occupational Medicine, Tzu Chi Hospital to provide services for 3 hours per season. It has also cooperated with Health Management and Consultation Company by appointing professional nurses that provide services for 8 hours per month.
- K. Complete maternal employee care measures: Provide good pregnancy bag, taxi fare subsidy, special childcare service and special service and milk feeding (collecting) chamber for pregnant employees.

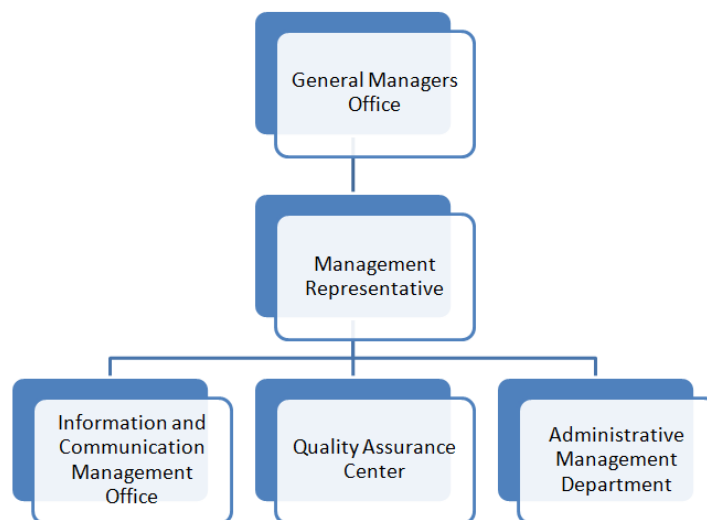
2. From recent years and up to the publishing date of the current annual report, we hereby disclose the Company losses suffered due to labor disputes (Including but not limited to, the violation of the Labor Standards Law when labor force audit was conducted, the date of the disciplinary action, the case number of the disciplinary action, the regulations violated, details of the violation, and details of the disciplinary action should all be listed), current and estimated future losses and countermeasures: the Company enjoys balanced employee relations, and has never suffered any losses due to labor disputes.

VI. Information and Communication Security Management

1. Management framework of information and communication security risk

Information Management Team under the General Manager Room is in charge of Information Security Management and was renamed as Information and Communication Security Management Office in 2022 according to ISO 27001 system construction.

It is mainly responsible for information security protection, emergency handling and recovery of information security events so as to prevent the occurrence of these events and reduce the impact and loss on the Company's operation.



2 Information and Communication Security Policy

The Company has set information and communication security goal as per ISO 27001 in order to avoid potential risks and damages caused by information misuse, leakage, change and damage due to human negligence and natural disaster.

- Maintain continuous operation of all information systems
- Prevent hacker and various viruses
- Prevent misconduct and illegal use
- Prevent disclosure of confidential information

- Avoid human negligence
- Maintain physical environment safety



3. Specific management method of information and communication security

According to the provisions of ISO 27001: 2013 standard, the Company has formulated information and communication security handbook and related documents, all of which serve as the basis for information and communication security management; it has also promoted related work in order to implement information and communication security management system and ensure confidentiality, completeness and availability of information and communication. The members of information security team obtained the corresponding certificate of ISO 27001: 2013 internal auditor in 2022 through training.

The Company reviews goal and policy of information security management at the annual management inspection meeting. It has also built, implemented, maintained and improved information security management system based on P-D-C-A cycle mode; implements the operation of information security, protects customer's data and the company's IPRs, intensifies the capacity of coping with information security events and ensures information security.



4. Investment of resources on information and communication security management

According to information security handbook, PLANET publicizes information security and conducts educations and trainings for employees concerning information security.

The Company offers educations and trainings for new employees concerning information security and signs “Labor Contract” with them after finishing the training.

The Company evaluates information security management system at least once a year or reevaluates the system upon the occurrence of any major changes happened to it. Evaluation results are reported at management inspection meeting and are also revised so as to control and reduce property security risk.

PLANET undertakes to protect confidential information for customer, shareholder, supplier and employee. The Company has fully understood the importance of confidential information protection to competitiveness and therefore has built a system for protecting confidential information.

5. List the specific loss, potential impact and corresponding measures caused by major information and communication security incidents in recent years as of issue date of annual report. For any part that cannot be estimated reasonably, explain the details: the Company doesn’t suffer loss due to information and communication security.

VII. Important contract

Nature of contract	Principals	Duration	Contents	Restrictive clause
Lease contract	Triun Ho Binding Co., Ltd.	Sep.16, 2020-Sep.15, 2023	Property leased- 9F, 10F, No.96	N/A
Lease contract	Konglin Constructions & Manufacturing Co., Ltd.	Oct. 1, 2020-Sep.30, 2023	Property lease- B1F, No.98	N/A
Lease contract	Tai Hsing Printing & Bookbinding Co., Ltd.	Sep.16, 2020-Sep.15, 2023	Property leased- B1F, No.96	N/A
Lease contract	Kuo Yee Binding Company Ltd.	Sep.16, 2020-Sep.15, 2023	Property leased- 8F, No.96	N/A
Lease contract	Kuo Yee Binding Company Ltd.	Sep.16, 2020-Sep.15, 2023	Property leased- 7F, No.96	N/A
Lease contract	Tai Hsing Printing & Bookbinding Co., Ltd.	May 16, 2020-Sep.15, 2023	Property leased- 2F, No.96	N/A

Six. Overview of Finance Positions

I. Condensed financial information in the most recent five years

(i). Condensed balance sheet and comprehensive income statement

1. Consolidated Condensed Balance Sheet – Based on IFRS

Unit: NTD

thousands

Item \ Year		Financial Summary for The Last Five Years					
		2017	2018	2019	2020	2021	As of 31/03/2022 of the Current Fiscal Year
Current assets		1,510,526	1,564,886	1,595,398	1,587,772	1,720,045	1,835,030
Property, Plant and Equipment		10,968	8,923	7,562	7,598	8,029	11,647
Intangible assets		2,033	2,241	2,378	3,226	2,791	2,901
Other assets		10,638	11,749	46,538	61,860	43,737	35,899
Total assets		1,534,165	1,587,799	1,651,876	1,660,456	1,774,602	1,885,477
Current liabilities	Before distribution	258,296	280,010	282,595	289,221	350,814	387,809
	After distribution	527,050	548,764	563,849	539,225	644,569	Undistributed
No-current liabilities		7,181	6,597	24,207	37,345	18,724	14,255
Total liabilities	Before distribution	265,477	286,607	306,802	326,566	369,538	402,064
	After distribution	534,231	555,361	588,056	576,570	663,293	Undistributed
Equity attributable to shareholders of the parent		1,268,688	1,301,192	1,345,074	1,333,890	1,405,064	1,483,413
Capital stock		625,010	625,010	625,010	625,010	625,010	625,010
Capital surplus		11,022	11,202	11,202	11,202	11,202	11,202
Retained earnings	Before distribution	632,476	664,980	708,862	697,678	768,852	847,201
	After distribution	363,722	396,226	427,608	447,674	475,097	Undistributed
Other equity interest		-	-	-	-	-	-
Treasury stock		-	-	-	-	-	-
Non-controlling interests		-	-	-	-	-	-
Total equity	Before distribution	1,268,688	1,301,192	1,345,074	1,333,890	1,405,064	1,483,413
	After distribution	999,934	1,032,438	1,063,820	1,083,886	1,111,309	Undistributed

Note 1: All financial data has audited and reviewed by Ting, Hung-Hsun. Chou, Ying-Lai. Lai, Yung-Chi and Wu, Hsin-Liang of Baker Tilly Clock & Co and has issued an audit report relating to the financial statements.

Note 2: Approved by the resolution of the board of directors on April 15, 2011, to be distributed by the resolution of the shareholders' meeting.

2. Consolidated Condensed Statement of Comprehensive Income – Based on IFRS

Unit: NTD thousands

Item \ Year	Financial Summary for The Last Five Years					
	2017	2018	2019	2020	2021	As of 31/03/2022 of the Current Fiscal Year
Operating revenue	1,361,090	1,367,538	1,348,032	1,227,105	1,427,097	361,609
Gross profit	522,648	533,278	550,090	493,477	569,290	138,910
Income from operations	346,587	349,707	364,840	322,079	382,809	89,345
Non-operating income	10,619	17,283	16,488	6,258	9,839	4,748
Income before tax	357,206	366,990	381,328	328,337	392,648	94,093
Income from Continued Operations	306,386	301,040	312,852	270,319	321,150	78,349
Loss from Discontinued Operations	-	-	-	-	-	-
Net income (Loss)	306,386	301,040	312,852	270,319	321,150	78,349
Other comprehensive income (income after tax)	(616)	218	(208)	(249)	28	-
Total comprehensive income	305,770	301,258	312,644	270,070	321,178	78,349
Net income attributable to Shareholders of the parent	306,386	301,040	312,852	270,319	321,150	78,349
Net income attributable to non-controlling interest	-	-	-	-	-	-
Total comprehensive income attributable to Shareholders of the parent	305,770	301,258	312,644	270,070	321,178	78,349
Total comprehensive income attributable to non-controlling interests	-	-	-	-	-	-
Earnings per share	4.90	4.82	5.01	4.33	5.14	1.25

Note 1: All financial data has audited and reviewed by Ting, Hung-Hsun. Chou, Ying-Lai. Lai, Yung-Chi and Wu, Hsin-Liang of Baker Tilly Clock & Co and has issued an audit report relating to the financial statements.

Note 2: The number after distribution was basis on the distribution passed at the following year's Shareholders' meeting to recognize.

3. Parent Company Only Condensed Balance Sheet – Based on IFRS

Unit: NTD thousands

Project		Financial Summary for The Last Five Years				
		2017	2018	2019	2020	2021
Current assets		1,507,136	1,561,669	1,592,306	1,584,727	1,717,117
Property, Plant and Equipment		10,968	8,923	7,562	7,598	8,029
Intangible assets		2,033	2,241	2,378	3,226	2,791
All other assets		13,852	14,963	49,752	64,905	46,665
Total assets		1,533,989	1,587,796	1,651,998	1,660,456	1,774,602
Current liabilities	Before distribution	258,120	280,007	282,717	289,221	350,814
	After distribution	526,874	548,761	563,971	539,225	644,569
Non-current liabilities		7,181	6,597	24,207	37,345	18,724
Total liabilities	Before distribution	265,301	286,604	306,924	326,566	369,538
	After distribution	534,055	555,358	588,178	576,570	663,293
Equity attributable to shareholders of the parent		1,268,688	1,301,192	1,345,074	1,333,890	1,405,064
Capital stock		625,010	625,010	625,010	625,010	625,010
Capital surplus		11,022	11,202	11,202	11,202	11,202
Retained earnings	Before distribution	632,476	664,980	708,862	697,678	768,852
	After distribution	363,722	396,226	427,608	447,674	475,097
Other equity assets		-	-	-	-	-
Treasury stock		-	-	-	-	-
Non-controlling interests		-	-	-	-	-
Total equity	Before distribution	1,268,688	1,301,192	1,345,074	1,333,890	1,405,064
	After distribution	999,934	1,032,438	1,063,820	1,083,886	1,111,309

Note 1: All financial data has audited and reviewed by Ting, Hung-Hsun. Chou, Ying-Lai. Lai, Yung-Chi and Wu, Hsin-Liang of Baker Tilly Clock & Co and has issued an audit report relating to the financial statements.

Note 2: Approved by the resolution of the board of directors on April 15, 2022, to be distributed by the resolution of the shareholders' meeting.

4. Parent Company Only Condensed Statement of Comprehensive Income– Based on IFRS

Unit: NTD thousands

Item \ Year	Financial Summary for The Last Five Years				
	2017	2018	2019	2020	2021
Operating revenue	1,361,087	1,367,538	1,348,032	1,227,105	1,427,097
Gross profit	522,395	533,372	550,090	493,477	569,290
Income from operations	346,393	349,858	364,880	322,115	382,847
Non-operating income	10,813	17,132	16,448	6,222	9,801
Income before tax	357,206	366,990	381,328	328,337	392,648
Income from Continued Operations	306,386	301,040	312,852	270,319	321,150
Loss from Discontinued Operations	-	-	-	-	-
Net income (Loss)	306,386	301,040	312,852	270,319	321,150
Other comprehensive income (income after tax)	(616)	218	(208)	(249)	28
Total comprehensive income	305,770	301,258	312,644	270,070	321,178
Net income attributable to Shareholders of the parent	-	-	-	-	-
Net income attributable to non-controlling interest	-	-	-	-	-
Total comprehensive income attributable to Shareholders of the parent	-	-	-	-	-
Total comprehensive income attributable to non-controlling interest	-	-	-	-	-
Earnings per share	4.90	4.82	5.01	4.33	5.14

Note 1: All financial data has audited and reviewed by Ting, Hung-Hsun. Chou, Ying-Lai. Lai, Yung-Chi and Wu, Hsin-Liang of Baker Tilly Clock & Co and has issued an audit report relating to the financial statements.

Note 2: The number after distribution was basis on the distribution passed at the following year's Shareholders' meeting to recognize.

(II) Auditors' opinions in the most recent five years

Year	CPA	Check opinions
2017	Ting, Hung-Hsun; Lai, Yung-Chi	An Unmodified Opinion
2018	Ting, Hung-Hsun; Chou, Ying-Lai	An Unmodified Opinion
2019	Lai, Yung-Chi; Wu, Hsin-Liang	An Unmodified Opinion
2020	Lai, Yung-Chi; Wu, Hsin-Liang	An Unmodified Opinion
2021	Lai, Yung-Chi; Wu, Hsin-Liang	An Unmodified Opinion

II. Condensed Financial Analysis of Recent Five Years

(i) Financial analysis:

1. Combination of financial analysis of recent five years-adopting IAS

Items for Analysis		Financial data of recent five years					As of 31/03/2022 of the Current Fiscal Year (Note)	
		Fiscal Year	2017	2018	2019	2020		2021
Financial Structure (%)	Debt-asset ratio		17.30	18.05	18.57	19.67	20.82	21.32
	Ratio of long-term capital to property, plant and equipment		11,632.65	14,656.38	18,107.39	18,047.32	17,733.07	12,858.83
Solvency (%)	Current ratio		584.80	558.87	564.55	548.98	490.30	473.18
	Quick ratio		495.89	470.51	482.45	480.18	429.48	413.72
	Interest coverage ratio		-	-	580.53	593.67	609.76	826.38
Operating Ability	Receivables turnover rate (times)		18.03	14.97	15.02	14.45	14.50	13.76
	Average collection days for receivables		20.24	24.38	24.30	25.25	25.17	26.52
	Inventory turnover rate (times)		3.76	3.59	3.41	3.50	4.29	4.13
	Payables turnover rate (times)		5.22	5.53	5.26	5.38	6.20	5.77
	Average days for sale		97.07	101.67	107.03	104.28	85.08	88.37
	Property, plant and equipment turnover rate (times)		122.84	137.50	163.55	161.89	182.65	147.03
	Total asset turnover rate (times)		0.90	0.88	0.83	0.74	0.83	0.79
Profitability	Return on assets (%)		20.24	19.29	19.35	16.35	18.73	17.15
	Return on equity (%)		24.76	23.43	23.64	20.18	23.45	21.70
	Ratio of income before tax to paid-in capital (%)		57.15	58.72	61.01	52.53	62.82	60.22
	Profit margin before tax (%)		22.51	22.01	23.21	22.03	22.50	21.67
	Earnings per share (NTD)		4.90	4.82	5.01	4.33	5.14	1.25
Cash Flow	Cash flow ratio (%)		103.29	102.93	124.12	108.77	105.51	27.87
	Cash flow adequacy ratio (%)		111.87	109.06	114.56	113.61	116.28	125.71
	Cash flow reinvestment ratio (%)		1.78	1.46	5.90	2.39	8.27	7.07
Leveraging	Operating leverage		1.48	1.49	1.48	1.51	1.47	1.53
	Financial leverage		1.00	1.00	1.00	1.00	1.00	1.00

Analysis of financial ratio differences for the last two years. (Not required if the difference does not exceed 20%):

Increase of inventory turnover ratio: During this period, inventory turnover ratio was increased with increase of merchandise sales compared with that of 2020.

Increase of cash reinvestment ratio: Net cash flow increased during this period owing to the decrease of distributed cash dividends, and as a result, cash reinvestment ratio of this period increased compared with that of 2020.

Note: The financial data has been annualized

2. Parent Company Only Financial Analysis for the Most Recent Five Years- with the adoption of the IFRS

Fiscal Year		Financial Analysis for the Most Recent Five Years				
		2017	2018	2019	2020	2021
Items for Analysis						
Financial Structure (%)	Debt-asset ratio	17.29	18.05	18.58	19.67	20.82
	Ratio of long-term capital to property, plant and equipment	11,632.65	14,656.38	18,107.39	18,047.32	17,733.07
Debt-paying capacity %	Current ratio	583.89	557.72	563.22	547.93	489.47
	Quick ratio	494.94	469.37	481.15	479.13	428.65
	Interest coverage ratio	-	-	580.53	593.67	609.76
Operational ability	Receivables turnover rate (times)	18.03	14.97	15.02	14.45	14.50
	Average collection days for receivables	20.24	24.38	24.30	25.25	25.17
	Inventory turnover rate (times)	3.77	3.59	3.41	3.50	4.29
	Payables turnover rate (times)	5.25	5.53	5.26	5.38	6.20
	Average days for sale	96.82	101.67	107.03	104.28	85.08
	Property, plant and equipment turnover rate (times)	122.89	137.50	163.55	161.89	182.65
	Total asset turnover rate (times)	0.90	0.88	0.83	0.74	0.83
Profitability	Return on assets (%)	20.25	19.29	19.35	16.35	18.73
	Return on equity (%)	24.76	23.43	23.64	20.18	23.45
	Ratio of income before tax to paid-in capital (%)	57.15	58.72	61.01	52.53	62.82
	Profit margin before tax (%)	22.51	22.01	23.21	22.03	22.50
	Earnings per share (NTD)	4.90	4.82	5.01	4.33	5.14
Cash Flow	Cash flow ratio (%)	103.47	103.00	124.14	108.79	105.54
	Cash flow adequacy ratio (%)	111.51	108.77	114.06	113.16	116.24
	Cash flow reinvestment ratio (%)	1.81	1.48	5.91	2.39	8.28
Leveraging	Operating leverage	1.48	1.49	1.48	1.51	1.47
	Financial leverage	1.00	1.00	1.00	1.00	1.00

Analysis of financial ratio differences for the last two years. (Not required if the difference does not exceed 20%):
 Increase of inventory turnover ratio: During this period, inventory turnover ratio was increased with increase of merchandise sales compared with that of 2020.
 Increase of cash reinvestment ratio: Net cash flow increased during this period owing to the decrease of distributed cash dividends, and as a result, cash reinvestment ratio of this period increased compared with that of 2020.

Calculation formulas:

1. Financial Structure

- (1) Debt-asset ratio = total liabilities / total assets
- (2) Ratio of long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net worth of property, plant and equipment

2. Solvency

- (1) Current ratio = current assets / current liabilities
- (2) Quick ratio = (current assets – inventory – prepaid expenses) / current liabilities
- (3) Interest coverage ratio = income before income tax and interest expenses / current interest

3. Operating ability

- (1) Receivables (including accounts receivable and notes receivable arising from business operations) turnover rate = net sales / average receivables (including accounts receivable and notes receivable arising from business operations) for each period
- (2) Average collection days for receivables = 365 / receivables turn over rate
- (3) Inventory turnover rate = cost of sales / average inventory
- (4) Payables (including accounts payable and notes payable arising from business operations) turnover rate = cost of sale / average payables (including accounts payable and notes payable arising from business operations) for each period
- (5) Average days of sale = 365 / inventory turnover rate
- (6) Property, plant and equipment turnover rate = net sales / average net worth of property, plant and equipment
- (7) Total asset turnover rate = net sales / average total assets

4. Profitability

- (1) Return on assets = [net income + interest expenses (1- tax rate)] / average total assets
- (2) Return on equity = net income / average total equity
- (3) Ratio of income before tax to paid-in capital = income before tax / paid-in capital
- (4) Profit margin before tax = net income / net sales
- (5) Earnings per share = (profit and loss attributable to owners of the parent – dividends on preferred shares) / weighted average number of issued shares

5. Cash flow

- (1) Cash flow ratio = Net cash flow from operating activities / current liabilities
- (2) Net cash flow adequacy ratio = Net cash flow from operating activities for the most recent five years / (capital expenditures + inventory increase + cash dividend)
- (3) Cash flow reinvestment ratio = (Net cash flow from operating activities – cash dividend) / gross property, plant and equipment value + long-term investment + other non-current assets + working capital)

6. Leveraging

- (1) Operating leverage = (net operating revenue – variable operating costs and expenses) / operating income
- (2) Financial leverage = operating income / (operating income / interest expenses)

III. Audit committee's report in the most recent year

**Planet Technology Corporation
Audit Committee's Report**

The Board of Directors has prepared the Company's 2021 Consolidated Financial Statements and Parent Company Only Financial Statements. Lai, Yung-Chi and Wu, Hsin-Liang of Baker Tilly Clock & Co were retained to audit the Company's Financial Statements and has issued an audit report relating to the Financial Statements. The Financial Statements have been reviewed and determined to be correct and accurate by the Audit Committee members of the Company. According to relevant requirements of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

To

2022 Annual Meeting of Shareholders of Planet Technology Corporation

Chairman of the Audit Committee:

Feb 24, 2022

Planet Technology Corporation Audit Committee's Report

The Board of Directors has prepared the Company's 2021 Business Report and 2021 Surplus Distribution Table. The Company's 2021 Business Report and 2021 Surplus Distribution Table have been reviewed and determined to be correct and accurate by the Audit Committee members of the Company. According to relevant requirements of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

To

2022 Annual Meeting of Shareholders of Planet Technology Corporation

Chairman of the Audit Committee:

April 15, 2022



INDEPENDENT AUDITORS' REPORT

NO.10711100CEA

To the Board of Directors of Planet Technology Corporation and its subsidiaries,

Opinion

We have audited the accompanying consolidated financial statements of Planet Technology Corporation and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the Group's financial statements are stated as follows:



Revenue recognition

Refer to Note 4(14) “for accounting policies on recognition of operating revenue” to the consolidated financial statements.

The sales revenue of the Group is mainly from exports, accounting for more than 96% of the total revenue. The Group recognizes performance obligations according to transaction conditions, and recognizes the sales revenue at the time the control of goods is transferred to the buyer. Therefore, the timing of revenue recognition has a significant impact on the financial statements, and the revenue is an important indicator reflecting the Group's operating conditions. As the recognition of export revenues involves contract review and complex operations, the certified public accountant considers that the cut-off time for the audit of export revenues of the Group is one of the most important items in this year's audit.

The certified public accountant's main responding procedures for the key audit matters above are as follows:

1. Confirm the appropriateness of the timing for revenue recognition and the integrity of relevant internal control of the Group by testing the control points of internal control for sales revenue.
2. Identify performance obligations according to customer contracts, and perform cut-off tests for sales revenue before and after the balance sheet date, including checking shipping documents and actual status of goods, checking the customs declaration system and confirming transaction conditions, so as to evaluate the correctness of revenue recognition timing.
3. In addition, carry out detailed tests and confirmation analysis procedures for the sales to key customers, in order to verify the recognition of revenue.

Valuation of Inventories

Refer to Note 4 (10) Inventory of the consolidated financial statements for details of the accounting policy concerning inventory evaluation, Note 5 (2) of the consolidated financial statements for uncertainties in the inventory valuation, and Note 9 amount of allowance for inventory valuation loss to the consolidated financial statements.

Inventory is measured by the lower of cost and net realizable value. When the net realizable value of inventory is lower than the cost, it is necessary to list the inventory price decline and the sluggish loss of goods. As the evaluation involves the management's major judgment, and the book value of inventory is significant to the overall financial statement, the evaluation of net realizable value of inventory is a key audit item.

The rationality of the certified public accountant's verification of the net realizable value of inventory is as follows:

1. Understand and evaluate the effectiveness of the design and implementation of the internal control system for inventory, including the correctness of inventory age.



2. Evaluate the rationality of the inventory policy and check whether it has been implemented in accordance with the established accounting policies of the Group and whether it has been adopted consistently in the years before and after.
3. Review the inventory age report, analyze the changes of inventory age in each period, and verify the appropriateness of the Group's inventory age distinction and statistics.
4. Verify the rationality of the basic assumptions and data used in calculating the net realizable value.
5. Evaluate the rationality of outdated or damaged inventory items as identified by the management as well as the relevant supporting documents, and check them against the information obtained from inventory counts.
6. Assess the appropriateness of the management's disclosure of inventory measurement.

Other Matter

We have also audited the parent company only financial statements of Planet Technology Corporation as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

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

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

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

Those charged with governance, (including members of the Audit Committee), are responsible for overseeing the Group's financial reporting process.



Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Baker Tilly Clock & Co

Yung-Chi Lai , CPA

Hsin-Liang Wu ,CPA

February 24, 2022

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 audit (or 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' report and consolidated financial statements shall prevail.

PLANET TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan Dollars)

ASSETS	NOTES	December 31,2021		December 31,2020	
		Amount	%	Amount	%
CURRENT ASSETS					
Cash and cash equivalents	4,6	\$ 1,382,085	78	\$ 1,281,652	77
Financial assets at fair value through profit or loss-current	4,7	10,758	1	10,740	1
Notes receivable, net	4,5,8	—	—	46	—
Accounts receivable, net	4,5,8	106,436	6	90,301	6
Other receivables		7,365	—	6,008	—
Inventories	4,5,9	206,581	12	193,139	12
Prepayments		6,777	—	5,843	—
Other current assets		43	—	43	—
Total current assets		1,720,045	97	1,587,772	96
NONCURRENT ASSETS					
Property, plant and equipment	4,10	8,029	1	7,598	1
Right-of-use assets	4,11	30,891	2	49,531	3
Intangible assets	4,12	2,791	—	3,226	—
Deferred incomes tax assets	4,21	5,877	—	6,221	—
Prepayments for equipment		833	—	9	—
Refundable deposits		6,136	—	6,099	—
Total noncurrent assets		54,557	3	72,684	4
TOTAL		\$ 1,774,602	100	\$ 1,660,456	100

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

PLANET TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	NOTES	December 31,2021		December 31,2020	
		Amount	%	Amount	%
CURRENT LIABILITIES					
Contract liabilities-current	17	\$ 33,899	2	\$ 21,984	1
Notes payable	13	60,330	3	45,888	3
Accounts payable	13	91,079	5	79,565	5
Other payables	14	67,554	4	57,540	4
Current tax liabilities	4	78,123	5	64,297	4
Lease liabilities-current	4,11	18,256	1	18,584	1
Other current liabilities		1,573	—	1,363	—
Total current liabilities		350,814	20	289,221	18
NONCURRENT LIABILITIES					
Deferred income tax liabilities	4,21	64	—	37	—
Lease liabilities-noncurrent	4,11	12,717	1	30,973	2
Net defined benefit liabilities	4,15	5,943	—	6,335	—
Total noncurrent liabilities		18,724	1	37,345	2
Total liabilities		369,538	21	326,566	20
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT					
Capital stock	16	625,010	35	625,010	38
Ordinary share		625,010	35	625,010	38
Capital surplus	16	11,202	1	11,202	1
Retained earnings	16	768,852	43	697,678	41
Legal reserve		402,332	23	375,325	22
Unappropriated earnings		366,520	20	322,353	19
Total equity attributable to shareholders of the parent		1,405,064	79	1,333,890	80
Total equity		1,405,064	79	1,333,890	80
TOTAL		\$ 1,774,602	100	\$ 1,660,456	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 YEARS ENDED DECEMBER 31, 2021 AND 2020

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

Items	NOTES	2021		2020	
		Amount	%	Amount	%
OPERATING REVENUES	4,17	\$ 1,427,097	100	\$ 1,227,105	100
OPERATING COSTS	9	(857,807)	(60)	(733,628)	(60)
GROSS PROFIT		569,290	40	493,477	40
OPERATING EXPENSES					
Selling and marketing expenses		(64,901)	(4)	(63,278)	(5)
General and administrative expenses		(41,951)	(3)	(37,027)	(3)
Research and development expenses		(79,629)	(6)	(71,093)	(6)
Total operating expenses		(186,481)	(13)	(171,398)	(14)
INCOME FROM OPERATIONS		382,809	27	322,079	26
NON-OPERATING INCOME AND EXPENSES					
Interest income	18	5,405	—	5,710	1
Other income	19	8,180	1	6,980	1
Other gains and losses	20	(3,101)	—	(5,878)	(1)
Finance costs		(645)	—	(554)	—
Total non-operating income and expenses		9,839	1	6,258	1
INCOME BEFORE INCOME TAX		392,648	28	328,337	27
INCOME TAX EXPENSE	4,21	(71,498)	(5)	(58,018)	(5)
NET INCOME		321,150	23	270,319	22
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit obligation	15	35	—	(311)	—
Income tax benefit related to items that will not be reclassified subsequently to profit or loss	21	(7)	—	62	—
Other comprehensive loss, net of income tax		28	—	(249)	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		\$ 321,178	23	\$ 270,070	22
NET INCOME ATTRIBUTABLE TO :					
Shareholders of the parent		\$ 321,150	23	\$ 270,319	22
Non-controlling interests		—	—	—	—
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO :					
Shareholders of the parent		\$ 321,178	23	\$ 270,070	22
Non-controlling interests		—	—	—	—
EARNING PER SHARE(NT\$)					
Basic earnings per share	22	\$ 5.14		\$ 4.33	
Diluted earnings per share	22	\$ 5.10		\$ 4.30	

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 YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan Dollars)

DESCRIPTION	Equity attributable to shareholders of the parent					Non-controlling interests	Total equity
	Capital Stock	Capital surplus	Retained earnings		Subtotal		
			Legal reserve	Unappropriated earnings			
BALANCE, JANUARY 1, 2020	\$ 625,010	\$ 11,202	\$ 344,061	\$ 364,801	\$ 1,345,074	\$ —	\$ 1,345,074
Appropriations of prior year's earnings							
Legal reserve	—	—	31,264	(31,264)	—	—	—
Cash dividends	—	—	—	(281,254)	(281,254)	—	(281,254)
Net income in 2020	—	—	—	270,319	270,319	—	270,319
Other comprehensive income in 2020, net of income tax	—	—	—	(249)	(249)	—	(249)
Total comprehensive income in 2020	—	—	—	270,070	270,070	—	270,070
BALANCE, JANUARY 1, 2021	625,010	11,202	375,325	322,353	1,333,890	—	1,333,890
Appropriations of prior year's earnings							
Legal reserve	—	—	27,007	(27,007)	—	—	—
Cash dividends	—	—	—	(250,004)	(250,004)	—	(250,004)
Net income in 2021	—	—	—	321,150	321,150	—	321,150
Other comprehensive income in 2021, net of income tax	—	—	—	28	28	—	28
Total comprehensive income in 2021	—	—	—	321,178	321,178	—	321,178
BALANCE, DECEMBER 31, 2021	\$ 625,010	\$ 11,202	\$ 402,332	\$ 366,520	\$ 1,405,064	\$ —	\$ 1,405,064

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

PLANET TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED ON DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan Dollars)

Items	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 392,648	\$ 328,337
Adjustments for:		
Income and expense (loss) items		
Depreciation expense	23,201	23,061
Amortization expense	1,636	1,167
Net gain on financial assets at fair value through profit or loss	(18)	(40)
Interest income	(5,405)	(5,710)
Interest expense	645	554
Gain on disposal of property, plant and equipment	(388)	(230)
Changes in operating assets and liabilities		
Notes receivable	46	(46)
Accounts receivable	(16,135)	(10,808)
Other receivables	(1,333)	842
Inventories	(13,442)	32,529
Prepayments	(934)	494
Other current assets	—	(3)
Contract liabilities	11,915	293
Notes payable	14,442	(13,012)
Accounts payable	11,514	(8,720)
Other payables	9,842	(1,933)
Other current liabilities	210	121
Net defined benefit liabilities	(357)	(333)
Cash generated from operations	428,087	346,563
Interest paid	(645)	(554)
Income taxes paid	(57,308)	(31,432)
Net cash generated by operating activities	370,134	314,577
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(4,873)	(4,573)
Payments of Intangible Assets	(1,201)	(2,015)
Proceeds from disposal of property, plant and equipment	441	300
Decrease (Increase) in prepayments for equipment	(824)	1,274
Decrease (Increase) in Refundable Deposits	(37)	—
Interest received	5,381	5,823
Net cash generated by (used in) investing activities	(1,113)	809
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividends	(250,004)	(281,254)
Repayment of the principal portion of lease liabilities	(18,584)	(18,677)
Net cash used in financing activities	(268,588)	(299,931)
NET INCREASE IN CASH AND CASH EQUIVALENTS	100,433	15,455
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	1,281,652	1,266,197
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	\$ 1,382,085	\$ 1,281,652

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

PLANET TECHNOLOGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Amounts in thousands of New Taiwan dollars, unless otherwise stated)

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 and 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 issue on February 24 , 2022.

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”)

Initial application of the amendments to the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, there is no significant impact on the group’s financial status and operating results.

(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 2022 are as follow:

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Annual Improvements to IFRS Standards 2018–2020	January 1, 2022 (Note 1)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 2)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 3)
Amendments to IAS 37 “Onerous Contracts–Cost of Fulfilling a Contract”	January 1, 2022 (Note 4)

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

Note 2 : The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2022.

Note 3 : The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4 : The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

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

(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 (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined 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 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 2)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 3)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 4)

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

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

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

Note 4 : Except that deferred taxes will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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 group consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed by the FSC with the effective dates (collectively, “IFRSs”).

(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 for the consolidated financial statements

The consolidated financial statements incorporated the financial statements of Planet Technology Co.,Ltd. and its controlled entities (the subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

All intra-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	
	December 31,2021	December 31,2020
PLANET INTERNATIONAL INC.	100%	100%

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

C. Subsidiaries excluded from consolidated financial statement: None.

(4) Classification of Current and Noncurrent Assets and Liabilities

Current assets include:

A. Assets held primarily for the purpose of trading.

B. Assets expected to be realized within twelve months after the reporting period.

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

Current liabilities include:

- A. Liabilities held primarily for the purpose of trading.
- B. Liabilities due to be settled within twelve months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue.
- C. The Group does not have an unconditional right to defer liabilities for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

(5) Foreign Currencies

The individual financial statements of each individual consolidated entity were expressed in the currency, which reflected its primary economic environment (functional currency). In the preparation of the consolidated financial statements, the operating results and financial positions of each consolidated entity are converted into the New Taiwan Dollar (the functional currency of the Company and the currency in which the consolidated statements are expressed).

In preparing the financial statements of each individual consolidated entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the date. Such exchange differences are recognized in profit or loss in the year in which they arise. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

(6) Cash equivalents

Cash equivalents, for the purpose of meeting short-term cash commitments, consist of highly liquid time deposits with original maturities of one year or less and investments with three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(7) Financial Instruments

Financial assets and liabilities shall be recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are recognized initially at fair value plus or minus, in the case of financial assets and financial liabilities not at fair value through profit or loss, directly attributable transaction costs. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

(8) Financial Assets

All regular way purchases or sales of financial assets are recognized and derecognized on a settlement date basis. Regular way purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

A. Measurement category

Financial assets are classified into the following categories: financial assets at fair value through profit or loss ("FVTPL") and financial assets at amortized cost.

(A) Financial assets at FVTPL

Financial assets at FVTPL includes the financial assets mandatorily classified as at FVTPL. Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 25.

(B) Financial assets at amortized cost

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

- a. The financial asset is held within a business model whose objective is collecting contractual cash flows
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost (including cash and cash equivalents, notes and accounts receivable, bond investment without active market and refundable deposits), are measured at amortized cost, which equals gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

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

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

B. Impairment of financial assets

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

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

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

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

C. Derecognition of financial assets

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

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

(9) Financial Liabilities

A. Financial liabilities

Financial liabilities other than those held for trading purposes and designated as at FVTPL are subsequently measured at amortized cost at the end of each reporting period. Financial liabilities measured at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. Related net profits or net losses are listed in “other profits and losses” of the consolidated statement of comprehensive income.

B. Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized (including any non-cash assets transferred or liabilities assumed) in profit or loss.

C. Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and reported in the net amount in the consolidated balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(10) Inventories

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

(11) Property, Plant, and Equipment

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

Depreciation on property, plant and equipment is recognized using the straight-line method. Each significant item is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

The estimated useful lives of the assets are as follows:

machinery and equipment: 5 year; transportation equipment: 5 years; furniture and fixtures: 5 years; other facilities : 2 to 5 years.

(12) Intangible Assets

A Intangible assets are mainly the Group's patented expertise and are amortized on a straight-line basis over the legal period of 10 to 20 years.

B. Computer software is stated initially at cost and amortized on a straight-line basis over its estimated useful life of 3 years.

C. After that the subsequent book value is measured by cost less accumulated amortization and accumulated impairment losses. The estimated useful lives and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

(13) Impairment of Non-financial Assets (Impairment of Tangible and Intangible Assets)

At each balance sheet date, the Group review the carrying amounts of their tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimate the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

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

(14) Revenue recognition

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

When applying IFRS 15, the Group shall recognize revenue by applying the following steps:

- A. Identify the contract with the customer.
- B. Identify the performance obligations in the contract.
- C. Determine the transaction price.
- D. Allocate the transaction price to the performance obligations in the contract.
- E. Recognize revenue when the entity satisfies its performance obligation.

Revenue from the sale of goods

The revenue from the sale of goods comes from the sale of communication equipment products. The Group recognizes the revenue when the products are delivered to the customers' specified locations or are shipped, besides, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for resale, and bears the obsolescence risk of the goods.

(15) Leasing

The Group as lessee

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

Right-of-use assets are initially measured at cost. The cost of right-of-use assets comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Subsequent measurement is calculated as cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented separately in the consolidated only balance sheets.

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payment, in-substance fixed payment, variable lease payments which depend on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, payments for the purchase or termination options that are reasonably certain to be exercised and less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in future lease payments resulting from a change in expected paid amount under the residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in an index or a rate used to those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. If the carrying amount has been reduced to zero, the remaining amount will recognize in profit and loss. Lease liabilities are presented separately in the consolidated balance sheets.

(16) Employee Benefits

A. Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for service rendered by employees.

B. Retirement benefits

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

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

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

(17) Taxation

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

A. Current tax

The current tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the parent company only statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

Income tax on unappropriated earnings is expensed in the year the shareholders approved the appropriation of earnings which is the year subsequent to the year the earnings are generated.

B. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax assets and liabilities may be offset against each other if the following criteria are met:

- (A) The entity has the legal right to settle tax assets and liabilities on a net basis; and
- (B) the taxing of deferred tax assets and liabilities levied by the same taxing authority; or levied by different taxing authorities, but where each such authority intends to settle tax assets and liabilities (where such amounts are significant) on a net basis every year of the period of expected asset realization or debt liquidation, or where the timing of asset realization and debt liquidation is matched.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered. The deferred tax assets which originally not recognized is also reviewed at the end of each reporting period and recognized to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

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

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the Group is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Group has considered the economic implications of COVID-19 on critical accounting estimates. Management will review continually the estimates and underlying assumptions. Revisions to accounting estimates are recognized in current the period if the revisions affect only that period. If the revisions affect both current and future periods, then revisions are recongized in two periods.

The following are the critical judgments, apart from those involving estimations, that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

(1) Estimated impairment of financial assets

The provision for impairment of accounts receivable is based on assumptions about the risk of default and expected loss rates. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Please refer to Note 8 for the details of the key assumptions and inputs used. Where the actual future cash flows are less than expected, a material impairment loss may arise.

(2) Valuation of Inventory

Inventories are stated at the lower of cost or net realizable value, and the Group use judgment and estimate to determine the net realizable value of inventory at the end of each reporting period.

Due to the rapid industrial changes, the Group estimates the net realizable value of inventory for obsolescence and unmarketable items at the end of reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions of future demand within a specific time horizon.

The book value of the Group's inventory is detailed in Note 9.

6. CASH AND CASH EQUIVALENTS

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash on hand	\$ 192	\$ 198
Cash in banks	1,381,893	1,281,454
Total	<u>\$ 1,382,085</u>	<u>\$ 1,281,652</u>

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Financial assets mandatorily measured at fair value		
Non-derivative financial assets-Funds	<u>\$ 10,758</u>	<u>\$ 10,740</u>

8. NOTES AND ACCOUNTS RECEIVABLE- NET

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Notes receivable	<u>\$ —</u>	<u>\$ 46</u>
Accounts receivable	\$ 106,532	\$ 90,397
Loss allowance	(96)	(96)
Net	<u>\$ 106,436</u>	<u>\$ 90,301</u>

(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 applies 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

	December 31, 2021	December 31, 2020
Neither past due nor impaired	\$ 106,436	\$ 90,291
Past due but not impaired		
Less than 30 days	—	56
31 to 180 days	—	—
over 181 days	—	—
Subtotal	—	56
Total	\$ 106,436	\$ 90,347

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

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ 96	\$ 96
Provision	—	—
Amount written off	—	—
Balance at December 31	\$ 96	\$ 96

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

	December 31, 2021	December 31, 2020
Raw materials	\$ 63,858	\$ 38,119
Work in process	47,044	48,711
Finished goods	95,679	106,309
Total	\$ 206,581	\$ 193,139

(1) The allowance for inventory devaluation (including idle products) was \$3,679 thousand as of December 31, 2021 and 2020.

(2) The cost of inventories recognized as cost of sales for the years ended December 31, 2021 and 2020 were as follows:

	For the Year Ended December 31	
	2021	2020
The cost of goods sold	\$ 857,841	\$ 733,674
Gain on physical inventory	(34)	(46)
Total	\$ 857,807	\$ 733,628

10. PROPERTY, PLANT AND EQUIPMENT

	For the Year Ended December 31, 2021			
Item	Balance, Beginning of year	Additions	Disposals	Balance, End of year
<u>Cost</u>				
Machinery and equipment	\$ 18,460	\$ 773	\$ (15)	\$ 19,218
Furniture and fixtures	5,176	719	(43)	5,852
Other facilities	11,878	3,553	(593)	14,838
Subtotal	35,514	5,045	(651)	39,908
<u>Accumulated depreciation and impairment</u>				
Machinery and equipment	15,317	1,319	(15)	16,621
Furniture and fixtures	3,496	709	(38)	4,167
Other facilities	9,103	2,533	(545)	11,091
Subtotal	27,916	\$ 4,561	\$ (598)	31,879
Net	\$ 7,598			\$ 8,029

For the Year Ended December 31, 2020				
Item	Balance, Beginning of year	Additions	Disposals	Balance, End of year
<u>Cost</u>				
Machinery and equipment	\$ 17,680	\$ 785	\$ (5)	\$ 18,460
Furniture and fixtures	4,640	541	(5)	5,176
Other facilities	9,329	3,216	(667)	11,878
Subtotal	31,649	4,542	(677)	35,514
<u>Accumulated depreciation and impairment</u>				
Machinery and equipment	13,890	1,432	(5)	15,317
Furniture and fixtures	2,755	746	(5)	3,496
Other facilities	7,442	2,258	(597)	9,103
Subtotal	24,087	\$ 4,436	\$ (607)	27,916
Net	\$ 7,562			\$ 7,598

11. Lease Agreement

(1) Right-of-use assets

For the Year Ended December 31, 2021				
Item	Balance, Beginning of year	Additions	Disposals	Balance, End of year
<u>Cost</u>				
Buildings	\$ 67,786	\$ —	\$ —	\$ 67,786
Transportation equipment	4,443	—	—	4,443
Subtotal	72,229	—	—	72,229
<u>Accumulated depreciation and impairment</u>				
Buildings	20,600	17,159	—	37,759
Transportation equipment	2,098	1,481	—	3,579
Subtotal	22,698	\$ 18,640	\$ —	41,338
Net	\$ 49,531			\$ 30,891

For the Year Ended December 31, 2020				
Item	Balance, Beginning of year	Additions	Disposals	Balance, End of year
<u>Cost</u>				
Buildings	\$ 68,095	\$ 35,167	\$ (35,476)	\$ 67,786
Transportation equipment	4,443	—	—	4,443
Subtotal	72,538	35,167	(35,476)	72,229
<u>Accumulated depreciation and impairment</u>				
Buildings	38,932	17,144	(35,476)	20,600
Transportation equipment	617	1,481	—	2,098
Subtotal	39,549	\$ 18,625	\$ (35,476)	22,698
Net	\$ 32,989			\$ 49,531

(2) Lease liabilities

	December 31, 2021	December 31, 2020
Current	\$ 18,256	\$ 18,584
Non-current	\$ 12,717	\$ 30,973

Discount rate for lease liabilities was 1.6%~1.7%.

(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 2017 to 2023 and from 2019 to 2022. 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 Year Ended December 31, 2021	For the Year Ended December 31, 2020
Expenses relating to short-term leases	\$ 8	\$ 9
Expenses relating to low-value asset leases	\$ 114	\$ 144
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ —	\$ —
Total cash outflow for leases	\$ (18,706)	\$ (18,830)

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 December 31, 2021 and 2020 are \$231 thousand and \$346 thousand, respectively.

12. INTANGIBLE ASSETS

For the Year Ended December 31, 2021

Item	Balance, Beginning of year	Additions	Disposals	Balance, End of year
<u>Cost</u>				
Trademarks	\$ 80	\$ 235	\$ —	\$ 315
Patents	1,231	352	—	1,583
Computer software	10,978	614	(33)	11,559
Subtotal	12,289	1,201	(33)	13,457
<u>Accumulated amortization and impairment</u>				
Trademarks	6	18	—	24
Patents	491	179	—	670
Computer software	8,566	1,439	(33)	9,972
Subtotal	9,063	\$ 1,636	\$ (33)	10,666
Net	\$ 3,226			\$ 2,791

For the Year Ended December 31, 2020

Item	Balance, Beginning of year	Additions	Disposals	Balance, End of year
<u>Cost</u>				
Trademarks	\$ 7	\$ 73	\$ —	\$ 80
Patents	1,107	124	—	1,231
Computer software	9,220	1,818	(60)	10,978
Subtotal	10,334	2,015	(60)	12,289
<u>Accumulated amortization and impairment</u>				
Trademarks	—	6	—	6
Patents	343	148	—	491
Computer software	7,613	1,013	(60)	8,566
Subtotal	7,956	\$ 1,167	\$ (60)	9,063
Net	\$ 2,378			\$ 3,226

13. NOTES PAYABLE AND ACCOUNTS PAYABLE

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Notes payable	\$ 60,330	\$ 45,888
Accounts payable	91,079	79,565
Total	<u>\$ 151,409</u>	<u>\$ 125,453</u>
Current	<u>\$ 151,409</u>	<u>\$ 125,453</u>

(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 25.

14. OTHER PAYABLES

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Salary and wages payable	\$ 18,148	\$ 15,174
Employee Bonus payable	25,469	21,298
Directors' remuneration payable	6,367	5,324
Advertising payable	3,937	3,081
Export fee payable	3,941	3,658
Other accrued expenses	6,087	5,880
Payable for annual leave	3,605	3,125
Total	<u>\$ 67,554</u>	<u>\$ 57,540</u>
Current	<u>\$ 67,554</u>	<u>\$ 57,540</u>

15. RETIRED BENEFIT PLANS

(A) 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 NT\$5,235 thousand and NT\$5,016 thousand in the consolidated statements of comprehensive income for the years ended December 31, 2021 and 2020, respectively.

(B) Defined benefit plans

(a) The Company have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 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. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contribution for the deficit by next March. The Funds are operated and managed by the government's designated authorities; as such, the Company does not have any right to intervene in the investments of the Funds.

(b) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Present value of defined benefit obligations	\$ 18,343	\$ 18,354
Fair value of plan assets	(12,400)	(12,019)
Net defined benefit liability	<u>\$ 5,943</u>	<u>\$ 6,335</u>

a. 2021

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liabilities
Balance at January 1	\$ 18,354	\$ (12,019)	\$ 6,335
Current service cost	—	—	—
Net interest expense(income)	55	(36)	19
Recognized in profit or loss	55	(36)	19
Remeasurement			
Experience adjustments	753	—	753
Changes in demographic assumptions	42	—	42
Changes in financial assumptions	(654)	—	(654)
Return on plan assets	—	(176)	(176)
Recognized in other comprehensive loss (income)	141	(176)	(35)
Contributions from the employer	—	(376)	(376)
Paid pension	(207)	207	—
Balance at December 31	\$ 18,343	\$ (12,400)	\$ 5,943

The Company's planned asset type is bank deposits.

b. 2020

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liabilities
Balance at January 1	\$ 17,553	\$ (11,196)	\$ 6,357
Current service cost	—	—	—
Net interest expense(income)	121	(78)	43
Recognized in profit or loss	121	(78)	43
Remeasurement			
Experience adjustments	(12)	—	(12)
Changes in demographic assumptions	—	—	—
Changes in financial assumptions	692	—	692
Return on plan assets	—	(369)	(369)
Recognized in other comprehensive loss (income)	680	(369)	311
Contributions from the employer	—	(376)	(376)
Paid pension	—	—	—
Balance at December 31	\$ 18,354	\$ (12,019)	\$ 6,335

The Company's planned asset type is bank deposits.

The pension costs of the aforementioned defined benefit plans were recognized in profit or loss by the follows categories:

	For the Year Ended December 31	
	2021	2020
Operating costs	\$ 3	\$ 8
Selling and marketing expenses	5	11
General and administrative expenses	3	6
Research and development expenses	8	18
Total	<u>\$ 19</u>	<u>\$ 43</u>

(C) Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

- (a) Investment risk: The pension funds are invested in equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the government's designated authorities or under the mandated management. However, under the Labor Standards Law, the rate of return on assets shall not be less than the average interest rate on a two-year time deposit published by the local banks and the government is responsible for any shortfall in the event that the rate of return is less than the required rate of return.
- (b) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the debt investments of the plan assets.
- (c) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

(D) The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The principal assumptions of the actuarial valuation were as follows:

	For the Year Ended December 31	
	2021	2020
Discount rate	0.7%	0.30%
Expected rate of salary increase	3.00%	3.00%

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	For the Year Ended December 31	
	2021	2020
Discount rate		
0.25% increase	\$ (395)	\$ (437)
0.25% decrease	409	454
Expected rate of salary increase		
0.25% increase	399	441
0.25% decrease	(387)	(427)

The sensitivity analysis above was arrived at based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity which may not be representative of the actual change in the defined benefit obligation and the method of calculating net pension liability in the balance sheet are the same.

(E) Expected contributions to the defined benefit pension plans of the Company within one year from December 31, 2022 are NT\$359 thousand.

(F) As of December 31, 2021, the weighted average duration of that retirement plan is 8 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$ 652
2 to 5 years	6,377
Over 6 years	12,487
	<u>\$ 19,516</u>

16. EQUITY

(1) Capital stock

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Shares authorized	\$ 1,000,000	\$ 1,000,000
Shares issued	\$ 625,010	\$ 625,010

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

(2) Capital surplus

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Additional paid-in	\$ 11,022	\$ 11,022
Other	180	180
Total	\$ 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 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 Company's 2021 surplus distribution proposal has not been approved by the board of directors as of the date of issuance of the financial statements.

(F) The Company's earnings allocation for the previous year of 2020 and 2019, were approved in the regular meeting of shareholders on August 5, 2021 and June 10, 2020. The actual allocation of remuneration to director auditors is the same as the proposed allocation passed by the board of directors. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends per Share(NT\$)	
	2020	2019	2020	2019
Legal reserve	\$ 27,007	\$ 31,264		
Cash dividends	250,004	281,254	4	4.5
Total	<u>\$ 277,011</u>	<u>\$ 312,518</u>		

17. OPERATING REVENUES

	For the Year Ended December 31	
	2021	2020
Net revenue from sale of goods	<u>\$ 1,427,097</u>	<u>\$ 1,227,105</u>

(1) Breakdown of revenue from contracts with customers

	For the Year Ended December 31	
	2021	2020
Europe	\$ 647,410	\$ 551,663
America	351,463	287,727
Asia	256,818	234,491
Others	171,406	153,224
Total	<u>\$ 1,427,097</u>	<u>\$ 1,227,105</u>

(2) Contract liabilities

	For the Year Ended December 31	
	2021	2020
Contract liabilities-current	<u>\$ 33,899</u>	<u>\$ 21,984</u>

For the year ended December 31, 2021 and 2020, the Company recognized NT\$14,121 thousand and NT\$13,586 thousand in revenue from the beginning balance of contract liability, respectively.

18. INTEREST INCOME

	For the Year Ended December 31	
	2021	2020
Interest income from bank deposits	\$ 5,405	\$ 5,710

19. OTHER INCOME

	For the Year Ended December 31	
	2021	2020
Rent income	\$ 86	\$ 86
Other gains	8,094	6,894
Total	\$ 8,180	\$ 6,980

20. OTHER GAINS AND LOSSES

	For the Year Ended December 31	
	2021	2020
Gains on disposal of property, plant and equipment	\$ 388	\$ 230
Foreign exchange gains (losses)	(3,507)	(6,148)
Gains on financial assets at fair value through profit or losses	18	40
Total	\$ (3,101)	\$ (5,878)

21. INCOME TAX

(1) Income tax recognized in profit or loss

(A) A reconciliation of income before income tax and income tax expense recognized in profit or loss was as follows:

	For the Year Ended December 31	
	2021	2020
Tax calculated based on profit before tax and statutory tax rate	\$ 78,529	\$ 65,667
Effect from items disallowed by tax regulation	189	27
Change in deferred income tax	—	—
Effect from investment tax credits	(4,744)	(4,244)
Tax on undistributed earnings	—	6
Tax expenses	\$ 73,974	\$ 61,456

(B) Income tax expense consisted of the following:

	For the Year Ended December 31	
	2021	2020
Tax expenses	\$ 73,974	\$ 61,456
Net change in deferred income tax	364	(67)
Adjustments for prior year's income tax	(2,840)	(3,371)
Income tax expense recognized in profit or loss	\$ 71,498	\$ 58,018

(2) Income tax expense (benefit) recognized in other comprehensive income

Deferred tax

	For the Year Ended December 31	
	2021	2020
Remeasurements of defined benefit obligations	\$ (7)	\$ 62

(3) Deferred tax

(A) The analysis of deferred income tax in the consolidated balance sheets was as follows:

	December 31, 2021	December 31, 2020
Deferred tax assets		
Defined benefit liabilities	\$ 1,181	\$ 1,792
Advertisement expense	788	617
Unrealized investment loss	2,265	2,265
Unrealized impairment loss	186	186
Inventory valuation losses	736	736
Unrealized employee vacation payable	721	625
Total	\$ 5,877	\$ 6,221
Deferred tax liabilities		
Unrealized exchange gain	\$ 64	\$ 37

For the Year Ended December 31, 2021					
	Balance, Beginning of year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Effect of exchange rate changes	Balance, End of year
Deferred tax assets					
Defined benefit liabilities	\$ 1,792	\$ (604)	\$ (7)	\$ —	\$ 1,181
Advertisement expense	617	171	—	—	788
Unrealized investment loss	2,265	—	—	—	2,265
Unrealized impairment loss	186	—	—	—	186
Inventory valuation losses	736	—	—	—	736
Unrealized employee vacation payable	625	96	—	—	721
Total	<u>\$ 6,221</u>	<u>\$ (337)</u>	<u>\$ (7)</u>	<u>\$ —</u>	<u>\$ 5,877</u>
Deferred tax liabilities					
Unrealized exchange gain	\$ (37)	\$ (27)	\$ —	\$ —	\$ (64)

For the Year Ended December 31, 2020					
	Balance, Beginning of year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Effect of exchange rate changes	Balance, End of year
Deferred tax assets					
Defined benefit liabilities	\$ 1,730	\$ —	\$ 62	\$ —	\$ 1,792
Advertisement expense	625	(8)	—	—	617
Unrealized investment loss	2,265	—	—	—	2,265
Unrealized impairment loss	186	—	—	—	186
Inventory valuation losses	736	—	—	—	736
Unrealized employee vacation payable	625	—	—	—	625
Total	<u>\$ 6,167</u>	<u>\$ (8)</u>	<u>\$ 62</u>	<u>\$ —</u>	<u>\$ 6,221</u>
Deferred tax liabilities					
Unrealized exchange gain	\$ (113)	\$ 76	\$ —	\$ —	\$ (37)

(B) Items for which no deferred tax assets have been recognized: None.

(4) Unappropriated retained earnings:

	December 31, 2021	December 31, 2020
1998 to 2009	\$ 32,002	\$ 32,002
after 2010	334,518	290,351
Total	<u>\$ 366,520</u>	<u>\$ 322,353</u>

(5) Income tax assessments

The Company's income tax returns through 2019 have been assessed by the tax authorities.

22. EARNINGS PER SHARE

	For the Year Ended December 31	
	2021	2020
Basic EPS(NT\$)	\$ 5.14	\$ 4.33
Diluted EPS(NT\$)	\$ 5.10	\$ 4.30

EPS is computed as follows:

(1) Basic earnings per share

	For the Year Ended December 31	
	2021	2020
Profit attributable to ordinary shareholders of the parent (in thousand)	\$ 321,150	\$ 270,319
Weighted average number of ordinary shares outstanding (in thousand shares)	62,501	62,501
Basic EPS(NT\$)	\$ 5.14	\$ 4.33

(2) Diluted earnings per share

	For the Year Ended December 31	
	2021	2020
Profit attributable to ordinary shareholders of the parent (in thousand)	\$ 321,150	\$ 270,319
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)	437	416
Weighted average number of dilutive ordinary shares outstanding (in thousand shares)	62,938	62,917
Diluted EPS(NT\$)	\$ 5.10	\$ 4.30

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.

23. ADDITIONAL INFORMATION OF EXPENSES BY NATURE

The followings were the summary statement of employee benefits, depreciation and amortization expenses by function for the years ended December 31, 2021 and 2020:

	For the Year Ended December 31, 2021			For the Year Ended December 31, 2020		
	Classified as operating cost	Classified as operating expenses	Total	Classified as operating cost	Classified as operating expenses	Total
Employee benefits	\$ 27,668	\$ 127,024	\$ 154,692	\$ 25,716	\$ 114,924	\$ 140,640
Payroll expense	23,148	110,332	133,480	21,505	99,167	120,672
Insurance expense	2,296	8,700	10,996	2,083	7,974	10,057
Pension	1,057	4,197	5,254	1,002	4,057	5,059
Others	1,167	3,795	4,962	1,126	3,726	4,852
Depreciation	5,031	18,170	23,201	5,002	18,059	23,061
Amortization	—	1,636	1,636	-	1,167	1,167

(1) As of December 31, 2021 and 2020, the Group had 155 and 153 employees, respectively, including 4 non-employee directors for both years.

(2) 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, directors and supervisors of each period. 6% is applied to employees' compensation, and 1.5% is applied to director's and supervisor's remuneration that were expensed under operating costs or operating expenses during 2021 and 2020.

The estimated amounts are as follows:

	For the Year Ended December 31	
	2021	2020
Employees' compensation	\$ 25,469	\$ 21,298
Remuneration to directors	6,367	5,324

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 2020 and 2019 employee's compensation and director's and supervisor's remuneration were respectively resolved in the board meeting on March 11, 2021 and March 9, 2020 as follows:

	For the Year Ended December 31	
	2020	2019
Employees' compensation	\$ 21,298	\$ 24,735
Remuneration to directors	5,324	6,184

There is no difference between the 2020 and 2019 employee's compensation and director's and supervisor's remuneration and the Company's 2020 and 2019 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.

24. 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.

25. FINANCIAL INSTRUMENTS

(1) Categories of financial instruments

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	\$ 10,758	\$ 10,740
Amortized cost		
Cash and cash equivalents	1,382,085	1,281,652
Notes and accounts receivable	106,436	90,347
Other receivables	7,365	6,008
Refundable deposits	6,136	6,099
Total	<u>\$ 1,512,780</u>	<u>\$ 1,394,846</u>
<u>Financial liabilities</u>		
Amortized cost		
Notes and accounts payable	\$ 151,409	\$ 125,453
Other payables	67,554	57,540
Lease liabilities	30,973	49,557
Total	<u>\$ 249,936</u>	<u>\$ 232,550</u>

(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:

	December 31,2021			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Funds	\$ 10,758	\$ —	\$ —	\$ 10,758
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	\$ —	\$ —	\$ —	\$ —
	December 31,2020			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Funds	\$ 10,740	\$ —	\$ —	\$ 10,740
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	\$ —	\$ —	\$ —	\$ —

For the years ended December 31, 2021 and 2020, there was no transfer between Level 1 and Level 2.

There were no purchases and disposals for assets on Level 3 for the years ended December 31, 2021 and 2020, respectively.

(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 related to overall financial risk management and accrual basis.

(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:

	December 31, 2021			
	Foreign currencies	Exchange Rate	Book Value (NTD)	Sensitivity analysis (Variance 1%) Effect on profit or loss
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 4,577	27.68	\$ 126,875	\$ 1,269
EUR	185	31.32	5,802	58
<u>Non-monetary items</u>				
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	2,006	27.68	55,798	558
<u>Non-monetary items</u>				

	December 31, 2020			
	Foreign currencies	Exchange Rate	Book Value (NTD)	Sensitivity analysis (Variance 1%) Effect on profit or loss
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 3,854	28.48	\$ 109,840	\$ 1,098
EUR	178	35.02	6,243	62
<u>Non-monetary items</u>				
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	1,717	28.48	48,600	486
<u>Non-monetary items</u>				

(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 years ended December 31, 2021 and 2020 would increase or decrease NT\$3,385 thousand and NT\$3,142 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 investment at the end of the reporting period for the years ended December 31, 2021 and 2020, the income would have increased or decreased by NT\$538 thousand and NT\$537 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 its 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 December 31, 2021 and 2020, the Group's top ten customers accounted for 51.11% and 62.30% 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.

	December 31, 2021				
	Less Than 1 year	2-3 year	4-5 year	Over 5 year	Total
<u>Non-derivative financial liabilities</u>					
Notes and accounts payable	\$ 151,403	\$ 6	\$ —	\$ —	\$ 151,409
Other payable	67,554	—	—	—	67,554
Lease liabilities	18,597	12,784	—	—	31,381
Subtotal	237,554	12,790	—	—	250,344
<u>Derivative financial liabilities</u>					
Total	\$ 237,554	\$ 12,790	\$ —	\$ —	\$ 250,344

	December 31, 2020				
	Less Than 1 year	2-3 year	4-5 year	Over 5 year	Total
<u>Non-derivative financial liabilities</u>					
Notes and accounts payable	\$ 125,453	\$ —	\$ —	\$ —	\$ 125,453
Other payable	57,540	—	—	—	57,540
Lease liabilities	19,230	31,381	—	—	50,611
Subtotal	202,223	31,381	—	—	233,604
<u>Derivative financial liabilities</u>					
Total	\$ 202,223	\$ 31,381	\$ —	\$ —	\$ 233,604

26. 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 Year Ended December 31	
	2021	2020
Short-term benefits	\$ 12,877	\$ 11,677
Post-employment benefits	112	116
Total	\$ 12,989	\$ 11,793

(A) 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.

(B) The 2021 surplus distribution proposal of the Company has not been approved by the board of directors as of the date of issuance of the financial statements.

(C) For more detailed information, please refer to the contents of the annual report of the shareholders' meeting.

27. PLEDGED ASSETS: None.

28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED

COMMITMENTS: None.

29. SIGNIFICANT DISASTER LOSS: None.

30. SUBSEQUENT EVENTS: :None.

31. OTHER:

Non-cash transactions.

Investing activities with partial cash payments :

	For the Year Ended December 31	
	2021	2020
Purchase of property ,plant and equipment	\$ 5,045	\$ 4,542
Add : Beginning balance of payable for equipment	60	91
Less : Ending balance of payable for equipment	(232)	(60)
Cash paid during the period	\$ 4,873	\$ 4,573

32. 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 and Name	Relationship with the Company	Financial Statement Account	December 31, 2021				Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	
Planet Technology Corporation	Money market Fuh Hwa Money Fund fund	—	Financial assets at fair value through profit or loss-current	218,437.60	\$ 3,181	—	\$ 3,181	Notes
	" Yuanta Wan Tai Money Market Fund	—	"	210,029.60	3,209	—	3,209	"
	" Eastspring Investments Well Pool Money Market Fund	—	"	317,883.00	4,368	—	4,368	"
	Stock ESSENCE TECHNOLOGY SOLUTION INC.	—	Financial assets at fair value through profit or loss-non-current	42,000.00	—	1.56	—	

Notes : Above exclude subsidiaries.

TABLE 2

INFORMATION ON INVESTEEES

Amount in Thousands of New Taiwan Dollars, Unless Specified Otherwise

Investor company	Investee company	Location	Main Businesses and Products	Original Investment		Balance as of December 31, 2021			Net Income (Losses) of the Investee	Shares of Profits/Losses of Investee	Notes
				December 31, 2021	December 31, 2020	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%	\$ 2,928	\$ (117)	\$ (117)	Notes

Notes :

- 1.The investment income (loss) is recognized based on the investee's financial statements that were audited and attested by parent company's CPA for the year ended December 31, 2021.
- 2.Merged for reversal when preparing the consolidated report.

TABLE 3

Information of major shareholders

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

33. 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 Year Ended December 31, 2021		
	Single Operating Department	Adjustment and Elimination	Total
Net revenue from external customers	\$ 1,427,097	\$ —	\$ 1,427,097
Revenue from other departments within the company	—	—	—
Segment profit(Income before income tax)	392,648	—	392,648
Segment assets	1,774,602	—	1,774,602

Items	For the Year Ended December 31, 2020		
	Single Operating Department	Adjustment and Elimination	Total
Net revenue from external customers	\$ 1,227,105	\$ —	\$ 1,227,105
Revenue from other departments within the company	—	—	—
Segment profit(Income before income tax)	328,337	—	328,337
Segment assets	1,660,456	—	1,660,456

(2) Geographical information

The Group's revenue from operations from external customers by location of operations and information on its non-current assets by location of assets are shown below. The Group categorized the net revenue based on the country in which the customer is headquartered. Non-current assets include property, plant and equipment, right-of-use assets, intangible assets and other noncurrent assets. Excluding financial instruments and deferred tax assets.

	Net Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31, 2021	December 31, 2020
	2021	2020		
Europe	\$ 647,410	\$ 551,663	\$ —	\$ —
America	351,463	287,727	—	—
Asia	256,818	234,491	41,711	60,355
Others	171,406	153,224	—	—
Total	\$ 1,427,097	\$ 1,227,105	\$ 41,711	\$ 60,355

(3) Major Customers information

No single customer contributed 10% or more to the Group's revenue for both 2021 and 2020.



BAKER TILLY CLOCK & CO
正風聯合會計師事務所

10485台北市中山區南京東路二段111號14樓(頂樓)
14th FL., 111 Sec. 2, Nanking E. Rd. Taipei 10485, Taiwan
T: +886(2)2516-5255 | F: +886(2)2516-0312
www.bakertilly.tw

INDEPENDENT AUDITORS' REPORT

NO.10711100EA

To the Board of Directors of PLANET Technology Corporation

Opinion

We have audited the accompanying parent company only financial statements of Planet Technology Corporation (“the Company”), which comprise the parent company only balance sheets as of December 31, 2021 and 2020, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of the Company as of December 31, 2021 and 2020, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company’s parent company only financial statements are stated as follows:

Revenue recognition

Refer to Note 4(14) for accounting policies on recognition of operating revenue to the parent company only financial statements.

The sales revenue of the Company is mainly from exports, accounting for more than 96% of the total revenue. The Company recognizes performance obligations according to transaction conditions, and recognizes the sales revenue at the time the control of goods is transferred to the buyer. Therefore, the timing of revenue recognition has a significant impact on the financial statements, and the revenue is an important indicator reflecting the Company's operating conditions. As the recognition of export revenues involves contract review and complex operations, the certified public accountant considers that the cut-off time for the audit of export revenues of the Company is one of the most important items in this year's audit.

The certified public accountant's main responding procedures for the key audit matters above are as follows:

1. Confirm the appropriateness of the timing for revenue recognition and the integrity of relevant internal control of the Company by testing the control points of internal control for sales revenue.
2. Identify performance obligations according to customer contracts, and perform cut-off tests for sales revenue before and after the balance sheet date, including checking shipping documents and actual status of goods, checking the customs declaration system and confirming transaction conditions, so as to evaluate the correctness of revenue recognition timing.
3. In addition, carry out detailed tests and confirmation analysis procedures for the sales to key customers, in order to verify the recognition of revenue.

Valuation of Inventories

Refer to Note 4 (9) Inventory of the parent company only financial statements for details of accounting policy concerning inventory evaluation, Note 5 (2) of the parent company only financial statements for uncertainties in the inventory valuation, and Note 9 amount of allowance for inventory valuation loss to the parent company only financial statements.

Inventory is measured by the lower of cost and net realizable value. When the net realizable value of inventory is lower than the cost, it is necessary to list the inventory price decline and the sluggish loss of goods. As the evaluation involves the management's major judgment, and the book value of inventory is significant to the overall financial statement, the evaluation of net realizable value of inventory is a key audit item.

The rationality of the certified public accountant's verification of the net realizable value of inventory is as follows:

1. Understand and evaluate the effectiveness of the design and implementation of the internal control system for inventory, including the correctness of inventory age.
2. Evaluate the rationality of the inventory policy and check whether it has been implemented in accordance with the established accounting policies of the Company and whether it has been adopted consistently in the years before and after.
3. Review the inventory age report, analyze the changes of inventory age in each period, and verify the appropriateness of the Company's inventory age distinction and statistics.
4. Verify the rationality of the basic assumptions and data used in calculating the net realizable value.
5. Evaluate the rationality of outdated or damaged inventory items as identified by the management as well as the relevant supporting documents, and check them against the information obtained from inventory counts.
6. Assess the appropriateness of the management's disclosure of inventory measurement.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, (including members of the Audit Committee), are responsible for overseeing the Company's financial reporting process.



Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Baker Tilly Clock & Co

Yung-Chi Lai , CPA

Hsin-Liang Wu, CPA

February 24 , 2022

Notes to Readers

The accompanying parent company only financial statements are intended only to present the parent company only 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 audit (or review) such parent company only 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 parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail.

PLANET TECHNOLOGY CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan Dollars)

ASSETS	NOTES	December 31,2021		December 31,2020	
		Amount	%	Amount	%
CURRENT ASSETS					
Cash and cash equivalents	4,6	\$ 1,379,158	78	\$ 1,278,608	77
Financial assets at fair value through profit or loss-current	4,7	10,758	1	10,740	1
Notes receivable, net	4,5,8	—	—	46	—
Accounts receivable, net	4,5,8	106,436	6	90,301	6
Other receivables		7,364	—	6,007	—
Inventories	4,5,9	206,581	12	193,139	12
Prepayments		6,777	—	5,843	—
Other current assets		43	—	43	—
Total current assets		1,717,117	97	1,584,727	96
NONCURRENT ASSETS					
Investments accounted for using equity method	4,10	2,928	—	3,045	—
Property, plant and equipment	4,11	8,029	1	7,598	1
Right-of-use assets	4,12	30,891	2	49,531	3
Intangible assets	4,13	2,791	—	3,226	—
Deferred income tax assets	4,22	5,877	—	6,221	—
Prepayments for equipment		833	—	9	—
Refundable deposits		6,136	—	6,099	—
Total noncurrent assets		57,485	3	75,729	4
TOTAL		\$ 1,774,602	100	\$ 1,660,456	100

The accompanying notes are an integral part of the parent company only financial statements.

PLANET TECHNOLOGY CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	NOTES	December 31,2021		December 31,2020	
		Amount	%	Amount	%
CURRENT LIABILITIES					
Contract liabilities-current	18	\$ 33,899	2	\$ 21,984	1
Notes payable	14	60,330	3	45,888	3
Accounts payable	14	91,079	5	79,565	5
Other payables	15	67,554	4	57,540	4
Current tax liabilities	4	78,123	5	64,297	4
Lease liabilities-current	4,12	18,256	1	18,584	1
Other current liabilities		1,573	—	1,363	—
Total current liabilities		350,814	20	289,221	18
NONCURRENT LIABILITIES					
Deferred income tax liabilities	4,22	64	—	37	—
Lease liabilities-noncurrent	4,12	12,717	1	30,973	2
Net defined benefit liabilities	4,16	5,943	—	6,335	—
Total noncurrent liabilities		18,724	1	37,345	2
Total liabilities		369,538	21	326,566	20
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT					
Capital stock	17	625,010	35	625,010	38
Ordinary share		625,010	35	625,010	38
Capital surplus	17	11,202	1	11,202	1
Retained earnings	17	768,852	43	697,678	41
Legal reserve		402,332	23	375,325	22
Unappropriated earnings		366,520	20	322,353	19
Total equity		1,405,064	79	1,333,890	80
TOTAL		\$ 1,774,602	100	\$ 1,660,456	100

The accompanying notes are an integral part of the parent company only financial statements.

PLANET TECHNOLOGY CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan Dollars, Except Earnings Per Share)

Items	NOTES	2021		2020	
		Amount	%	Amount	%
OPERATING REVENUES	4,18	\$ 1,427,097	100	\$ 1,227,105	100
OPERATING COSTS	9	(857,807)	(60)	(733,628)	(60)
GROSS PROFIT		569,290	40	493,477	40
OPERATING EXPENSES					
Selling and marketing expenses		(64,901)	(5)	(63,278)	(5)
General and administrative expenses		(41,913)	(3)	(36,991)	(3)
Research and development expenses		(79,629)	(6)	(71,093)	(6)
Total operating expenses		(186,443)	(14)	(171,362)	(14)
INCOME FROM OPERATIONS		382,847	26	322,115	26
NON-OPERATING INCOME AND EXPENSES					
Interest income	19	5,398	—	5,682	1
Other income	20	8,180	1	6,980	1
Other gains and losses	21	(3,132)	—	(5,886)	(1)
Finance costs		(645)	—	(554)	—
Total non-operating income and expenses		9,801	1	6,222	1
INCOME BEFORE INCOME TAX		392,648	27	328,337	27
INCOME TAX EXPENSE	4,22	(71,498)	(5)	(58,018)	(5)
NET INCOME		321,150	22	270,319	22
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit obligation	16	35	—	(311)	—
Income tax benefit related to items that will not be reclassified subsequently to profit or loss	22	(7)	—	62	—
Other comprehensive loss, net of income tax		28	—	(249)	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		\$ 321,178	22	\$ 270,070	22
EARNING PER SHARE (NT\$)					
Basic earnings per share	23	\$ 5.14		\$ 4.33	
Diluted earnings per share	23	\$ 5.10		\$ 4.30	

The accompanying notes are an integral part of the parent company only financial statements.

PLANET TECHNOLOGY CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan Dollars)

DESCRIPTION	Capital Stock	Capital surplus	Retained earnings		Total equity
			Legal reserve	Unappropriated earnings	
BALANCE, JANUARY 1, 2020	\$ 625,010	\$ 11,202	\$ 344,061	\$ 364,801	\$ 1,345,074
Appropriations of prior year's earnings					
Legal reserve	—	—	31,264	(31,264)	—
Cash dividends	—	—	—	(281,254)	(281,254)
Net income in 2020	—	—	—	270,319	270,319
Other comprehensive income in 2020, net of income tax	—	—	—	(249)	(249)
Total comprehensive income in 2020	—	—	—	270,070	270,070
BALANCE, JANUARY 1, 2021	625,010	11,202	375,325	322,353	1,333,890
Appropriations of prior year's earnings					
Legal reserve	—	—	27,007	(27,007)	—
Cash dividends	—	—	—	(250,004)	(250,004)
Net income in 2021	—	—	—	321,150	321,150
Other comprehensive income in 2021, net of income tax	—	—	—	28	28
Total comprehensive income in 2021	—	—	—	321,178	321,178
BALANCE, DECEMBER 31, 2021	\$ 625,010	\$ 11,202	\$ 402,332	\$ 366,520	\$ 1,405,064

The accompanying notes are an integral part of the parent company only financial statements.

PLANET TECHNOLOGY CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan Dollars)

Items	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 392,648	\$ 328,337
Adjustments for:		
Income and expense (loss) items		
Depreciation expense	23,201	23,061
Amortization expense	1,636	1,167
Net gain on financial assets at fair value through profit or loss	(18)	(40)
Interest income	(5,398)	(5,682)
Interest expense	645	554
Share of loss of subsidiaries and associates	117	169
Gain on disposal of property, plant and equipment	(388)	(230)
Changes in operating assets and liabilities		
Notes receivable	46	(46)
Accounts receivable	(16,135)	(10,808)
Other receivables	(1,333)	842
Inventories	(13,442)	32,529
Prepayments	(934)	494
Other current assets	—	(3)
Contract liabilities	11,915	293
Notes payable	14,442	(13,012)
Accounts payable	11,514	(8,720)
Other payables	9,842	(2,055)
Other current liabilities	210	121
Net defined benefit liabilities	(357)	(333)
Cash generated from operations	428,211	346,638
Interest paid	(645)	(554)
Income taxes paid	(57,308)	(31,432)
Net cash generated by operating activities	370,258	314,652
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(4,873)	(4,573)
Purchase of Intangible Assets	(1,201)	(2,015)
Proceeds from disposal of property, plant and equipment	441	300
Decrease (Increase) in prepayments for equipment	(824)	1,274
Decrease (Increase) in Refundable Deposits	(37)	—
Interest received	5,374	5,796
Net cash generated by (used in) investing activities	(1,120)	782
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividends	(250,004)	(281,254)
Repayment of the principal portion of lease liabilities	(18,584)	(18,677)
Net cash used in financing activities	(268,588)	(299,931)
NET INCREASE IN CASH AND CASH EQUIVALENTS	100,550	15,503
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	1,278,608	1,263,105
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	\$ 1,379,158	\$ 1,278,608

The accompanying notes are an integral part of the parent company only financial statements.

PLANET TECHNOLOGY CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Amounts in thousands of New Taiwan dollars, unless otherwise stated)

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 are 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 and June 13, 2003 and shares were listed as a general stock on the Taipei Exchange on September 17, 2003.

2. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the board of directors and authorized for issue on February 24 , 2022.

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 as endorsed by the Financial Supervisory Commission

Initial application of the amendments to the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, there is no significant impact on the company's financial status and operating results.

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

New standards, interpretations and amendments endorsed by FSC effective from 2022 are as follows:

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Annual Improvements to IFRS Standards 2018–2020	January 1, 2022 (Note 1)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 2)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 3)
Amendments to IAS 37 “Onerous Contracts–Cost of Fulfilling a Contract”	January 1, 2022 (Note 4)

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

Note 2 : The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2022.

Note 3 : The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4 : The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

The Company believes that the adoption of the above IFRSs won’t have any material impact on its parent company only financial statements.

(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 (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined 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 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 2)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 3)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 4)

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

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

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

Note 4 : Except that deferred taxes will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Statement of compliance

The accompanying parent only financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed by the FSC with the effective dates (collectively, "IFRSs").

(2) Basis of Preparation

The parent company only 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 asset less present value of denfined benefit obligation. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The subsidiaries, associates and jointly controlled entities are incorporated in the parent company only financial statements under the equity method. To make net profit for the year, other comprehensive income and equity in the parent company only financial statements equal to those attributed to owners of the Company on parent company only financial statements, the effect of the differences between basis of parent company only and basis of consolidation are adjusted in the investments accounted for using equity method, the related share of the profit or loss, the related share of other comprehensive income of subsidiaries and associates and related equity.

(3) Classification of Current and Noncurrent Assets and Liabilities

Current assets include:

- A. Assets held primarily for the purpose of trading.
- B. Assets expected to be realized within twelve months after the reporting period.
- C. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

- A. Liabilities held primarily for the purpose of trading.
- B. Liabilities due to be settled within twelve months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue.
- C. The Company does not have an unconditional right to defer liabilities for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

(4) Foreign Currencies

In preparing the parent company only financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Such exchange differences are recognized in profit or loss in the period in which they arise. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are recognized in profit or loss for the year except for exchange difference arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting parent company only financial statements, the assets and liabilities of the Company's foreign operations are translated into NT\$ using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

(5) Cash equivalents

Cash equivalents, for the purpose of meeting short-term cash commitments, consist of highly liquid time deposits with original maturities of one year or less and investments with three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(6) Financial Instruments

Financial assets and liabilities shall be recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are recognized initially at fair value plus or minus, in the case of financial assets and financial liabilities not at fair value through profit or loss, directly attributable transaction costs. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

(7) Financial Assets

All regular way purchases or sales of financial assets are recognized and derecognized on a settlement date basis. Regular way purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

A. Measurement category

Financial assets are classified into the following categories: financial assets at fair value through profit or loss (“FVTPL”) and financial assets at amortized cost.

(A) Financial assets at FVTPL

Financial assets at FVTPL includes the financial assets are mandatorily classified as at FVTPL. Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 26.

(B) Financial assets at amortized cost

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

- a. The financial asset is held within a business model whose objective is collecting contractual cash flows.

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

Subsequent to initial recognition, financial assets at amortized cost (including cash and cash equivalents, notes and accounts receivable , bond investment without active market and refundable deposits), are measured at amortized cost, which equals gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

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

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

B. Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

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

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

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

C. Derecognition of financial assets

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

(8) Financial Liabilities

A. Financial liabilities

Financial liabilities other than those held for trading purposes and designated as at FVTPL are subsequently measured at amortized cost at the end of each reporting period. Financial liabilities measured at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. Related net profits or net losses are listed in "other profits and losses" of the parent company only statement of comprehensive income.

B. Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized (including any non-cash assets transferred or liabilities assumed) in profit or loss.

C. Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and reported in the net amount in the parent company only balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(9) Inventories

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

(10) Investments Accounted for Using Equity Method

Investments accounted for using the equity method is investments in subsidiaries. A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the subsidiary as well as the distribution received. The Company also recognized its share in the changes in the equity of subsidiaries.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. Any difference between the carrying amount of the subsidiary and the fair value of the consideration paid or received is recognized directly in equity. When the Company's share of losses of a subsidiary equals or exceeds its interest in that subsidiary (including any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company shall continue to recognize losses based on the shareholding percentage.

The acquisition cost exceeding the amount of the share of the fair value of the subsidiary's recognizable assets and liabilities received by the Company on its acquisition day is listed as goodwill. Such goodwill includes the investment's book value which cannot be amortized. The amount exceeding the share of the fair value of the subsidiary's recognizable assets and liabilities received by the Company on its acquisition day is listed as the current income.

When losing the control of its subsidiary, the Company measures its residual investment in the aforesaid subsidiary according to the fair value at the day that the Company loses its control of the subsidiary. The difference between the residual investment's fair value as well as any disposal amount and the investment book value at the day that the Company loses its control is listed as the current profit or loss. In addition, the accounting treatment of all the amounts related to the subsidiary in question and recognized in the comprehensive income is same as the basis required to be complied with in the Company's direct handling of related assets or liabilities.

The unrealized profit or loss in downstream transactions between the Company and the subsidiary shall be eliminated in the parent company only financial statements. Profit or loss generated in upstream transactions between the Company and subsidiaries or transactions between subsidiaries shall only be recognized in the parent company only financial statements when it is not related to the Company's interest in the subsidiaries.

(11) Property, Plant, and Equipment

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

Depreciation on property, plant and equipment is recognized using the straight-line method. Each significant item is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

The estimated useful lives of the assets are as follows:

machinery and equipment: 5 year; transportation equipment: 5 years; furniture and fixtures: 5 years; other facilities: 2 to 5 years.

(12) Intangible Assets

A. Intangible assets are mainly the Company's patented expertise and are amortized on a straight-line basis over the legal period of 10 to 20 years.

B. Computer software is stated initially at cost and amortized on a straight-line basis over its estimated useful life of 3 years.

C. After that the subsequent book value is measured by cost less accumulated amortization and accumulated impairment losses. The estimated useful lives and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

(13) Impairment of Non-financial Assets (Impairment of Tangible and Intangible Assets)

At each balance sheet date, the Company review the carrying amounts of their tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

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

(14) Revenue recognition

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

When applying IFRS 15, the Company shall recognize revenue by applying the following steps:

- A. Identify the contract with the customer.
- B. Identify the performance obligations in the contract.
- C. Determine the transaction price.
- D. Allocate the transaction price to the performance obligations in the contract
- E. Recognize revenue when the entity satisfies its performance obligation.

Revenue from the sale of goods

The revenue from the sale of goods comes from the sale of communication equipment products. The Company recognizes the revenue when the products are delivered to the customers' specified locations or are shipped, besides, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for resale, and bears the obsolescence risk of the goods.

(15) Leasing

The Company as lessee

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

Right-of-use assets are initially measured at cost. The cost of right-of-use assets comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Subsequent measurement is calculated as cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented separately in the parent company only balance sheets.

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payment, in-substance fixed payment, variable lease payments which depend on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, payments for the purchase or termination options that are reasonably certain to be exercised and less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

Lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in future lease payments resulting from a change in expected paid amount under the residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in an index or a rate used to those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. If the carrying amount has been reduced to zero, the remaining amount will recognize in profit and loss. Lease liabilities are presented separately in the parent company only balance sheets.

(16) Employee Benefits

A. Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for service rendered by employees.

B. Retirement benefits

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

Defined benefit costs (including service cost, net interest and rereasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period in which they occur. Rereasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Rereasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

(17) Taxation

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

A. Current tax

The current tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the parent company only statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

Income tax on unappropriated earnings is expensed in the year the shareholders approved the appropriation of earnings which is the year subsequent to the year the earnings are generated.

B. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the parent company only financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax assets and liabilities may be offset against each other if the following criteria are met:

- (A) The entity has the legal right to settle tax assets and liabilities on a net basis; and
- (B) the taxing of deferred tax assets and liabilities levied by the same taxing authority; or levied by different taxing authorities, but where each such authority intends to settle tax assets and liabilities (where such amounts are significant) on a net basis every year of the period of expected asset realization or debt liquidation, or where the timing of asset realization and debt liquidation is matched.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered. The deferred tax assets which originally not recognized is also reviewed at the end of each reporting period and recognized to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

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

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 4, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Company has considered the economic implications of COVID-19 on critical accounting estimates. Management will review continually the estimates and underlying assumptions. Revisions to accounting estimates are recognized in current the period if the revisions affect only that period. If the revisions affect both current and future periods, then revisions are recongized in two periods.

The following are the critical judgments, apart from those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the parent company only financial statements.

(1) Estimated impairment of financial assets

The provision for impairment of accounts receivable is based on assumptions about the risk of default and expected loss rates. The Company uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Please refer to Note 8 for the details of the key assumptions and inputs used. Where the actual future cash flows are less than expected, a material impairment loss may arise.

(2) Valuation of Inventory

Inventories are stated at the lower of cost or net realizable value, and the Company use judgment and estimate to determine the net realizable value of inventory at the end of each reporting period.

Due to the rapid industrial changes, the Company estimates the net realizable value of inventory for obsolescence and unmarketable items at the end of reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions of future demand within a specific time horizon.

The book value of the Company's inventory is detailed in Note 9.

6. CASH AND CASH EQUIVALENTS

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash on hand	\$ 192	\$ 198
Cash in banks	1,378,966	1,278,410
Total	<u>\$ 1,379,158</u>	<u>\$ 1,278,608</u>

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Financial assets mandatorily measured at fair value		
Non-derivative financial assets-Funds	<u>\$ 10,758</u>	<u>\$ 10,740</u>

8. NOTES AND ACCOUNTS RECEIVABLE- NET

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Notes receivable	<u>\$ —</u>	<u>\$ 46</u>
Accounts receivable	\$ 106,532	\$ 90,397
Loss allowance	(96)	(96)
Net	<u>\$ 106,436</u>	<u>\$ 90,301</u>

(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 Company 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 Company 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 Company's credit risk was significantly reduced.

The Company applies 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.

(B) Aging analysis of notes and accounts receivable

	December 31, 2021	December 31, 2020
Neither past due nor impaired	\$ 106,436	\$ 90,291
Past due but not impaired		
Less than 30 days	—	56
31 to 180 days	—	—
over 181 days	—	—
Subtotal	—	56
Total	\$ 106,436	\$ 90,347

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

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ 96	\$ 96
Provision	—	—
Amount written off	—	—
Balance at December 31	\$ 96	\$ 96

The Company'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

	December 31, 2021	December 31, 2020
Raw materials	\$ 63,858	\$ 38,119
Work in process	47,044	48,711
Finished goods	95,679	106,309
Total	<u>\$ 206,581</u>	<u>\$ 193,139</u>

(1) The allowance for inventory devaluation (including idle products) was \$3,679 thousand as of December 31, 2021 and 2020.

(2) The cost of inventories recognized as cost of sales for the years ended December 31, 2021 and 2020 were as follows:

	For the Year Ended December 31	
	2021	2020
The cost of goods sold	\$ 857,841	\$ 733,674
Gain on physical inventory	(34)	(46)
Total	<u>\$ 857,807</u>	<u>\$ 733,628</u>

10. INVESTMENT ACCOUNTED FOR EQUITY METHOD

Subsidiaries	Carrying Amount		% of Ownership and Voting Right Held by the Company	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
PLANET INTERNATIONAL INC.	\$ 2,928	\$ 3,045	100.00%	100.00%

(A) In 2021 and 2020, the recognized investment loss in the audited financial statements of the invested company of \$117 thousand and \$169 thousand, respectively.

(B) The disclosure of relevant information is detailed in Note 33.

11. PROPERTY, PLANT AND EQUIPMENT

Item	For the Year Ended December 31, 2021			
	Balance, Beginning of year	Additions	Disposals	Balance, End of year
<u>Cost</u>				
Machinery and equipment	\$ 18,460	\$ 773	\$ (15)	\$ 19,218
Furniture and fixtures	5,176	719	(43)	5,852
Other facilities	11,878	3,553	(593)	14,838
Subtotal	<u>35,514</u>	<u>5,045</u>	<u>(651)</u>	<u>39,908</u>
<u>Accumulated depreciation and impairment</u>				
Machinery and equipment	15,317	1,319	(15)	16,621
Furniture and fixtures	3,496	709	(38)	4,167
Other facilities	9,103	2,533	(545)	11,091
Subtotal	<u>27,916</u>	<u>\$ 4,561</u>	<u>\$ (598)</u>	<u>31,879</u>
Net	<u>\$ 7,598</u>			<u>\$ 8,029</u>

For the Year Ended December 31, 2020				
Item	Balance, Beginning of year	Additions	Disposals	Balance, End of year
<u>Cost</u>				
Machinery and equipment	\$ 17,680	\$ 785	\$ (5)	\$ 18,460
Furniture and fixtures	4,640	541	(5)	5,176
Other facilities	9,329	3,216	(667)	11,878
Subtotal	31,649	4,542	(677)	35,514
<u>Accumulated depreciation and impairment</u>				
Machinery and equipment	13,890	1,432	(5)	15,317
Furniture and fixtures	2,755	746	(5)	3,496
Other facilities	7,442	2,258	(597)	9,103
Subtotal	24,087	\$ 4,436	\$ (607)	27,916
Net	\$ 7,562			\$ 7,598

12. Lease Agreement

(1) Right-of-use assets

For the Year Ended December 31, 2021				
Item	Balance, Beginning of year	Additions	Disposals	Balance, End of year
<u>Cost</u>				
Buildings	\$ 67,786	\$ —	\$ —	\$ 67,786
Transportation equipment	4,443	—	—	4,443
Subtotal	72,229	—	—	72,229
<u>Accumulated depreciation and impairment</u>				
Buildings	20,600	17,159	—	37,759
Transportation equipment	2,098	1,481	—	3,579
Subtotal	22,698	\$ 18,640	\$ —	41,338
Net	\$ 49,531			\$ 30,891

For the Year Ended December 31, 2020				
Item	Balance, Beginning of year	Additions	Disposals	Balance, End of year
<u>Cost</u>				
Buildings	\$ 68,095	\$ 35,167	\$ (35,476)	\$ 67,786
Transportation equipment	4,443	—	—	4,443
Subtotal	72,538	35,167	(35,476)	72,229
<u>Accumulated depreciation and impairment</u>				
Buildings	38,932	17,144	(35,476)	20,600
Transportation equipment	617	1,481	—	2,098
Subtotal	39,549	\$ 18,625	\$ (35,476)	22,698
Net	\$ 32,989			\$ 49,531

(2) Lease liabilities

	December 31, 2021	December 31, 2020
Current	\$ 18,256	\$ 18,584
Non-current	\$ 12,717	\$ 30,973

Discount rate for lease liabilities was 1.6%~1.7%.

(3) Material lease-in activities and terms

The Company leases buildings and transportations equipment for the use of offices and business. The leasing period is from 2017 to 2023 and from 2019 to 2022. The Company does not have bargain purchase options to acquire the buildings at the end of the lease terms. In addition, the Company 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 Year Ended December 31, 2021	For the Year Ended December 31, 2020
Expenses relating to short-term leases	\$ 8	\$ 9
Expenses relating to low-value asset leases	\$ 114	\$ 144
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ —	\$ —
Total cash outflow for leases	\$ (18,706)	\$ (18,830)

A. The Company 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 December 31, 2021 and 2020 is \$231 thousand and \$346 thousand, respectively.

13. INTANGIBLE ASSETS

Item	For the Year Ended December 31, 2021			
	Balance, Beginning of year	Additions	Disposals	Balance, End of year
<u>Cost</u>				
Trademarks	\$ 80	\$ 235	\$ —	\$ 315
Patents	1,231	352	—	1,583
Computer software	10,978	614	(33)	11,559
Subtotal	12,289	1,201	(33)	13,457
<u>Accumulated amortization and impairment</u>				
Trademarks	6	18	—	24
Patents	491	179	—	670
Computer software	8,566	1,439	(33)	9,972
Subtotal	9,063	\$ 1,636	\$ (33)	10,666
Net	\$ 3,226			\$ 2,791

Item	For the Year Ended December 31, 2020			
	Balance, Beginning of year	Additions	Disposals	Balance, End of year
<u>Cost</u>				
Trademarks	\$ 7	\$ 73	\$ —	\$ 80
Patents	1,107	124	—	1,231
Computer software	9,220	1,818	(60)	10,978
Subtotal	10,334	2,015	(60)	12,289
<u>Accumulated amortization and impairment</u>				
Trademarks	—	6	—	6
Patents	343	148	—	491
Computer software	7,613	1,013	(60)	8,566
Subtotal	7,956	\$ 1,167	\$ (60)	9,063
Net	\$ 2,378			\$ 3,226

14. NOTES PAYABLE AND ACCOUNTS PAYABLE

	December 31, 2021	December 31, 2020
Notes payable	\$ 60,330	\$ 45,888
Accounts payable	91,079	79,565
Total	\$ 151,409	\$ 125,453
Current	\$ 151,409	\$ 125,453

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

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

15. OTHER PAYABLES

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Salary and wages payable	\$ 18,148	\$ 15,174
Employee Bonus payable	25,469	21,298
Directors' remuneration payable	6,367	5,324
Advertising payable	3,937	3,081
Export fee payable	3,941	3,658
Other accrued expenses	6,087	5,880
Payable for annual leave	3,605	3,125
Total	<u>\$ 67,554</u>	<u>\$ 57,540</u>
Current	<u>\$ 67,554</u>	<u>\$ 57,540</u>

16. RETIRED BENEFIT PLANS

(A) 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 NT\$ 5,235 thousand and NT\$5,016 thousand in the parent company only statements of comprehensive income for the years ended December 31, 2021 and 2020, respectively.

(B) Defined benefit plans

(a)The Company have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees’ service years prior to the enforcement of the Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 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. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contribution for the deficit by next March. The Funds are operated and managed by the government's designated authorities; as such, the Company does not have any right to intervene in the investments of the Funds.

(b) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Present value of defined benefit obligations	\$ 18,343	\$ 18,354
Fair value of plan assets	(12,400)	(12,019)
Net defined benefit liability	<u>\$ 5,943</u>	<u>\$ 6,335</u>

a. 2021

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liabilities
Balance at January 1,	\$ 18,354	\$ (12,019)	\$ 6,335
Current service cost	—	—	—
Net interest expense (income)	55	(36)	19
Recognized in profit or loss	<u>55</u>	<u>(36)</u>	<u>19</u>
Remeasurement			
Experience adjustments	753	—	753
Changes in demographic assumptions	42	—	42
Changes in financial assumptions	(654)	—	(654)
Return on plan assets	—	(176)	(176)
Recognized in other comprehensive loss (income)	<u>141</u>	<u>(176)</u>	<u>(35)</u>
Contributions from the employer	—	(376)	(376)
Paid pension	(207)	207	—
Balance at December 31	<u>\$ 18,343</u>	<u>\$ (12,400)</u>	<u>\$ 5,943</u>

The Company's planned asset type is bank deposits.

b. 2020

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liabilities
Balance at January 1,	\$ 17,553	\$ (11,196)	\$ 6,357
Current service cost	—	—	—
Net interest expense (income)	121	(78)	43
Recognized in profit or loss	121	(78)	43
Remeasurement			
Experience adjustments	(12)	—	(12)
Changes in demographic assumptions	—	—	—
Changes in financial assumptions	692	—	692
Return on plan assets	—	(369)	(369)
Recognized in other comprehensive loss (income)	680	(369)	311
Contributions from the employer	—	(376)	(376)
Paid pension	—	—	—
Balance at December 31	\$ 18,354	\$ (12,019)	\$ 6,335

The Company's planned asset type is bank deposits.

The pension costs of the aforementioned defined benefit plans were recognized in profit or loss by the follows categories:

	For the Year Ended December 31	
	2021	2020
Operating costs	\$ 3	\$ 8
Selling and marketing expenses	5	11
General and administrative expenses	3	6
Research and development expenses	8	18
Total	\$ 19	\$ 43

(C) Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

- (a) Investment risk: The pension funds are invested in equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the government's designated authorities or under the mandated management. However, under the Labor Standards Law, the rate of return on assets shall not be less than the average interest rate on a two-year time deposit published by the local banks and the government is responsible for any shortfall in the event that the rate of return is less than the required rate of return.
- (b) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the debt investments of the plan assets.
- (c) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.
- (D) The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The principal assumptions of the actuarial valuation were as follows:

	For the Year Ended December 31	
	2021	2020
Discount rate	0.70%	0.30%
Expected rate of salary increase	3.00%	3.00%

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	For the Year Ended December 31	
	2021	2020
Discount rate		
0.25% increase	\$ (395)	\$ (437)
0.25% decrease	409	454
Expected rate of salary increase		
0.25% increase	399	441
0.25% decrease	(387)	(427)

The sensitivity analysis above was arrived at based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity which may not be representative of the actual change in the defined benefit obligation and the method of calculating net pension liability in the balance sheet are the same.

(E) Expected contributions to the defined benefit pension plans of the Company within one year from December 31, 2022 are NT\$359 thousand.

(F) As of December 31, 2021, the weighted average duration of that retirement plan is 8 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$	652
2 to 5 years		6,377
Over 6 years		12,487
	\$	<u>19,516</u>

17. EQUITY

(1) Capital stock

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Shares authorized	\$ 1,000,000	\$ 1,000,000
Shares issued	<u>\$ 625,010</u>	<u>\$ 625,010</u>

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

(2) Capital surplus

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Additional paid-in	\$ 11,022	\$ 11,022
Other	180	180
Total	<u>\$ 11,202</u>	<u>\$ 11,202</u>

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 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 Company's 2021 surplus distribution proposal has not been approved by the board of directors as of the date of issuance of the financial statements.

(F) The Company's earnings allocation for the previous year of 2020 and 2019, were approved in the regular meeting of shareholders on August 5, 2021 and June 10, 2020. The actual allocation of remuneration to director auditors is the same as the proposed allocation passed by the board of directors. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends per Share(NT\$)	
	2020	2019	2020	2019
Legal reserve	\$ 27,007	\$ 31,264		
Cash dividends	250,004	281,254	4	4.5
Total	\$ 277,011	\$ 312,518		

18. OPERATING REVENUE

	For the Year Ended December 31	
	2021	2020
Net revenue from sale of goods	\$ 1,427,097	\$ 1,227,105

(1) Breakdown of revenue from contracts with customers

	For the Year Ended December 31	
	2021	2020
Europe	\$ 647,410	\$ 551,663
America	351,463	287,727
Asia	256,818	234,491
Others	171,406	153,224
Total	\$ 1,427,097	\$ 1,227,105

(2) Contract liabilities

	For the Year Ended December 31	
	2021	2020
Contract liabilities-current	\$ 33,899	\$ 21,984

For the year ended December 31, 2021 and 2020, the Company recognized NT\$14,121 thousand and NT\$13,586 thousand in revenue from the beginning balance of contract liability, respectively.

19. INTEREST INCOME

	For the Year Ended December 31	
	2021	2020
Interest income from bank deposits	\$ 5,398	\$ 5,682

20. OTHER INCOME

	For the Year Ended December 31	
	2021	2020
Rent income	\$ 86	\$ 86
Other gains	8,094	6,894
Total	\$ 8,180	\$ 6,980

21. OTHER GAINS AND LOSSES

	For the Year Ended December 31	
	2021	2020
Gains on disposal of property, plant and equipment	\$ 388	\$ 230
Foreign exchange gains (losses)	(3,421)	(5,987)
Gains on financial assets at fair value through profit	18	40
Share of loss of subsidiaries and associates	(117)	(169)
Total	\$ (3,132)	\$ (5,886)

22. INCOME TAX

(1) Income tax recognized in profit or loss

(A) A reconciliation of income before income tax and income tax expense recognized in profit or loss was as follows:

	For the Year Ended December 31	
	2021	2020
Tax calculated based on profit before tax and statutory tax rate	\$ 78,529	\$ 65,667
Effect from items disallowed by tax regulation	189	27
Change in deferred income tax	—	—
Effect from investment tax credits	(4,744)	(4,244)
Tax on undistributed earnings	—	6
Tax expenses	\$ 73,974	\$ 61,456

(B) Income tax expense consisted of the following:

	For the Year Ended December 31	
	2021	2020
Tax expenses	\$ 73,974	\$ 61,456
Net change in deferred income tax	364	(67)
Adjustments for prior year's income tax	(2,840)	(3,371)
Income tax expense recognized in profit or loss	\$ 71,498	\$ 58,018

(2) Income tax expense (benefit) recognized in other comprehensive income

Deferred tax

	For the Year Ended December 31	
	2021	2020
Remeasurements of defined benefit obligations	\$ (7)	\$ 62

(3) Deferred tax

(A) The analysis of deferred income tax in the parent company only balance sheets was as follows:

	December 31, 2021	December 31, 2020
Deferred tax assets		
Defined benefit liabilities	\$ 1,181	\$ 1,792
Advertisement expense	788	617
Unrealized investment loss	2,265	2,265
Unrealized impairment loss	186	186
Inventory valuation losses	736	736
Unrealized employee vacation payable	721	625
Total	\$ 5,877	\$ 6,221
Deferred tax liabilities		
Unrealized exchange gain	\$ 64	\$ 37

For the Year Ended December 31, 2021					
	Balance, Beginning of year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Effect of exchange rate changes	Balance, End of year
Deferred tax assets					
Defined benefit liabilities	\$ 1,792	\$ (604)	\$ (7)	\$ —	\$ 1,181
Advertisement expense	617	171	—	—	788
Unrealized investment loss	2,265	—	—	—	2,265
Unrealized impairment loss	186	—	—	—	186
Inventory valuation losses	736	—	—	—	736
Unrealized employee vacation payable	625	96	—	—	721
Total	<u>\$ 6,221</u>	<u>\$ (337)</u>	<u>\$ (7)</u>	<u>\$ —</u>	<u>\$ 5,877</u>
Deferred tax liabilities					
Unrealized exchange gain	\$ (37)	\$ (27)	\$ —	\$ —	\$ (64)

For the Year Ended December 31, 2020					
	Balance, Beginning of year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Effect of exchange rate changes	Balance, End of year
Deferred tax assets					
Defined benefit liabilities	\$ 1,730	\$ —	\$ 62	\$ —	\$ 1,792
Advertisement expense	625	(8)	—	—	617
Unrealized investment loss	2,265	—	—	—	2,265
Unrealized impairment loss	186	—	—	—	186
Inventory valuation losses	736	—	—	—	736
Unrealized employee vacation payable	625	—	—	—	625
Total	<u>\$ 6,167</u>	<u>\$ (8)</u>	<u>\$ 62</u>	<u>\$ —</u>	<u>\$ 6,221</u>
Deferred tax liabilities					
Unrealized exchange gain	\$ (113)	\$ 76	\$ —	\$ —	\$ (37)

(B) Items for which no deferred tax assets have been recognized: None.

(4) Unappropriated retained earnings:

	December 31, 2021	December 31, 2020
1998 to 2009	\$ 32,002	\$ 32,002
after 2010	334,518	290,351
Total	<u>\$ 366,520</u>	<u>\$ 322,353</u>

(5) Income tax assessments

The Company's income tax returns through 2019 have been assessed by the tax authorities.

23. EARNINGS PER SHARE

	For the Year Ended December 31	
	2021	2020
Basic EPS(NT\$)	\$ 5.14	\$ 4.33
Diluted EPS(NT\$)	\$ 5.10	\$ 4.30

EPS is computed as follows:

(1) Basic earnings per share

	For the Year Ended December 31	
	2021	2020
Profit attributable to ordinary shareholders of the parent (in thousand)	\$ 321,150	\$ 270,319
Weighted average number of ordinary shares outstanding (in thousand shares)	62,501	62,501
Basic EPS (NT\$)	\$ 5.14	\$ 4.33

(2) Diluted earnings per share

	For the Year Ended December 31	
	2021	2020
Profit attributable to ordinary shareholders of the parent (in thousand)	\$ 321,150	\$ 270,319
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)	437	416
Weighted average number of dilutive ordinary shares outstanding (in thousand shares)	62,938	62,917
Diluted EPS(NT\$)	\$ 5.10	\$ 4.30

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 years ended December 31, 2021 and 2020:

	For the Year Ended December 31, 2021			For the Year Ended December 31, 2020		
	Classified as operating cost	Classified as operating expenses	Total	Classified as operating cost	Classified as operating expenses	Total
Employee benefits	\$ 27,668	\$ 127,024	\$ 154,692	\$ 25,716	\$ 114,924	\$ 140,640
Payroll expense	23,148	103,893	127,041	21,505	93,756	115,261
Insurance expense	2,296	8,700	10,996	2,083	7,974	10,057
Pension	1,057	4,197	5,254	1,002	4,057	5,059
Board compensation	—	6,439	6,439	—	5,411	5,411
Others	1,167	3,795	4,962	1,126	3,726	4,852
Depreciation	5,031	18,170	23,201	5,002	18,059	23,061
Amortization	—	1,636	1,636	—	1,167	1,167

(1) As of December 31, 2021 and 2020, the Company had 155 and 153 employees, respectively, including 4 non-employee directors for both year.

(2) Companies whose stocks are listed on the stock exchange or listed on the stock counter trading center should disclose the following information:

A. In 2021 and 2020, the allowance for average employee benefits were \$ 982 thousand and \$908 thousand, respectively.

B. In 2021 and 2020, the allowance for average employee payroll expense were \$841 thousand and \$774 thousand, respectively.

- C. The change in the average employee's payroll was 8.7%.
- D. The Company has established the Audit Committee in replace of supervisors , so the remuneration of the supervisor is not recognized.
- E. The Company's salary and remuneration policy, including that for directors, supervisors, managers and employees, is as follows:

- (a) In accordance with the Company's articles of association, the remuneration of directors (including independent directors) is authorized to the board of directors according to their degree of involvement in the company's operations and the value of their contribution to the company's operations, and to negotiation with the usual standards of the industry.

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 higher than 2% for directors' remuneration.

- (b) The Company's employee compensation includes salary, year-end bonus, employees' compensation, etc., as described below:

- I. Salary is determined by market mechanism and employees' professional skills.

- II. Year-end bonuses are assessed based on individual performance.

- III. 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. Employee compensation is based on consideration of the company's operating performance, with reference to the same industry, number of employees in the company, future prospects, etc. The managers based on personal performance and assessment results report to the remuneration committee for resolutions to be issued.

(3) The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period. 6% is applied to employee's compensation, and 1.5% is applied to director's and supervisor's remuneration that were expensed under operating costs or operating expenses during 2021 and 2020.

The estimated amounts are as follows:

	For the Year Ended December 31	
	2021	2020
Employees' compensation	\$ 25,469	\$ 21,298
Remuneration to directors	6,367	5,324

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 2020 and 2019 employee's compensation and director's and supervisor's remuneration were respectively resolved in the board meeting on March 11, 2021 and March 9, 2020 as follows:

	For the Year Ended December 31	
	2020	2019
Employees' compensation	\$ 21,298	\$ 24,735
Remuneration to directors	5,324	6,184

There is no difference between the 2020 and 2019 employee's compensation and director's and supervisor's remuneration and the Company's 2020 and 2019 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 Company 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 Company 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 Company adopts a prudent risk management strategy. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, issue new shares or return capital to shareholders.

26. FINANCIAL INSTRUMENTS

(1) Categories of financial instruments

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	\$ 10,758	\$ 10,740
Amortized cost		
Cash and cash equivalents	1,379,158	1,278,608
Notes and accounts receivable	106,436	90,347
Other receivables	7,364	6,007
Refundable deposits	6,136	6,099
Total	<u>\$ 1,509,852</u>	<u>\$ 1,391,801</u>
<u>Financial liabilities</u>		
Amortized cost		
Notes and accounts payable	\$ 151,409	\$ 125,453
Other payables	67,554	57,540
Lease liabilities	30,973	49,557
Total	<u>\$ 249,936</u>	<u>\$ 232,550</u>

(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 Company 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 Company'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 Company 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:

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Funds	\$ 10,758	\$ —	\$ —	\$ 10,758
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	\$ —	\$ —	\$ —	\$ —
	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Funds	\$ 10,740	\$ —	\$ —	\$ 10,740
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	\$ —	\$ —	\$ —	\$ —

For the years ended December 31, 2021 and 2020, there was no transfer between Level 1 and Level 2.

There were no purchases and disposals for assets on Level 3 for the years ended December 31, 2021 and 2020, respectively.

(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 Company 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 Company 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 Company'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 Company must comply with the financial operation procedures related to overall financial risk management and accrual basis.

(4) Market risk

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

The Company'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:

	December 31, 2021			
	Foreign Currencies	Exchange Rate	Book Value (NTD)	Sensitivity analysis (Variance 1%) Effect on profit or loss
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 4,471	27.68	\$ 123,948	\$ 1,239
EUR	185	31.32	5,802	58
<u>Non-monetary items</u>				
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	2,006	27.68	55,798	558
<u>Non-monetary items</u>				

	December 31, 2020			
	Foreign Currencies	Exchange Rate	Book Value (NTD)	Sensitivity analysis (Variance 1%) Effect on profit or loss
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 3,747	28.48	\$ 106,796	\$ 1,068
EUR	178	35.02	6,243	62
<u>Non-monetary items</u>				
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	1,717	28.48	48,600	486
<u>Non-monetary items</u>				

(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 Company 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 Company 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 Company's profit or loss for the years ended December 31, 2021 and 2020 would increase or decrease NT\$3,379 thousand and NT\$3,135 thousand respectively.

(C) Other price risk

The Company 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 Company 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/decrease of 5% in prices of the equity investment at the end of the reporting period for the years ended December 31, 2021 and 2020, the income would have increased /decreased by NT\$538 thousand and NT\$537 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 Company. The Company 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 its quality of accounts receivable, the Company 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 Company's internal credit ratings and historical transaction records and current economic status, etc. which may affect customer's solvency capacity. In addition, the Company 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 Company 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 Company 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 December 31, 2021 and 2020, the Company's top ten customers accounted for 51.11% and 62.30% of accounts receivable, respectively. The Company 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 Company's financial department. The Company's transaction counterparts and contract performance parties are the financial institutions with good credit, and the Company 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 Company shall have no material credit risk.

(6) Liquidity risk management

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

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

	December 31, 2021				Total
	Less Than 1 year	2-3 year	4-5 year	Over 5 year	
<u>Non-derivative financial liabilities</u>					
Notes and accounts payable	\$ 151,403	\$ 6	\$ —	\$ —	\$ 151,409
Other payable	67,554	—	—	—	67,554
Lease liabilities	18,597	12,784	—	—	31,381
Subtotal	237,554	12,790	—	—	250,344
<u>Derivative financial liabilities</u>					
Total	\$ 237,554	\$ 12,790	\$ —	\$ —	\$ 250,344

	December 31, 2020				
	Less Than 1 year	2-3 year	4-5 year	Over 5 year	Total
<u>Non-derivative financial liabilities</u>					
Notes and accounts payable	\$ 125,453	\$ —	\$ —	\$ —	\$ 125,453
Other payable	57,540	—	—	—	57,540
Lease liabilities	19,230	31,381	—	—	50,611
Subtotal	202,223	31,381	—	—	233,604
<u>Derivative financial liabilities</u>					
	—	—	—	—	—
Total	\$ 202,223	\$ 31,381	\$ —	\$ —	\$ 233,604

27. RELATED PARTY TRANSACTIONS

(1)	Related party name and categories	Related Party Categories
	PLANET INTERNATIONAL INC.	Subsidiary
	Directors, general managers, vice general managers across the board	The Company's major management executives

(2) Significant transactions and balances with related parties : None.

(3) Compensation of key management personnel

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

	For the Year Ended December 31	
	2021	2020
Short-term benefits	\$ 12,877	\$ 11,677
Post-employment benefits	112	116
Total	\$ 12,989	\$ 11,793

(A)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.

(B)The 2021 surplus distribution proposal of the Company has not been approved by the board of directors as of the date of issuance of the financial statements.

(C)For more detailed information, please refer to the contents of the annual report of the shareholders' meeting.

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 Year Ended December 31	
	2021	2020
Purchase of property ,plant and equipment	\$ 5,045	\$ 4,542
Add : Beginning balance of payable for equipment	60	91
Less : Ending balance of payable for equipment	(232)	(60)
Cash paid during the period	\$ 4,873	\$ 4,573

33. ADDITIONAL DISCLOSURES

(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.

34. SEGMENT INFORMATION

The Company has provided the operating segments disclosure in the consolidated financial statements.

TABLE 1

MARKETABLE SECURITIES HELD

Amount in Thousands of New Taiwan Dollars

Held company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2021				Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	
Planet Technology Corporation	Money market Fuh Hwa Money Fund fund	—	Financial assets at fair value through profit or loss-current	218,437.60	\$ 3,181	—	\$ 3,181	Note 1
	" Yuanta Wan Tai Money Market Fund	—	"	210,029.60	3,209	—	3,209	"
	" Eastspring Investments Well Pool Money Market Fund	—	"	317,883.00	4,368	—	4,368	"
	Stock PLANET INTERNATIONAL INC.	Invested companies evaluated by equity method	Investments accounted for using equity method	100,000.00	2,928	100.00	2,928	"
	" ESSENCE TECHNOLOGY SOLUTION INC.	—	Financial assets at fair value through profit or loss-non-current	42,000.00	—	1.56	—	

Note1: The market price is the net value of December 31, 2021.

TABLE 2

INFORMATION ON INVESTEEES

Amount in Thousands of New Taiwan Dollars

Investor company	Investee company	Location	Main Businesses and Products	Original Investment		Balance as of December 31, 2021			Net Income (Losses) of the Investee	Shares of Profits/Losses of Investee	Notes
				December 31, 2021	December 31, 2020	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%	\$ 2,928	\$ (117)	\$ (117)	Notes

Notes : The investment income (loss) is recognized based on the investee's financial statements that were audited and attested by parent company's CPA for the year ended December 31, 2021.

TABLE 3

Information of major shareholders

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

STATEMENT OF CASH AND CASH EQUIVALENTS

DECEMBER 31, 2021

Item	Description	Amount
Cash on hand		\$ 192
Savings accounts	Included USD 405,793.08	27,562
	EUR 184,931.93	
	RMB 3,477.43	
Time deposits		1,351,404
Total		\$ 1,379,158

Exchange rate : US \$1 = NT\$ 27.68

EUR\$1 = NT\$ 31.32

RMB\$1 = NT\$ 4.344

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT

OR LOSS, CURRENT

DECEMBER 31, 2021

Name of securities	Description	Units (thousand)/ bonds/ shares (thousand)	Par Value	Amount	Rate (%)	Cost	Fair Value		Note
							Unit Price (NTD)	Amount	
Fuh Hwa Money Fund	Money market fund	218,437.6	—	\$ 2,994	—	\$ 2,994	14.5649	\$ 3,181	
Yuanta Wan Tai Money Market Fund	"	210,029.6	—	3,000	—	3,000	15.2790	3,209	
Eastspring Investments Well Pool Money Market Fund	"	317,883	—	4,093	—	4,093	13.7400	4,368	
Subtotal				\$ 10,087	—	\$ 10,087		\$ 10,758	
Add : valuation adjustment						671			
Total						\$ 10,758			

STATEMENT OF ACCOUNTS RECEIVABLE

DECEMBER 31, 2021

Client Name	Description	Amount	Note
Client A		\$ 9,215	
Client B		8,124	
Client C		7,310	
Client D		6,892	
Client E		6,131	
Client F		5,813	
Client G		5,201	
Others	The amount of individual item in others does not exceed 5% of the account balance	57,846	
Total		106,532	
Less: allowance for doubtful accounts		(96)	
Net		\$ 106,436	

STATEMENT OF OTHER RECEIVABLES

DECEMBER 31, 2021

Item	Description	Amount	Note
Tax refund receivable		\$ 7,165	
Interest receivable		199	
Total		\$ 7,364	

STATEMENT OF INVENTORIES

DECEMBER 31, 2021

Item	Description	Cost	Net Realizable Value	Note
Raw material		\$ 64,625	\$ 64,821	
Work in process		47,162	76,645	
Finished goods		98,473	160,034	
Total		210,260	\$ 301,500	
Less: allowance for loss		(3,679)		
Net		\$ 206,581		

STATEMENT OF PREPAYMENTS

DECEMBER 31, 2021

Item	Description	Amount	Note
Prepaid rents		\$ 528	
Prepaid insurance premiums		1,295	
Prepayment for purchases		1,247	
Others		3,707	
Total		\$ 6,777	

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

FOR THE YEAR ENDED DECEMBER 31, 2021

Name of Securities	As of January 1, 2021		Additions		Decrease		As of December 31, 2021		Fair value / Net assets value		Collateral	Note
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Unit Price (NT\$)	Amount		
PLANET INTERNATIONAL INC.	100,000	\$ 3,045	—	\$ —	—	\$ (117)	100,000	\$ 2,928	—	\$ 2,928	—	Note

Note : Including investment loss recognized under equity method amount to \$117 thousand .

STATEMENT OF CONTRACT LIABILITIES

DECEMBER 31, 2021

Item	Description	Amount	Note
ClientM		\$ 7,017	
Client N		5,840	
Client O		4,001	
Client P		3,585	
Others	The amount of individual item in others does not exceed 5% of the account balance	13,456	
Total		\$ 33,899	

STATEMENT OF NOTES PAYABLE

DECEMBER 31, 2021

Item	Description	Amount	Note
Vendor F		\$ 5,175	
Vendor G		4,932	
Vendor H		4,500	
Vendor I		4,032	
Vendor J		3,530	
Vendor K		3,509	
Vendor L		3,433	
Others	The amount of individual item in others does not exceed 5% of the account balance	31,219	
Total		\$ 60,330	

STATEMENT OF ACCOUNTS PAYABLES

DECEMBER 31, 2021

Item	Description	Amount	Note
Third Parties			
Vendor J		\$ 11,277	
Vendor K		8,179	
Vendor L		7,899	
Vendor M		5,044	
Others	The amount of individual item in others does not exceed 5% of the account balance	58,680	
Total		\$ 91,079	

STATEMENT OF CURRENT LIABILITIES

DECEMBER 31, 2021

Item	Description	Amount	Note
Temporary credits		\$ 138	
Receipts under custody	Employees' payroll taxes, labor insurance and health insurance	1,435	
Total		\$ 1,573	

STATEMENT OF NET OPERATING REVENUES

FOR THE YEAR ENDED DECEMBER 31, 2021

Item	Amount	Note
Sales revenues	\$ 1,428,521	
Less: Sales returns	(1,398)	
Sales discounts	(26)	
Other operating revenues	\$ 1,427,097	

STATEMENT OF OPERATING COSTS

FOR THE YEAR ENDED DECEMBER 31, 2021

Item	Amount	
	Subtotal	Total
Raw material		\$ 729,824
Balance, beginning of year	\$ 38,886	
Add: raw material purchased	759,256	
Gain on physical inventory	34	
Less: transferred to manufacturing operating expenses	(2,516)	
Cost of goods sold-by-product	(1,211)	
Raw material, end of year	(64,625)	
Direct labor		16,240
Manufacturing expenses		98,269
Manufacturing cost		844,333
Add: work in process, beginning of year		48,829
Less: work in process, end of year		(47,162)
Cost of finished goods		846,000
Add: finished goods, beginning of year		109,103
Less: finished goods, end of year		(98,473)
Add: Cost of goods sold-by-product		1,211
Less: other		(34)
Total		\$ 857,807

STATEMENT OF MANUFACTURING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2021

Item	Description	Amount	Note
Wages and salaries		\$ 8,654	
Depreciation		5,031	
Processing cost		79,001	
Others expense	The amount of individual item in others does not exceed 5% of the account balance	5,583	
Total		\$ 98,269	

STATEMENT OF SALES AND MARKETING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2021

Item	Description	Amount	Note
Wages and salaries		\$ 32,585	
Advertisement expense		4,349	
Insurance expense		4,903	
Depreciation		7,722	
Export expense		5,915	
Others expense	The amount of individual item in others does not exceed 5% of the account balance	9,427	
Total		\$ 64,901	

STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2021

Item	Description	Amount	Note
Wages and salaries		\$ 25,768	
Depreciation		3,453	
Professional service		5,220	
Others expense	The amount of individual item in others does not exceed 5% of the account balance	7,472	
Total		\$ 41,913	

STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2021

Item	Description	Amount	Note
Wages and salaries		\$ 56,570	
Depreciation		6,995	
Insurance expense		4,501	
Others expense	The amount of individual item in others does not exceed 5% of the account balance	11,563	
Total		\$ 79,629	

VI. In the case of any insolvency of the Company and its affiliates in the most recent year and up to the publication date of the annual report, specify its effect on the Company's financial status:
N/A

Seven. Review, Analysis, and Assessment of Overview of Finance Status and Performance, and Risk Management

I. Financial position

Unit: NTD thousands

Item \ Year	2021	2020	Difference	
			Amount	%
Current asset	1,720,045	1,587,772	132,273	8.33%
Property, Plant and Equipment	8,029	7,598	431	5.67%
Intangible asset	2,791	3,226	(435)	(13.48%)
Other assets	43,737	61,860	(18,123)	(29.30%)
Total assets	1,774,602	1,660,456	114,146	6.87%
Current liabilities	350,814	289,221	61,593	21.30%
non-current liabilities	18,724	37,345	(18,621)	(49.86%)
Total liabilities	369,538	326,566	42,972	13.16%
Share capital	625,010	625,010	0	0.00%
Additional paid-in capital	11,202	11,202	0	0.00%
Retained earnings	768,852	697,678	71,174	10.20%
Total shareholders' equity	1,405,064	1,333,890	71,174	5.34%

Note: For any material change to assets, liabilities, and shareholder's equity (change between two consecutive periods is over 20%, and amount is NTD 10 million or more) in the most recent two years, specify the main causes and effect, if the effect is material, also specify the future countermeasure:

Decrease of other assets and non-current liabilities: Since the 3-year lease contract will expire in 2023, lease assets and liabilities were reduced synchronously during this period.

Increase of current liabilities: During this period, payment was increased due to the purchase of more goods.

II. Financial performance

- (I) The major causes of material changes to the operating revenue, operating net profit, and pre-tax net profit in the most recent two years.

Unit: NTD thousands

Year Item	2021	2020	Amount changed	Change (%)
Net operating revenue	1,427,097	1,227,105	199,992	16.30%
Net operating profit	382,809	322,079	60,730	18.86%
Pre-tax net profit	392,648	328,337	64,311	19.59%
The company's income in 2011 compared with that in 2010 is increased, therefore both the net income and net income before tax increased.				

- (II) The estimated sales volume and its basis, the possible effect to the Company's future finance and business, and the countermeasure:

The Company does not forecast finance and thus no applicable.

III. Cash flow

Analysis of changes in the cash flow for the most recent year:

Year Item	2021	2020	Increase and Decrease Ratio
Cash flow ratio	105.51%	108.77%	(3.00%)
Cash flow adequacy ratio	116.28%	113.61%	2.35%
Cash flow reinvestment ratio	8.27%	2.39%	246.03%
Statement of analysis of increase and decrease ratio changes: 1. The payables for purchases in the current period is greater than the increase in net cash flow from operating activities. As a result, the cash flow ratio of the current period decreased compared with the previous period. 2. The Company's cash flow ratio is increased than the last year, due to increase in net revenues over the past five years. 3. Due to the decrease of cash dividend distribution, the net cash flow in the current period is increased, therefore the cash reinvestment ratio more than 2010.			

- (II) Cash flow analysis for the next year: The Company has always focused on its business and continues to make profits, so its cash is still abundant.

IV. Major capital expenditure and its impact on the financial operations of the Company in the most recent year: None.

V. Reinvestment policy in the most recent year, the main reasons for profit or loss and the corrective action plan and investment plan for the coming year: the Company has had no new reinvestment in 2021, and currently has no new investment plan.

VI. Risk Analyses and Assessment for the recent year and up to the printing date of the annual report

(I) The impacts of the interest rate and inflation on the Company loss and profit, and the measures:

1. Interest rate: The economic impact of the epidemic in the past two years, various countries have increased their financial spending and offering unprecedentedly easy monetary policy to promote the financial liquidity, This year as countries tend to coexist with COVID-19. Interest changes in our country are relatively stable compared with the others, to obtain more favorable interest rates and higher return rate with low risks. In addition, due to the shortage of raw materials and the increase in transportation costs, inflation concerns have been raised, and various countries have also taken measures to curb inflation and raise interest rates. The sensitivity analysis of interest rate risk is based on changes in fair value of the fixed-income investments at the end of the financial reporting period. If interest rates increase/decrease 0.25%, the company's profit and loss will increase/decrease by NTD 3,385,000 in 2021, which will have little impact on the Company's operations and income.
2. Exchange rate: The Company's products are mainly occupied in export, which cover all over the world. Because some of the high-end critical components are also imported from abroad, the exchange rate fluctuations have a certain degree of impact on the Company's cost and profitability.

The Company's exchange loss for 2021 was NTD 3,507,000 accounting for only 0.2 % of total revenue, so the risk of exchange rate changes is still under control, and the measures are as follows:

- (1) Based on the physical truth, the Company should hold different foreign currencies in addition to the U.S. Dollar, to spread the risk of currency concentration.
 - (2) Product pricing needs to take consideration of the impact of the exchange rate changes to ensure the reasonable profit for the Company. And the Company also needs to use natural hedging methods to pay the manufacturer by the weak currency, to reduce the shock of the low exchange rate.
 - (3) The finance department closely monitors the directions and information of exchange rate fluctuations, and maintains close contacts with corresponding banks. The Company needs to obtain information on exchange rates from banks on every hour, and change them into NTD based on the physical truth to meet the capital requirements.
 - (4) If necessary, the Company needs to commit to foreign exchange edging instruments to reduce exchange rate risk.
3. Inflation: Global raw material prices fluctuation has some impact on our company, so the measures are as follows: The Company should know about the market changes and maintains good interaction with suppliers and customers, should increase the use of alternative materials and cooperate with third parties, and

should adjust our procurement and sales strategies to develop high-end products, enhance product differences, and improve gross margins to cope with the impact of inflation.

(II) Policy on high-risk, high-leverage investments, loaning of funds, endorsements and guarantees as well as transactions of financial derivatives, major causes for profits or losses and future countermeasures:

1. The Company has not engaged in the high-risk, high-leverage investments, loaning of funds to others, endorsements and guarantees as well as transactions of financial derivatives in 2021.
2. Pursuant to the requirements of the competent authorities, the “Procedures for Acquisition or Disposal of Assets“, the “Procedures for Providing Endorsements/Guarantees“, and the “Procedures for Loaning Funds to Others” are established.

(III) Future R & D plans and estimated investment in R & D

The company takes IP (Internet Protocol) as the core of product’s technology R & D. And the full series of network equipment meet the requirements of network infrastructure at all levels. In response to the diverse applications of the Internet of Things, Industrial Internet of things, and Car Networking, R & D of our products focus on intelligent management, environment friendly power saving, and stable & secure communication transmission design, which enhance the network communication efficiency for the harsh industrial environments, such as enterprise and public digital networks, telecommunication, home automation network, intelligent transportation and intelligent manufacturing, etc. The R & D plan is as follows:

1. Develop switching equipment with high port number speed more than 10G to provide infrastructure of future bandwidth expansion and next generation’s network construction for medium and large enterprises, telecom, and cloud data centers.
2. Expand high port and high bandwidth transmission equipment for industrial networks, enhance automatic control development of automatic control equipment, and do R & D on control products related to the soft and hard industrial transmission, such as anti-vibration and anti-interference for calibration, vehicle and power plant environments, which benefit the construction of IIoT.
3. Strengthen information security capabilities, build relevant IT/OT network information security equipment based on IEC62443 as the information security platform, and integrate a comprehensive protection system based on IEC62443.
4. To meet the multiple applications of 5G network, relevant devices such as 5G commercial, industrial and automotive routers, wireless, and Ethernet power supply were developed to provide IoT terminal device connectivity. Consideration was made for the marginal operation and cloud management.
5. The Central Management Platform constantly invest R&D energy by the differentiate and friendly interface and the mobile management design

The R & D expenses of 2022 are estimated to be 5.5%~ 7% of total.

- (IV) The impacts on the Company's financial and business of the changes for foreign and domestic policies and laws and response measures:

The Company knows about the changes of the foreign and domestic policies and laws and responds to them quickly. The management echelon also pays attention to the information of changes. If necessary, the company will counsel related experts for suggestions and take corresponding measures to accord with company's operation requirements.

- (V) The impacts on the company's (including information security risks) financial and business of technology changes and the response measures:

Because the Company closely observes the changes in industry technology, keep close touch with customers and suppliers to require the first-hand information, and adjust the production and sales strategies for response, In recent years, there have been frequent information security incidents such as cyber attacks and ransomware. For this reason, the Company attaches great importance to information security risk control and protection, builds a multi-level as well as in-depth information security management and control protection network, and implements strict control measures. As of the date of this annual report, there have been no incidents affecting its finance and sales due to technological or industrial changes.

- (VI) The impacts on company risk management of company image changes and response measures:

The Company has good corporate and brand awareness. In 2021, the Company passed the "2021 Corporate Governance Evaluation System" sponsored by TWSE and TPEX, and was ranked at the top 5% of the outstanding TPEX listed companies. From 2007 to 2021, the Company were granted by CommonWealth Magazine the "Corporate Citizenship Awards" for the consecutive 15 years; and in the 15-year history of this ESG award by CommonWealth Magazine, the Company was the only mittelstand enterprise selected every year. In 2015, the Company was recognized with the "Potential Taiwan Mittelstand Award" by MOEA, as well as the first enterprise won the "Taiwan Mittelstand Award for Gender Equality". In 2018, the Company received the first term of "Humane Entrepreneurship Award" by International Council for Small Business (ICSB), as the only awarded Taiwanese enterprise. In 2019, the Company received the award of "Taiwan Mittelstand Award for Workplace Friendliness" by MOEA again, and "Asia Responsible Enterprise Awards - Social Empowerment" by Enterprise Asia. The Chairman, Jack Chen is also granted "Asia Pacific Entrepreneurship Awards 2019" under the Outstanding category, organized by Enterprise Asia, and "2019 Taiwan EY Sustainable Leader Entrepreneur Of The Year" by EY Taiwan. In 2020, Chen, Ching-Kang the Chairman of PLANET Technology Corporation is also granted to "10 Best Inspiring CEOs of 2020".

- (VII) Estimated benefits, potential risks and response measures for M & A: The Company has no M & A plans.

- (VIII) Estimated benefits, potential risks and response measures for plant expansion: The Company has no plant expansion plans.

- (IX) Facing risks and response measures for stocking or sales concentration: The Company strives to scatter the purchasing manufacturers and trade debtors. Therefore, it has no concentrated risk.

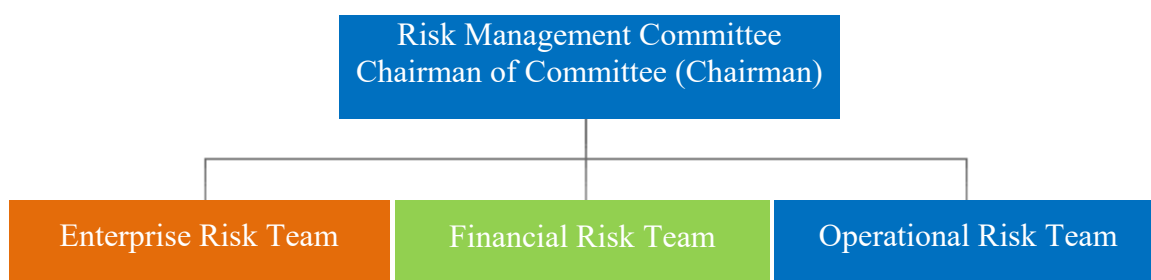
- (X) The influence, risk and response measures of equity transfer or change of directors, supervisors or shareholders with over 10% shares: There is no status of equity transfer or change of directors or shareholders with over 10% shares in the Company.
- (XI) The influence, risk and response measures of change in franchise right on the Company: The Company has no status of change in franchise right.
- (XII) Litigation and non-litigation matters: Major litigations, non-litigations or administrative litigation matters of the directors, supervisors, CEO, actual directors, major shareholders with over 10% shares and affiliated companies that have been judged or has been ongoing shall be listed. For results of matters that have significant impacts on the equity of shareholders or security price, the litigation facts, targeted amount of money, starting date of litigation, major interested parties of the litigations and status of handling as of the printing date of the annual report shall be disclosed: N/A.
- (XIII) Other significant risk and response measures:
1. Assessment of information security and the counter measures: there are four people deployed to the Information Management Office, in charge of the development of the soft and hardware, information security, and monitor. The information security policies include: prevention against the intrusion of virus and hackers, prevention against the information leaking, and the internal audit. At the end of every year, Information Management Office assess the information security risks, and propose the information management program for the next year, to respond to the operational and information security needs. The policy management program is as the following:
 - Prevention against the intrusion of virus: all computers in the Company are installed with full-feature anti-virus software. The IT personnel check the system security daily, and update the virus code to prevent against the virus.
 - Prevention against the intrusion of hackers: a solid firewall is built to the Company's network system. Other than the basic protection of spam mails, the firewall also effectively determine and quarantine the threatening or dubious e-mails, to protect users from the phishing mails that steal confidential information. However, the information security always evolves, so the IT personnel not only have to monitor any abnormality at the network, they also check the machine room in person daily, to make sure all the IT devices in the machine room work properly. The data are backed up weekly with hard disks that would be sent to safe in banks as the external backup support, as the countermeasure to the data destruction resulted from significant disasters or incidents.
 - Prevention against the information leaking: every employee of the Company has his/her own system account and password. The account application of new employees must be approved by the supervisors in charge and the head of IT. Once resigns, the IT personnel would change/delete the account of the concerned employee immediately pursuant to the regulations. Except the password administrator or the head of IT, password cannot be inquired without authorization. All employees are required to change passwords annually. In the regards of Company's secrets, all employees have signed NDA, strictly

prohibiting them from leaking business secrets. Each computer is under the device management. Other than the management and IT personnel, external storage devices are banned from general employees. The Company conducts the information security promotion periodically every year, to enhance the risk awareness of the employees to the information security. A solid firewall mechanism is established; other than the basic protection of spam mails, the firewall also effectively determine and quarantine the threatening or dubious e-mails, to protect users from the phishing mails that steal confidential information. The “Regulations of Handling and Managing Material Information” are established, to set up the handling and disclosure mechanism for the Company’s material internal information. Except preventing the improper leaking of information, the consistency and accuracy of the Company’s disclosed information.

- Strengthen information security capabilities, build relevant IT/OT network information security equipment based on IEC62443 as the information security platform, and integrate a comprehensive protection system based on IEC62443.
- Internal audit: to strictly implement the measures related to the information security, the internal audit include the “digital information cycle“, as well as “audit to the information management operation“. Every year, a thorough inspection is conducted to the indicators affecting the information security, such as control of passwords, security control of files and devices, management of the machine room, and management of data backup. As of the inspection of 2021, no abnormality has been found. The outcome has been reported to the Board of Directors.

2. Organization and operation of risk management:

(1) The Company strengthens the management of corporate risk based on the internal control system. On Nov. 4, 2020, the regulations of the Risk Management Committee was revised. On Dec. 22, 2020, the Risk Management Committee was passed by the Board of Directors and was subordinated to the functional committees of the Board of Directors. More than half members of the Committee is composed of independent directors. It has three members (including two independent directors). The Convenor of the Committee, Lawyer Huang, Hsin Hsien is an expert in law, which conforms to the expertise requirement of the Committee. The other two members are Independent Director, Chang, Pao-Thai and COO, Wu, Hsueh-Ju. The risk management scale of the Company includes “corporate risk” “financial risk” and “operational risk”, which are taken charge of by CTO, CFO and COO of the Company respectively.



(2) Evaluation matters of major risk

Groups	Evaluation matters
Corporate risk unit	<ol style="list-style-type: none"> 1. Changes in policies and laws 2. Change in corporate image 3. Litigation and non-litigation affairs 4. Behaviors and moral integrity of personnel 5. Obligation of SOP and laws and regulations
Financial risk unit	<ol style="list-style-type: none"> 1. Changes in franchise right 2. Equity changes in directors and major shareholders 3. Management of procedures of Board of Directors 4. Interest rate, exchange rate and financial risks 5. High-risk highly-leveraged investment, loans funded to others, derivatives trading and financial investment 6. Investment, reinvestment and merger & acquisition benefits
Operational risk unit	<ol style="list-style-type: none"> 1. Technology and industry changes 2. Plant or production expansion 3. R & D plan 4. Concentrated stocking and sales 5. Other operational matters

(3) Risk management mechanism

Strengthen corporate risk management based on internal control system, which includes risk identification, measuring, monitoring, report and handling;

Three-level mechanism for risk management is implemented in the Company:

Level 1: Organizing unit or undertakers shall be responsible for the initial risk identification, measuring, monitoring design and prevention work.

Level 2: Personnel in charge of all units shall be responsible for the decision feasibility and evaluation, report and handling of various risks.

Level 3: Members of Risk Management Committee shall start up all kinds of plans and programs. And auditors shall examine and evaluate the risks and improve the tracking, and report to the Board of Directors and Audit Committee.

VII. Other important disclosures: N/A.

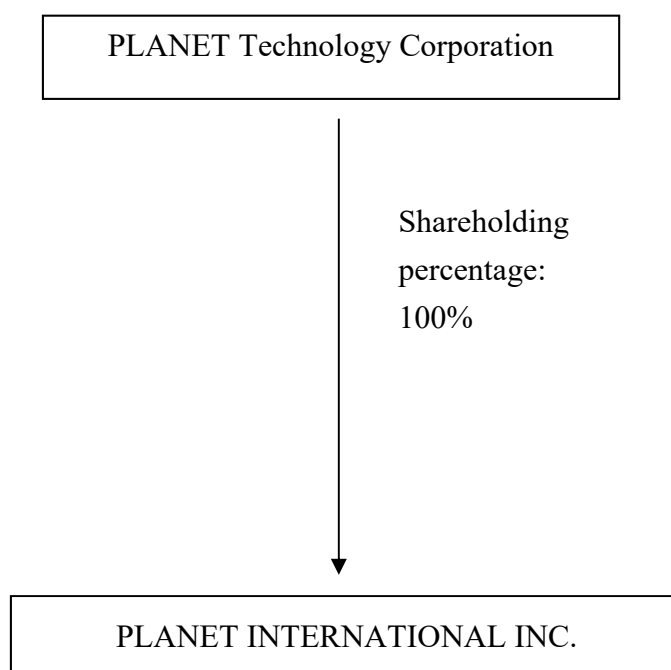
Eight. Special notes

I. Information on affiliate enterprises:

(I) Consolidated Business Report of Affiliates

1. Organizational chart of affiliates

Dec. 31, 2021



1. Profile of affiliated enterprises

Unit: thousand NTD Dec. 31, 2021

Name of enterprise	Date of incorporation	Address	Paid-in capital	Principal business or production lines
Planet International Inc.	Jan. 7, 2005	2nd Level Lotemau Mall, Vaea Street, Apia, Samoa	3,214	International trading

Note: The date when PLANET remitted the first investment as the share capital of Planet International Inc.

2. Common shareholders in controlling and controlled companies: None.

3. Businesses covered by affiliated enterprises

The major business of Planet International Inc. is international trading.

4. Directors, supervisors, and CEO of affiliated enterprises

Dec. 31, 2021

Name of enterprise	Position	Name or representative	Shares held	
			Shares held (shares)	Ratio of shareholding (%)
Planet International Inc.	Director	PLANET Technology Corporation. Representative: Hsu, Hwa-Lin	100,000	100%

5. Performance of affiliated companies

Unit: thousand NTD; Dec. 31, 2021

Name of enterprise	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit (Losses)	Current net profit	EPS (NTD)
Planet International Inc.(Note)	3,214	2,928	0	2,928	0	(117)	(117)	-1.17

Note: Audited and attested by CPAs

(II) Consolidated financial statements of affiliates: please refer to the consolidated financial reports of the parent company and subsidiaries (P181~P241)

Statement

The companies to be included by the Company in the consolidated financial statement of affiliated enterprises in 2021 (from Jan. 1, 2021 to Dec. 31, 2021) pursuant to the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those to be included into the consolidated financial report of the parent company and subsidiaries pursuant to the IAS No. 10. Further, the related information to be disclosed in the consolidated financial report of affiliated enterprises has been disclosed in the said consolidated financial report of parent company and subsidiaries. Accordingly, it is not necessary for the Company to prepare the consolidated financial report of affiliated enterprises separately.

Company name: PLANET Technology Corporation

Responsible person: Chen, Ching-Kang

Feb. 24, 2022

- II. There the Company has carried out a private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, disclose the date on which the placement was approved by the board of directors or by a shareholders meeting, the amount thus approved, the basis for and reasonableness of the pricing, the manner in which the specified persons were selected, the reasons why the private placement method was necessary, the targets of the private placement, their qualifications, subscription amounts, subscription price, relationship with the Company, participation in the operations of the Company, actual subscription (or conversion) price, the difference between the actual subscription (or conversion) price and the reference price, the effect of the private placement on shareholders' equity, and, for the period from receipt of payment in full to the completion of the related capital allocation plan, the status of use of the capital raised through the private placement of securities, the implementation progress of the plan, and the realization of the benefits of the plan: None.
- III. Holding or disposal of the Company's shares by subsidiaries in the last financial year, up till the publication date of annual report: None.
- IV. Other required supplementary explanation: the Company does not apply hedge accounting, and thus not applicable.

Nine. Matters with Significant Influence

Any significant events materially affecting shareholders' equity or the price of securities as defined in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act in the most recent year and up to the publication date of the annual report: None.