

Stock Code : 6263



# PLANET TECHNOLOGY CORPORATION

## 2022 Annual Report

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

Taiwan Stock Exchange Market Observation Post System:

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

Printed on May 5, 2023

**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>

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## One. Letter to Shareholders

Ladies and gentlemen, and shareholders:

### 1. Operating Performance in 2022

In the face of challenges in the international market over the past years, Planet Technology has adjusted its operating strategies flexibly and developed innovative network devices and solutions actively and continuously with a view to improving the competitiveness of its own brands. In 2022, Planet Technology saw many of its indicators reaching a new record high; for instance, the consolidated revenue was NTD 1.72003 billion, the gross profit margin was 42%, and the after-tax earnings per share was NTD 7.01.

Planet Technology has included “sustainable development” into its core business strategy and continuously improved the performance of ESG (Environment, Social and Governance) by adhering to the idea of “Benefiting Others, Sustainability”. In 2022, the Company obtained the first prize of backbone enterprise groups of “2021 Sustainable Citizen Award” and was also one of the top 100 typical backbone enterprises included in the sustainable list for 16 consecutive years, and granted many honors, including the top 5% of Excellent OTC Company in the “8<sup>th</sup> Corporate Governance Evaluation”, the gold level of sustainability report of “Taiwan Corporate Sustainability Awards”, “Sports Enterprise Certification”, etc., strengthening the Company’s business value and potential for sustainable development.

In terms of brand marketing, in 2022, we once again concentrated on entity and participated in the international ICT exhibitions, improved brand awareness and market performance through diverse digital promotional ways. In terms of R&D and innovation, we expanded the layout and development of intelligent network communications equipment and management platform, and extended the application field of network products in order to satisfy the higher demands for network infrastructure in various countries. Our R&D and innovation achievements have won the “Taiwan Excellence Award” for 20 consecutive years. In particular, the “Industrial 5G NR IoT Gateway” was awarded the “2022 Taiwan Excellence Award” and the “2022 Computex Best Choice Award (Gold)”. All these show Planet Technology’s R&D on the innovation of products like 5G networking and smart networking was up to the latest trend. The Company’s total R&D expenditure in 2022 amounted to NTD 87,513,000. The main R&D achievements are shown below:

- (i) Industrial-grade network product line: To address industrial IoT and industrial control network applications, we launched high-profile products such as industrial network backbone level 10G Layer 3 managed optical fiber switch, nanosecond level TSN (Time Sensitive Network) switch, industrial control communication EtherCAT network I/O

control connection device, etc. We obtained the IEC 62443-4-1 certification for product security development management system, and provided or assembled most of the products in-house, from sourcing of components to the final production.

- (ii) Information security product line: We provided commercial and industrial VPN/SD-WAN security gateway series, integrated with information security encryption, Ethernet power supply, Wi-Fi 6 networking, 5G NR, optical fiber transmission, and central management platform so as to strengthen information security of multiple intelligent networks.
- (iii) Cross-domain central management of renewable energy network: We developed the industry's leading "UNC-NMS", which could centrally control up to 100,000 network devices, whatever national and regional boundaries, and integrate the network power supply equipment and management systems of renewable energy to realize machine-to-machine (M2M) automatic energy conservation management, and improve edge computing applications of private or public cloud and network energy efficiency.
- (iv) 10G Ethernet and power over network: In terms of switch and Power over Ethernet (PoE) switch series, we upgraded the data transmission to multi-Gigabit and 10Gbps specifications. The Power over Ethernet products support 2.5G multi-speed and 95-watt power supply, which facilitates the rapid deployment of Wi-Fi 6 high-bandwidth wireless networks and large data center.
- (v) 5G, AIoT (Artificial Intelligence of Things) communication device: We launched a number of 5G NR integrated network products and LoRaWAN AIoT solutions, which are designed with such functions as optical fiber transmission, Ethernet power supply, central management, etc. to improve the flexibility of intelligent network applications. The innovative design of the LoRaWAN AIoT solution was awarded the "2023 Taiwan Excellence Award".

## II. Summary of the Company's Business Plan for 2023

### (i) Business Policy

1. Brand awareness to go digital for international promotion.
2. Highlight on product R&D, innovation and sustainability to enhance differentiated competitive advantages.
3. Focus on risk management and team operation efficiency and maintainance of eenterprise's continuous operation.
4. Active response to global sustainability issues, improvement of ESG practice

## One. Letter to Shareholders

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4. Active response to global sustainability issues, improvement of ESG practice



performance, and creation of sustainable business value for enterprises.

(ii) Important Production and Marketing Policies

1. Marketing Strategy

- (1) Adhere to the principle of green marketing, enhance digitalization through brand marketing and strengthen the Company's professional and sustainable brand image.
- (2) Participate in international professional S&T exhibition, integrate transnational distribution channel resources based on specific strategies, and occupy a larger market share.
- (3) Win large projects with our innovative products and technical services.
- (4) Safeguard brand intellectual property and strengthen international brand value.

2. Production, R&D and Product Development Strategy

- (1) Develop various network infrastructure equipment and solutions for industrial IoT, AIoT and Internet of Vehicles based customer-oriented design.
- (2) Underline systematic patent layout and differentiated R&D design to improve competitive advantage of the brand.
- (3) Build green network and renewable energy infrastructures to promote green energy, carbon reduction and sustainable environmental development.
- (4) Control the supply of upstream key components, improve turnover and capacity efficiency, and improve quality comprehensively.

III. The Company's Development Strategy in the Future

1. Grasp the latest trend of market and smart networking, make strategic layout on global channels, and consolidate international brand image and value.
2. Innovate the R&D of network equipment and green energy products continuously to enhance its differentiated competitive advantage and create a high gross profit.
3. Deepen the integration of corporate operations and ESG practices to achieve the 2050 net zero carbon emission target.
4. Fulfill corporate social responsibility (CSR) and create sustainable development value of the enterprise.

IV. Impact of External Competitive Environment, Regulatory Environment and Overall Business Environment

According to the "World Economic Outlook" report released by the International Monetary Fund (IMF) in January 2023, the global economic growth in 2023 was estimated to be 2.9%. Generally speaking, despite the slow economic development ascribed to inflation and geopolitical

factors around the whole world, international economic and trade exchanges gradually return to normal along with the relieved pressure caused by the COVID. Investment in intelligent network construction by various countries is also on the rise. In consideration of the above, Planet Technology will develop user-friendly intelligent management and energy-saving network equipment by giving full play to Taiwan's technological brand innovation capability continuously, meet customers' needs on network infrastructures and enhance its brand competitiveness in the global market.

In the face of climate change risks and the global carbon reduction trend, Planet Technology will endeavor to establish a sustainable supply chain based on the development of green energy products on the principle of innovation and sustainable development, so as to make products comply with international environmental protection standards in such links as R&D, design, procurement, manufacturing, transportation, product use, recycling, etc., strengthen supply chain resilience, and create sustainable value for the enterprise.

At last, on behalf of the board of directors and all employees of the Company, I'd like to extend my wholehearted thanks to all shareholders for their support and trust. All colleagues will continue to highlight the spirit of innovation and teamwork to make profits and create brand value, and finally realize the Company's sustainable development.

Best regards,  
Ching-kang Chen, Chairman and CEO

## Two. Company Profile

I. Date of incorporation: Jan. 5, 1993

II. Company history:

Time	Key Facts
Jan. 1993	PLANT Technology Limited (Now known as PLANET Technology Corporation) was incorporated.
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 for three products: Bandwidth Manager, Powerline to Ethernet Bridge with 4-port switch, and 48-port Stackable Ethernet Switch with 2 Gigabit slots.

Time	Key Facts
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 <sup>st</sup> place in the enterprise wireless LAN segment, and the 3 <sup>rd</sup> 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	Key Facts
Jan. 2008	<ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ Brand-new official website of PLANET was onboard.</li> <li>▪ PoE/802.11g CMOS P/T IR Internet Camera was awarded with the “2008 Taiwan Excellence Award”.</li> </ul>
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 Forthy 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 <sup>st</sup> time) certification without defect.
Dec. 2009	<ul style="list-style-type: none"> <li>▪ Passed the “CG6005 Corporate Governance System Evaluation Certification” again after review, and secured the highest scores among TPEx listed companies.</li> <li>▪ Unified Office Gateway received the “2010 Taiwan Excellence Award”.</li> </ul>
Feb. 2010	Five units of employee stock options of 2007 were traded over-the-counter.
Mar. 2010	<ul style="list-style-type: none"> <li>▪ Received the Fiver Star recognition of “Corporate Social Responsibility Award” by Global Views Monthly Magazine, as the 1<sup>st</sup> place of the TPEx listed companies.</li> <li>▪ 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.</li> </ul>
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	Awarded by CommonWealth Magazine with the “2010 Taiwan’s Excellence in Corporate Social Responsibility Award”.

Time	Key Facts
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 <sup>st</sup> 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"> <li>▪ Ranked 1<sup>st</sup> 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.</li> <li>▪ Received “Certification for Networking Products” from Belarus again.</li> </ul>
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"> <li>▪ Ranked as the 1st place among “The Top 10 Suppliers of 2012” by the largest ICT B2B e-commerce platform “Computex.biz”.</li> <li>▪ Passed the ISO 9001 and ISO 14001 certification without defect again.</li> </ul>
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"> <li>▪ Awarded by CommonWealth Magazine with the “2013 Corporate Citizenship Awards”.</li> <li>▪ 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.</li> </ul>

Time	Key Facts
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 “2014 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 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	Awarded by CommonWealth Magazine with the “2015 Corporate Citizenship Awards”.
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	Awarded by CommonWealth Magazine with the “2016 Corporate Citizenship Awards”.
Nov. 2016	Passed the ISO 9001:2015 and ISO 14001:2015 certification without defect.

Time	Key Facts
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 10G 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 “2017 Corporate Citizenship Awards”. The Company was the only TPEX listed company receiving this CSR award for the consecutive 11 <sup>th</sup> 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	Awarded by CommonWealth Magazine with the “2018 Corporate Citizenship Awards”.
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	Key Facts
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	Recognized by CommonWealth Magazine with the “2019 Corporate Citizenship Awards”. The Company was the only TPEX listed company receiving this CSR award for the consecutive 13 <sup>th</sup> 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.

Time	Key Facts
Sep. 2020	Recognized by CommonWealth Magazine with the “2020 Corporate Citizenship Awards” for 14 successive years.
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 <sup>th</sup> 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	The top 5% of the outstanding OTC companies in the 8 <sup>th</sup> Corporate Governance Evaluation conducted by the Taiwan Stock Exchange and the Taipei Exchange.
May 2022	“Industrial 5G NR IoT Gateway ICG-2515W-NR” was granted the “2022 Best Choice Award - Golden Award”, i.e., the official award of COMPUTEX. The Company was once again recognized by the Technology Indicators Award for the Information and Communication Industry after obtaining the 2022 Taiwan Excellence Award.
Jun. 2022	Passed the ISO/IEC 27001:2013 information security management system certification for the first time.
Aug. 2022	Obtained the <i>External Evaluation Report on Performance of Board of Directors</i> for the first time; appointed the “Taiwan Association of Board Governance”, a

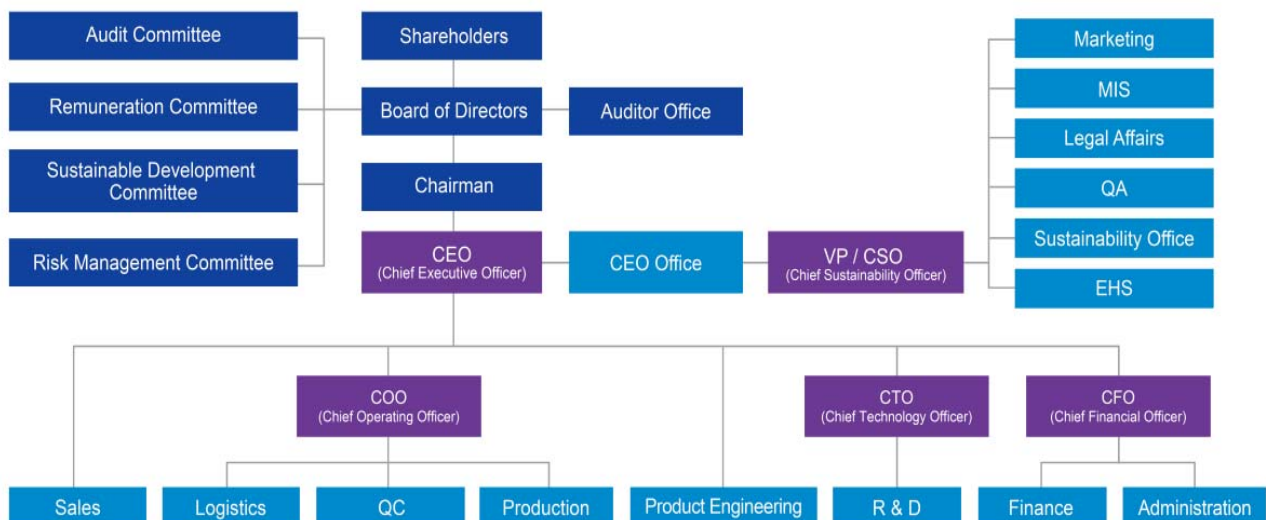
professional independent organization, to evaluate the performance of the board of directors to improve the functions and operational efficiency of the board of directors.

- Aug. 2022 Passed IEC 62443-4-1 product security development system certification to enhance industrial network security protection.
- Sep. 2022 Obtained the first prize of backbone enterprise groups of “2022 Sustainable Citizen Award” of the *Commonwealth* Magazine and also one of the top 100 typical backbone enterprises included in the sustainable list for 16 consecutive years.  
  
Participated in the world's largest rail transit technology professional exhibition "InnoTrans 2022 Berlin International Rail and Transportation Equipment Exhibition" for the first time, and presented smart transportation network infrastructure solutions.
- Nov. 2022 Awarded the first "Sports Enterprise Certification".  
  
Awarded the "Taiwan Excellence Award" for 20 consecutive years, and the latest three innovative Netcom solutions and products were awarded the "31st (2023) Taiwan Excellence Award": LoRa AIoT Smart IoT Solution, Cross-domain Network Center Management platform, industrial grade 10Gbps fiber optic network managed switch.
- Mar. 2023 Passed 2021 health workplace certification ~ Health Start Mark.
- Apr. 2023 The top 5% of the outstanding OTC companies in the 9<sup>th</sup> Corporate Governance Evaluation conducted by the Taiwan Stock Exchange and the Taipei Exchange.

### Three. Corporate Governance Report

#### I. Organizational structure

##### (I) Current organizational structure



(II) Operations and functions of the major department:

<u>Auditor Office:</u>	Internal control system auditing, assess the effectiveness of operations, and suggestions for continuous improvement
<u>CEO Office:</u>	Company objectives and strategies; decision-making of product development and global branding; establishing of each system of the Company and controlling documents; Cyber Security Management; 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.
<u>Dept. of Sales:</u>	In charge of managing domestic/overseas markets and distributor channels; managing sales orders, shipment and payment; and handling customer complaints.
<u>Dept. of Logistics:</u>	In charge of product production and material outsourcing; inventory managing; shipping arrangement; and custom declaration.
<u>Dept. of Quality Control:</u>	Product and raw material inspection to ensure the product quality.
<u>Dept. of Production:</u>	Manage the production scheduling and processes of the outsourced plants; production monitoring on site of the outsourced plants.
<u>Dept. of Product Engineering:</u>	Deciding product strategies; developing new technologies and new products; validation of the reliability and functions of products. Also, in charge of technical supports to clients, product technical documents, trainings to employees and clients.
<u>Dept. of R&amp;D:</u>	In charge of the design of product hardware and software.
<u>Dept. of Finance:</u>	Planning and dispatching funds, risk management, cashier, handling accounting affairs, and reviewing the annual budgets and settlements.
<u>Dept. of Management:</u>	In charge of human resource recruiting 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 (I)

Mar. 28, 2022

Title	Nationality/ Country of	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 (Note 5)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C.	Chen, Ching-Kang	M 61~70 years old	2020.6.10	3years	19931.5	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. President 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)

Executives, Directors or Supervisors who are spouses or within two degrees of kinship	Relation	Spouse	N/A	Remarks (Note 5)
	Name	Chen, Ching-Kang	N/A	
	Title	Chairman	N/A	
Other Position		Vice president of PLANET Technology Corporation. Chairman of Director of Puyang Investment Co., Ltd Representative director of Planet International Inc. Director of First Commercial Bank Culture and Education Foundation	President of Zhang Yue Construction Corporate. President of Lan Bou Wan Development Co., Ltd. Independent director of Test Rite International Co., Ltd.	
Education and Experience		B.A., Department of Music, Chinese Culture University	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	
Shareholding by Nominee Arrangement	Shares	—	—	
	%	—	—	
Spouse & Minor Shareholding	Shares	4,211,978	—	
	%	6.74%	—	
Current Shareholding	Shares (Note 6)	3,030,241	16,856,237	
	%	4.85%	26.97%	
Shareholding when Elected	Shares	3,030,241	16,856,237	
	%	4.85%	26.97%	
Inauguration Date		1993.1.5	2001.8.8	
Term(Years)		3years	3years	
Date Elected		2020.6.10	2020.6.10	
Gender/Age		F 61~70 years old	F 61~70 years old	
Name		Hsu, Hwa-Lin	Representative of Puyang Investment Co., Ltd	
Nationality/ Country of		R.O.C	R.O.C.	
Title		Director	Director	16

Title	Nationality/ Country of	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 (Note 5)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
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 Vice manager, Taishin Diandian	CFO of PLANET Technology Corporation.	N/A	N/A	N/A	
Independent director	R.O.C.	Chen, Shuh	M	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	

Title	Nationality/ Country of	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 (Note 5)
							Shares	%	Shares	%	Shares	%	Shares	%			Shares	%	Title	
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	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 (Note 5)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent director	R.O.C.	Chang, Pao-Thai	M51~60 years old	2020.6.10	3 years	2017.6.13	—	—	—	—	—	—	—	—	Master of Executive Class, Antai College of Economics and Management, Shanghai Jiao Tong University	Chairman, Premier International Development Incorporation President, 360D HR Consultancy Co., Ltd. Independent director of Apex Science & Engineering Corp. Independent director of Brinno	N/A	N/A	N/A	

N/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 in the form of a specific interval, 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 thereto (such as adding seats of independent directors, and more than a half of directors do not concur employees or managers)

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

### Major shareholders of the institutional ownership

Mar. 26, 2023

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 experience Independent status(NOTE1)	Professional qualifications and experience 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. Chairman and general manager of PLANET Technology Corporation and member of Sustainable Development Committee. Director of Puyang Investment Co., Ltd., founder of the Public Trust Planet Education Fund, director of Sin Trend Video Co., Ltd., independent director, member of Audit Committee and Remuneration Committee of Apex Technology Inc. Chen has the experience of working as the chief of International Marketing, Wang Laboratories, Member of Industry-Education Consultation Committee of International Economy &amp; Trade Strategy Group of Executive Yuan, chief supervisor and president of National Innovation and Entrepreneurship Association, R.O.C.</p> <p>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 &amp; communication and industry knowledge.</p> <p>Chen does not meet any of the conditions stated in Article 30 of The <i>Company Act</i>.</p>	N/A	1
Hsu, Hwa-Lin	<p>B.A., Department of Music, Chinese Culture University. Vice president and sustainable director of PLANET Technology Corporation and convener of Sustainable Development Committee. Chairman of Director of Puyang Investment Co., Ltd., representative director of Planet International Inc., and director of First Commercial Bank Culture and Education Foundation.</p> <p>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 &amp; communication and industry knowledge</p> <p>Hsu does not meet any of the conditions stated in Article 30 of The <i>Company Act</i>.</p>	N/A	0

Qualification Name	Professional qualifications and experience Independent status(NOTE1)	Professional qualifications and experience 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.: Li, I-Chuan	PhD, Business Administration, Macau University of Science and Technology, president of Zhan Yue Construction Corporate, president of Lan Bou Wan Development Co., Ltd., independent director, member of Audit Committee, Remuneration Committee and Sustainable Development Committee of Test Rite Group Co., Ltd. Li has the experience of working as the associate vice president, Audit Office and Department of Finance, Pacific SOGO Department Stores Co., Ltd. Li has the corresponding business and financial working experience and 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, sustainability, 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> .	N/A	1
Representative of Puyang Investment Co., Ltd.: Lin, Man-Tsu	EMBA, National Chengchi University, and CFO and governance director of PLANET Technology Corporation. Working experience as the manager of Wei-Feng Security, manager of Ju-Ba Electrical Engineering and vice manager of Taishin Diandian. Lin has the financial and accounting working experience and the 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, sustainable capacity, 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> .	N/A	0

Qualification Name	Professional qualifications and experience Independent status(NOTE1)	Professional qualifications and experience Independent status(NOTE2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chen, Shuh (Independent director)	<p>PhD, in Business Administration, National Taiwan University; chairman of Central Investment Co., Ltd.; independent director, member of Audit Committee, convener of Sustainable Development Committee of Asia Cement Corporation; independent director, member of Audit Committee and Remuneration Committee, convener of Sustainable Development Committee of O-TA Precision Industry Co., Ltd.; and chairman of Zhong Dao Association of Leadership and Culture. Experience of working as the Chairman of Financial Supervisory Commission, Executive Yuan, chairman, Taiwan Stock Exchange and independent director of Accton Technology Corporation.</p> <p>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, sustainable capacity, finance &amp; accounting knowledge. Chen is the meeting convener of the Company's Audit Committee, member of Remuneration Committee and Sustainable Development Committee, and has the qualification of serving as an audit committee member.</p> <p>Chen 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.</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>	2

Qualification Name	Professional qualifications and experience Independent status(NOTE1)	Professional qualifications and experience 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 independent director, member of Audit Committee, member of Remuneration Committee, member of Sustainable Development Committee of Test Rite International Co., Ltd.. Experience of working as the judge, Chiayi, Taoyuan, and Shilin District Courts; director, Tsai Won Industrial Co., Ltd.; director, Jinghua Society Cultural Foundation; member of 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, capability of sustainability and legal industry knowledge. Huang is the meeting convener of the Company's Risk Management Committee, member of Audit Committee, member of Remuneration Committee, member of Sustainable Development 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 Company Act.</p>	<p>The Company's independent director, who complies with the corresponding criteria.</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

Qualification Name	Professional qualifications and experience Independent status(NOTE1)	Professional qualifications and experience Independent status(NOTE2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chang, Pao-Thai (Independent director)	<p>Master of Executive Class, Antai College of Economics and Management, Shanghai Jiao Tong University, chairperson, Premier International Development Incorporation, president, 360D HR Consultancy Co., Ltd. and director, the meeting convener of Remuneration Committee and member of Audit Committee of Apex Science &amp; Engineering Corp. and Brinno.</p> <p>Chang has the working experience of business and finance and working experienced required by the Company's business, capability of operational judgment, capability of business management, insight on the international market, leadership, capability of sustainability and human resource industry knowledge; Change is the meeting convener of the Company's Remuneration Committee, member of Audit Committee, Risk Management Committee and Sustainable Development 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.</p> <ul style="list-style-type: none"> <li>•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;</li> <li>•The party concerned, its spouse do not hold the shares of the Company; and its parents has 103,000 shares,with a proportion of 0.16%.</li> <li>•The party concerned is not the director, supervisor or employee of any company under special relationship with the Company;</li> <li>•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.</li> </ul>	2

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 specialized 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, sustainability, legal, financial accounting or the professional 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 judgement	2 Capability of corporate management	3 Capability of risk management	4 Insight on the international market	5 Leadership	6 Capability of sustainability	7 Professional capability	8 Industry knowledge
		51 to 60	61 to 70	Less than three years	Three to nine years									
Chen, Ching-Kang	M		√			√	√	√	√	√	√		Network communication	Technologies
Hsu, Hwa-Lin	F		√			√	√	√	√	√	√		Network communication	Technologies
Li, I-Chuan	M		√				√	√	√	√	√		Business administration	Construction
Lin, Man-Tsu	F		√			√	√	√	√	√	√		Finance and accounting	Technologies
Chen, Shuh (Independent director)	M		√		√		√	√	√	√	√		Finance and accounting	Finance
Huang, Hsin Hsien (Independent director)	M		√		√		√	√	√	√	√		Legal matters	Legal matters
Chang, Pao-Thai (Independent director)	F	√			√		√	√	√	√	√		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 (43%) and 4 non-independent directors (57%). 3 directors have the identity of employees and managers (43%), 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 (43%) and the 3 independent directors also include one female director.
- The Company's chairman and general manager are the same person, which is determined based on the specific operation demands so as to improve decision-making execution and operation efficiency. The motions relating to the decision-making authority of the board of directors were approved by all directors after full communication and discussion. More than half of the present directors didn't serve as employees or managers. To strengthen corporate governance, the Company has set up three independent directors, and will add another 1 independent director at the re-election of the shareholders' meeting in 2023, so as to enhance the functions of the board of directors and strengthen the supervision function.

### 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 (29%), 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. 26, 2023

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	199301.05	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	199301.05	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, hing-Kane	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	1995.08.28	297,775	0.47%	136,205	0.22%	—	—	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 Company's chairman and general manager are the same person, which is aimed to improve decision-making execution and operation efficiency. More than half of the present directors didn't serve as employees or managers. To strengthen corporate governance, the Company has set up three independent directors, and will re-elect them and add another 1 independent director in 2023, so as to enhance the functions of the board of directors and strengthen the supervision function.

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

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

(I) Remuneration to non-independent and independent directors

Unit: NTD thousands

Position	Name	Remuneration 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 All companies included into the financial statement.
		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																			NA	
	Director	Hsu, Hwa-Lin																				
	Director	-	-	-	-	5,658	5,658	22	22	5,680	5,680	9,426	9,426	205	205	2,100	-	2,100	-	17,411		17,411
	Director	Puyang Investment Co., Ltd Representative: Li, I-Chuan Puyang Investment Co., Ltd Representative: Lin, Man-Tsu (Note 1)(Note 1)																				
Independent director	Independent director	Chen, Shuh																			NA	
	Independent director	Huang, HsinHsien																				
	Independent director	Chang, Pao-Thai																				
<p>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:</p> <ul style="list-style-type: none"> <li>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". In addition to the remuneration stipulated in the Articles of Association, only the external directors and independent directors attending each meeting of the board of directors may receive transportation expenses, and no other remuneration.</li> <li>Remuneration of the Company's directors and independent directors is determined as per the Articles of Association. Directors' performance is evaluated per year as per the "Guidelines of Evaluating Performance of the Directors" and the specific results are submitted to the board of directors for the next year as a reference for determining their individual remuneration. The performance of the board of directors is evaluated through external third-party agency.</li> </ul> <p>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</p>																						

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) Remuneration to supervisors

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

## Remunerations to CEO and vice presidents

Unit: NT\$ thousands

Title	Name	Salary (A)		Pension (B)		Bonus and special		Remuneration to employees (D)			Sum of A, B, C, and D as a		Compensation from parent company or invested	
		The Company	All companies included into the financial statement.	The Company	All companies included into the financial statement.	The Company	All companies included into the financial statement.	The Company	All companies included into the financial statement.	The Company	All companies included into the financial statement.	The Company		All companies included into the financial statement.
CEO	Chen, Ching-Kang	4,788	4,788	117	117	3,214	3,214	1,320	-	9,439	9,439	2.15%	2.15%	N/A
Vice President	Hsu, Hwa-Lin													

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 912 (NTD thousand) was not included into 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 into 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 paid to managerial employees, and the status of allocation:

Unit: NT\$ thousands  
Mar. 31, 2023

	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	5,700	5,700	1.30%
	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. Remuneration 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
2021	2.00%	2.80%
2022	2.01%	2.15%

### 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 2022 respectively.

Supervisors: It ceases to apply, as audit Committee has been set to replace the supervisors.  
CEO and deputy general manager:

The proportion of the remuneration of CEO and deputy general manager in the Company's after-tax profits decreased slightly in 2021 compared with that in 2020. The proportion declined, for the Company's after-tax profit in 2021 was higher 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:

- (1) 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”.

From 2009, the Company has purchased liability insurance for directors to thoroughly protect the directors’ liabilities and the assets.

(2) Remunerations of managers

● Salary (recurrent)

The manager’s salary is determined by referring to Taiwan’s HR market, category of similar industries and based on the Company’s salary and welfare policies; when hiring, promoting or adjusting the salary of a manager, his/her salary shall be determined based on title, rank, educational background, professional ability and responsibilities, etc., and shall be submitted to the Remuneration Committee for review according to the provisions level by level and shall be implemented after approval by the board of directors.

● Year-end bonus and employee compensation (non-recurrent)

Bonuses of the Company’s managers shall be determined based on the Company’s annual operating performance and future risks, as well as his/her specific annual performance assessment results. The HR Department shall prepare the proposal on year-end bonus and employee compensation, which should be submitted to the Remuneration Committee for review, and implemented upon approval by the board of directors.

Remunerations of the directors, the general manager and the deputy general manager are calculated based on the performance of the Company and themselves, their professional competence, and the Company’s operations and future risks. The Company shall review its future operational risks at all times, and review its remuneration system in proper time so as to realize the aim of sustainable operation and risk management.

#### IV. Corporate governance

##### (I) 1. Operations of the Board

a. The key points of the Board in 2022 are as follows

- Review 2023 business plan
- Review 2021 financial report and 2021 quarterly financial reports
- Evaluation over the effectiveness of internal control system
- Commission of CPAs and auditing of remunerations
- Proposal of amendment of “Procedures on Acquisition and Processing of Asset Handling”
- Greenhouse Gas Inventory and Plan for Verification Schedule
- Performance evaluation of the board of directors by entrusting an external professional independent organization
- Promotion of Blueprint for 3.0 Sustainable Development of Company Governance

b. In 2022, the Company convened total six Board meetings, and operated as follows:

- Feb. 24, 2022

Discussed:

- (1) Proposal of remunerations to employees and directors for 2021
- (2) 2021 “Declaration of Internal Control System”
- (3) Proposal of the consolidated and parent-company-only financial statements for 2021
- (4) Proposal of amendment of “Procedures on Acquisition and Processing of Asset Handling”
- (5) Revision of internal control system and rules for implementation of internal audit
- (6) Proposal of renaming of “Code of Practice for CSR”
- (7) Proposal of amendment of “Regulations of CSR Committee” and renaming of “CSR Committee”
- (8) Proposal of amendment of “CSR System and Policy”
- (9) Affairs related to the convention of the Shareholder’s Meeting 2022, acceptance of proposals from shareholders with 1% shareholding
- (10) Proposal of self-assessment of directors for 2021 and performance evaluation of Board of Directors
- (11) Proposal of performance evaluation of functional committee of 2021
- (12) Proposal of assessment to attesting accountants’ independence and suitability, 2021
- (13) Proposal of engaging attesting accountants and their compensations, 2022
- (14) Proposal of appraising managers’ performance and the evaluations to the auditors, 2021

- Apr. 15, 2022:

Discussed:

- (1) Proposal of business report for 2021
- (2) Proposal of earnings distribution for 2021
- (3) Proposal of amendment of some articles in the Articles of Association
- (4) Proposal of amendment of “Rules of Procedures for Shareholders’ Meeting”
- (5) Proposal of amendment of “Corporate Governance Best-Practice Principles”



(6) Remedy to affairs related to the convention of Shareholders' Meeting 2021, acceptance of proposals from shareholders with 1% shareholding

●April 28, 2022:

Discussed the Company's proposal of "Greenhouse Gas Inventory and Plan for Verification Schedule"

●August 8, 2022:

Discussed (1) Proposal of consolidated financial statement in the first half of 2022

(2) Proposal of application for renewal of credit line by Shanghai Commercial Bank

(3) Proposal of amendment of "Measures for Performance Appraisal of Auditors"

(4) Proposal of amendment of "Guidelines of Evaluating Performance of the Directors"

(5) Proposal of Distribution of Director's and Manager's Remunerations in 2021

●November 4, 2022:

Discussed (1) Proposal of consolidated financial statements of the first three quarters of 2022

(2) 2023 Audit Plan

(3) Proposal of amendment of "Code for Procedure of Board of Directors"

●December 21, 2022

Discussed (1) 2023 Operating Plan and Budget

(2) Proposal of amendment of "Corporate Governance Best-Practice Principles"

(3) Proposal of amendment of "Measures for the Administration of Major Information Processing"

(4) Proposal of amendment of "Procedures for Preventing Insider Trading"

(5) Proposal of renaming and amendment of "Regulations of Risk Management Committee"

(6) Proposal of updating of "Risk Management Policies and Procedures"

(7) Year-end bonus for managers in 2022 and fixed salary adjustment proposal for 2023

c. The Board convened six (A) meetings in the most recent fiscal year (2022); the attendance of supervisors are as follows:

Position	Name (Note)	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%	

Note: The directors and independent directors were reelected totally on Jun. 10, 2020. All former directors and independent directors were reappointed as the members of the 11<sup>th</sup> Board of Directors. The former members had meetings for 2 times and the new members had 4 meetings.

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 2022, 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.

Board of Directors Term Date of Meeting	Motions	Independent director's dissenting opinion or qualified opinion or contents of major project proposal	Resolutions of the Board of Directors	Handling of the opinions from the Company's independent directors
The 11 <sup>th</sup> meeting of the 11 <sup>th</sup> board of directors February 24, 2022	<p>Discussed</p> <p>(1) Proposal for remuneration of staff and directors of 2021</p> <p>(2) Proposal of "Statement of Internal Control System" of 2021</p> <p>(3) Proposal of consolidated financial statement and individual financial report of 2021</p> <p>(4) Proposal of amendment of "Procedures on Acquisition and Processing of Asset Handling"</p> <p>(5) Revision of internal control system and rules for implementation of internal audit</p> <p>(6) Proposal of renaming of "Code of Practice for CSR"</p> <p>(7) Proposal of amendment of "Regulations of CSR Committee" and renaming of "CSR Committee"</p> <p>(8) Proposal of amendment of "CSR System and Policy"</p> <p>(9) Proposal of convening of shareholders' meeting and acceptance of shareholders holding 1% of the total shares in 2022</p> <p>(10) Proposal of directors' self-evaluation and performance evaluation of the board of directors of 2021</p> <p>(11) Proposal of performance evaluation of functional committee of 2021</p> <p>(12) Proposal of assessing the independence and competence of certified public accountants of 2021</p> <p>(13) Proposal of appointment and remuneration of certified public accountants of 2022</p> <p>(14) Proposal of manager performance appraisal and auditor evaluation of 2021</p>	No dissenting opinions	It was ratified by all attending directors	No such situation

<p>The 12<sup>th</sup> meeting of the 11<sup>th</sup> board of directors April 15, 2022</p>	<p>Discussed (1) Proposal of business report of 2021 (2) Proposal of distribution of surplus of 2021 (3) Proposal of amendment of some articles in the Articles of Association (4) Proposal of amendment of “Rules of Procedures for Shareholders’ Meeting” (5) Proposal of amendment of “Corporate Governance Best-Practice Principles” (6) Correction of the proposal of convening of shareholders’ meeting and acceptance of shareholders holding 1% of the total shares in 2021</p>	<p>No dissenting opinions</p>	<p>It was ratified by all attending directors</p>	<p>No such situation</p>
<p>The 13<sup>th</sup> meeting of the 11<sup>th</sup> board of directors April 28, 2022</p>	<p>Discussed Proposal of “Greenhouse Gas Inventory and Plan for Verification Schedule”</p>	<p>No dissenting opinions</p>	<p>It was ratified by all attending directors</p>	<p>No such situation</p>
<p>The 14<sup>th</sup> meeting of the 11<sup>th</sup> board of directors August 8, 2022</p>	<p>Discussed (1) Proposal of consolidated financial statement for the first half of 2022 (2) Proposal of application for renewal of credit line by Shanghai Commercial Bank (3) Proposal of amendment of “Measures for Performance Appraisal of Auditors” (4) Proposal of amendment of “Guidelines of Evaluating Performance of the Directors” (5) Proposal of Director’s Remuneration and Manager’s Remuneration Distribution in 2021</p>	<p>No dissenting opinions</p>	<p>It was ratified by all attending directors</p>	<p>No such situation</p>
<p>The 15<sup>th</sup> meeting of the 11<sup>th</sup> board of directors December 4, 2022</p>	<p>Discussed (1) Proposal of consolidated financial statements of the first three quarters of 2022 (2) 2023 Audit Plan (3) Proposal of amendment of “Code for Procedure of Board of Directors”</p>	<p>No dissenting opinions</p>	<p>It was ratified by all attending directors</p>	<p>No such situation</p>
<p>The 16<sup>th</sup> meeting of the 11<sup>th</sup> board of directors December 21, 2022</p>	<p>Discussed (1) 2023 Operating Plan and Budget (2) Proposal of amendment of “Corporate Governance Best-Practice Principles” (3) Proposal of amendment of “Measures for the Administration of Major Information Processing” (4) Proposal of amendment of “Procedures for Preventing Insider Trading” (5) Proposal of renaming and amendment of “Regulations of Risk Management Committee” (6) Proposal of updating of “Risk Management Policies and Procedures” (7) Year-end bonus for managers in 2022 and fixed salary adjustment proposal for 2023</p>	<p>No dissenting opinions</p>	<p>It was ratified by all attending directors</p>	<p>No such situation</p>

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:

The Company,

The Company has reminded the directors, independent directors as well as those discussing and voting on the issues of avoiding the issues related to their interests and

insider tradings in every notice of convening a board meeting. If the proposal is related to the interest of the personnel above or their legal persons, the Company reminded relevant personnel that need to avoid the proposal, who shall neither discuss nor voting on it, before declaring the proposal.

- Board meeting on August 8, 2022

**To discuss the remunerations of directors and managers as reported by the Remuneration Committee:**

The chairman's instructions: In accordance with the "Rules of Procedure for the Board of Directors of Public Companies", managers should leave the meeting in advance. Chen, Ching-Kang (chairman), Chen, Shuh (independent director), Huang, Hsin Hsien (independent director), Chang, Pao-Thai (independent director), Hsu, Hwa-Lin (director), Li, I-Chuan (legal representative director), and Lin, Man-Tsu (legal representative director), who have interest in the proposals, shall not participate in the discussion or voting. When discussing the remuneration and performance of individual director, the individual director shall avoid the discussion and voting. The rest ones shall be approved by the chairman after consulting the attending directors with voting power in accordance with the Remuneration Committee's proposal.

- Board meeting on December 21, 2022

**To discuss the proposal of year-end bonus for managers in 2022 and fixed salary adjustment proposal for 2023 as reported by the Remuneration Committee:**

The chairman's instruction: In accordance with the provisions of the "Rules of Procedure for the Board of Directors of Public Companies", all managers shall leave the meeting in advance. Chen, Ching-Kang (chairman), who concurrently serves as the general manager, Hsu, Hwa-Lin (director), who concurrently serves as the deputy general manager and Lin, Man-Tsu (director), who concurrently serves as the manager, shall not participate in the voting and therefore shall leave the meeting. The chairman appointed independent director Chang, Pao-Thai to act as the chairman to preside over proposal discussion. The proposal of the Remuneration Committee was approved after the acting chairman consulted some directors with voting rights.

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:

"Measures for the Performance Evaluation of the Board of Directors" is hereby formulated in accordance with Article 37 of the *Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies* for compliance in order to implement corporate governance, enhance the functions of the Company's board of directors and establish performance objectives for improving the operational efficiency of the board of directors.

The performance evaluation measures for the Company's board of directors, including the main evaluation cycle, period, scope and method of evaluation, evaluation agency, evaluation

procedures, etc., shall be subject to the provisions of this file.

Each functional committee shall implement the specification of internal committee performance evaluation at least once a year. The internal evaluation of the board of directors shall be completed before the end of the first quarter of next year.

The performance evaluation of the Company’s board of directors shall be conducted at least once every three years by an external professional independent institution or an external team consisting of experts and scholars.

See the table below for details about internal and external assessments of the board of directors:

● Implementation of the Company’s internal evaluation on the board of directors:

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, 2022 to Dec. 31, 2022	Board of directors	Internal self-evaluation of Board	<p><u>Board of directors:</u></p> <ol style="list-style-type: none"> <li>1. Participation of the Company’s operation (20%)</li> <li>2. Improvement of the decision quality of the Board (20%)</li> <li>3. Composition and structure of the board of directors (20%)</li> <li>4. Election and continuing learning and education (20%)</li> <li>5. Internal control (20%)</li> </ol> <p>Self-evaluation result: 100 points; approved by the board of directors on February 23, 2023.</p> <ol style="list-style-type: none"> <li>1. The board members are diverse and professional, all of whom actively participate in the formulation of the Company’s strategic objectives, attend the shareholders’ meetings and the board meetings (100%), and complete the required training hours (100%).</li> <li>2. The audit supervisor attended the board meeting as a non-voting member, brought forth internal audit report, and submitted the report to the independent directors in accordance with the regulations; the Company has designated a corporate governance supervisor, and managed details on agenda planning, meeting preparation, information provision, meeting minutes and post-meeting follow-up of the board of directors systematically; provided proper and full information for all directors 7 days ahead of the</li> </ol>

Annually	The performance of board directors was evaluated between Jan. 1, 2021 to Dec. 31, 2021	Independent director	Self-evaluation of independent director	<p>meeting. All directors made resolution after full discussion in meetings, interacted with the management team actively and gave feedback and actively communicated on the team's reports, so as to exert the board's role fully.</p> <p>3. Four functional committees, namely, Remuneration Committee, Audit Committee, Sustainable Development Committee, and Risk Management Committee, are set up under the board of directors to enhance the governance effectiveness of the board of directors.</p> <p><u>Self-evaluation of independent director:</u></p> <ol style="list-style-type: none"> <li>1. Command of the Company's goals and tasks (15%)</li> <li>2. Recognition of the director's duties (10%)</li> <li>3. Participation of the Company's operation accounts (30%)</li> <li>4. Operation and communication of internal relations (15%)</li> <li>5. Expertise and continuing learning and education of the directors (15%)</li> <li>6. Internal control (15%)</li> </ol> <p>Self-evaluation result: 100 points; approved by the board of directors on February 23, 2023.</p> <ol style="list-style-type: none"> <li>1. Provide the core values, discipline, mission, honor, vision and other concepts of the Company to each director at regular intervals, so that they could have a clear understanding of the Company's all strategic objectives. The management team provides operational reports to the directors and independent directors at the board meeting so that they could have a clear understanding of the industry to which the Company belongs, and the directors also provide professional opinions for and communicate with the</li> </ol>
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Annually	The the performance of Audit Committee was evaluated between Jan. 1, 2022 to Dec. 31, 2022	Functional Committee: Audit Committee	Internal self-evaluation of Audit Committee	<p>management team so that the directors can exercise professional and appropriate judgment.</p> <p>2. Besides fully exerting their professional experience, all directors have chosen continuous learning, with a participation rate of 100%, and provide professional advice for the management team.</p> <p>3. Professional guidance is also provided for internal audit reports.</p> <p><u>Functional committee-Audit Committee:</u></p> <p>1. Participation of the Company's operation (20%)</p> <p>2. Recognition of the duties of the Audit Committee (25%)</p> <p>3. Improvement of the decision quality of the Audit Committee (35%)</p> <p>4. Composition and member election of the Audit Committee (15%)</p> <p>5. Internal control (5%)</p> <p>Self-evaluation result: 100 points; approved by the board of directors on February 23, 2023.</p> <p>1. The attendance rate of the members of the Audit Committee was 100%.</p> <p>2. The Audit Committee received proper and sufficient information for reference before that meeting, and each committee member participated in resolution making after full discussion. The Audit Committee held communication meetings with the accountant and the chief accountant twice a year and with the accountant and the chief auditor four times a year, so as to facilitate the Audit Committee to timely evaluate and supervise the effectiveness of the Company's accounting system and internal</p>
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Annually	The performance of Remuneration Committee was evaluated between Jan. 1, 2022 to Dec. 31, 2022	Functional Committee: Remuneration Committee	Internal self-evaluation of Remuneration Committee	<p>control.</p> <p><u>Functional committee- Remuneration Committee:</u></p> <ol style="list-style-type: none"> <li>1. Participation of the Company's operation (20%)</li> <li>2. Recognition of the duties of the Remuneration Committee (25%)</li> <li>3. Improvement of the decision quality of the Remuneration Committee (35%)</li> <li>4. Composition and member election of the Remuneration Committee (15%)</li> <li>5. Internal control (5%)</li> </ol> <p>Self-evaluation result: 100 points; approved by the board of directors on February 23, 2023.</p> <ol style="list-style-type: none"> <li>1. The attendance rate of the committee members was 100%. Proper and sufficient information was obtained before the meeting, and the resolution was fully discussed in the meeting.</li> <li>2. The policy, system, standard and structure of performance evaluation and remuneration of directors and managers were reviewed regularly, and submitted to the board of directors for approval. The remuneration of directors was determined based on the results of performance evaluation. In case of any relevant proposal requiring avoidance of committee members with interest relationship, the member indeed avoided it. Minutes of the meeting have been made.</li> </ol>
Annually	The performance of CSR Committee was evaluated between Jan. 1, 2022 to Dec. 31, 2022	Functional committee: CSR committee	Internal self-evaluation of CSR Committee	<p><u>Functional Committee - CSR Committee:</u></p> <ol style="list-style-type: none"> <li>1. Participation of the Company's operation (20%)</li> <li>2. Recognition of the duties of the CSR Committee (15%)</li> <li>3. Improvement of the decision quality of the CSR Committee (35%)</li> <li>4. Composition and member election of the CSR Committee</li> </ol>



Annually	The performance of Risk Management Committee was evaluated between Jan. 1, 2022 to Dec. 31, 2022	Functional committee: Risk Management committee	Internal self-evaluation of Risk Management Committee	<p>(15%)</p> <p>5. Internal control (15%) Self-evaluation result: 100 points; approved by the board of directors on February 23, 2023.</p> <p>1. The attendance rate of the members was 100%. There're 5 members in total, who had governance expertise and met the professional competence required by the Committee.</p> <p>2. The Sustainability Promotion Group reported to the Sustainable Development Committee twice a year, including the sustainability blueprint, sustainable governance strategy, ESG performance and target planning. The committee members reviewed the Company's implementation and performance tracking, and made professional and objective recommendations to the board of directors for discussion and decision-making reference.</p> <p>3. Members continued to study sustainability related courses every year to ENHANCE their professional capabilities</p> <p><u>Functional Committee - Risk Management Committee:</u></p> <p>1. Participation of the Company's operation (20%)</p> <p>2. Recognition of the duties of the Risk Management Committee (15%)</p> <p>3.Improvement of the decision quality of the Risk Management Committee (35%)</p> <p>4. Composition and member election of the Risk Management Committee (15%)</p> <p>5.Internal control (15%) Self-evaluation result: 100 points; approved by the board of directors on February 23, 2023.</p> <p>1. The attendance rate of the members was 100%. There're 3 members in total. The convener had legal expertise and met the professional competence required by the Committee.</p> <p>2. Report on the implementation of risk management was made twice a year to the board of</p>
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				<p>directors. Risk management policies and procedures proposed by the Company were discussed regularly, the Company's potential risks were evaluated and monitored, and objective recommendations were given.</p> <p>3. The rules and regulations of various risk management related systems were revised and risk control management was carried out.</p>
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● Implementation of the evaluation on the board of directors by external institution:

In 2022, the Company entrusted "Taiwan Association of Board Governance", an external professional independent organization, for performance evaluation.

Results of evaluation by "Taiwan Association of Board Governance" and its suggestions on the Company:

- The board of directors has set up four functional committees, namely, "Remuneration Committee", "Audit Committee", "Sustainable Development Committee" and "Risk Management Committee", to fully exert directors' strengths, divide labor of work and enhance the governance effectiveness of the board of directors.
- The Company has long included CSR into core business strategy. In recent years, the Company have promoted ESG in an all-round way and set up a "Sustainable Development Committee" under the board of directors. The Company has received many overseas and local awards over the years.
- The Company takes the lead in the industry in promoting carbon reduction. It built a Green Product platform, a carbon inventory system for suppliers, 3 years ago.
- Board members are diverse in terms of gender and profession. There are three female directors and three independent directors with expertise in financial accounting, law and human resources.
- Board members performed their duties and all directors attended all regular board meetings and shareholders' meetings in 2022.
- The board of directors set a typical example. In addition to the annual self-evaluation, the Company has also employed an external independent institution for evaluating the board's performance, fully demonstrating the board's self-discipline and accountability
- The Company's annual financial statement for 2021 in Chinese was published on February 24, 2022 after CPA's review and it reveals the Company's emphasis on the interests of shareholders and the timeliness and transparency of information disclosure.
- In the future, the matters reflected by shareholders and stakeholders can be reported to the board of directors.
- It is recommended to set up an E-mail on the Company's website, through which the convener of the Audit Committee can send and receive emails simultaneously to facilitate reporting.

As for the evaluation institution's suggestions, the Company proposed the *Report on the Communication with Stakeholders* in the board meeting held on April 28, 2011; in March 2023, an E-mail function was set on the Company's website, with which members of the Audit Committee could send and receive emails simultaneously, so as to facilitate reporting.

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 Capability of Sustainability	7 Professional capability	8 Industry knowledge
		51 to 60	61 to 70	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

2. The chairman and the general manager of the Company are the same person, in order to improve the operational efficiency and decision-making execution force. More than half of the present board directors do not serve as employees or managers. Moreover, to intensify corporate governance, the Company has designated 3 independent directors. In the board meeting held on February 23, 2023, the board of directors approved the re-election of directors, which include 4 independent directors and 3 directors, with 1 independent director added compared to the situation before re-election (6 directors in total, including 3 independent directors). The Chief Financial Officer would resignate from the post of director so that the total number of directors with employee status is less than one-third of the directors in order to enhance the board’s functions and strengthen supervision.

3. Chen, Shuh, Huang, Hsin Hsien and Chang, Pao-Thai, independent directors of the Company, were first elected on June 13, 2017 and assumed their second terms on June 10, 2020. None of them took office for more than 3 terms.

4. The Company has placed liability insurance for its directors and key employees every year since 2009, and reported relevant information to the board of directors on November 4, 2022, so as to enable the directors to effectively perform their functions and balance their responsibilities in exercising corporate supervision and governance.
5. Chen, Ching-Kang (chairman), Chen, Shuh (independent director & convener of Audit Committee), Chang, Pao-Thai (independent director & convener of Remuneration Committee), Huang, Hsin Hsien (independent director), Hsu, Hwa-Lin (director), Li, I-Chuan and Lin and Man-Tsu (representative of corporate director) attended the Company's 2022 shareholder's meeting.
6. Since its establishment by the Company in 2017 voluntarily to enhance information transparency, the Audit Committee has held five meetings respectively on February 24, April 15, April 28, August 8 and November 4, 2022 to discuss the financial report, assessment of the effectiveness of the internal control system, evaluation on certified public accountants, business report, earnings distribution and audit plan for 2021, all of which were reported to the board of directors for approval. The performance of Audit Committee in 2022 was evaluated in accordance with "Measures for the Performance Evaluation of the Board of Directors", and the Board of Directors approved the performance evaluation proposal of the functional committee on February 23, 2023.
7. The management team, internal audit supervisor and accountant of the Company attended the board of directors as non-voting delegates, who reported key financial businesses and internal control. Independent directors asked the auditor and accountant for explanation on site, if they had any audit business or financial related issues; independent directors and accountants discussed the preparation of financial reports and audit matters on February 24, April 28, August 8 and December 13, 2022, respectively; the audit supervisor reported audit implementation to the independent directors on a monthly basis and the independent directors communicated with the audit supervisor through E-mail or telephone.
8. Remuneration Committee held three meetings on February 24, August 8, and December 21, 2022. According to Paragraph 1 of Article 7 of "Regulations of the Remuneration Committee" that "the Committee shall faithfully perform the following functions and powers and submit its recommendations to the board of directors for discussion":
  - (1) Formulate and regularly review policies, systems, standards and structures for performance appraisal and remuneration of both directors and managers.
  - (2) Evaluate and determine the remuneration of directors and managers regularly. The performance evaluation of individual directors and managers have been discussed and approved by the board. The performance of the Remuneration Committee for 2022 was evaluated as per the "Measures for the Performance Evaluation of the Board of Directors", and the board of directors approved the proposal of performance evaluation of functional committees on February 23, 2023.
9. On November 4, 2020, the Board of Directors approved amendments to the "Regulations of Risk Management Committee". On December 22, 2021, the Board of Directors decided to form the "Risk Management Committee" consisting of more than half of the independent directors. And on the same day, a meeting was held and Huang, Hsin Hsien, an independent Director, was elected as the convener.  
The Risk Management Committee holds at least two meetings a year and reports on its

operations to the Board of Directors. In 2022, the committee held a total of two meetings, on November 4 and December 19, 2022 respectively.

10. The “Regulations of Corporate Social Responsibility Committee” was formulated on November 4, 2021. On December 22, 2021, the Board of Directors decided to form the Corporate Social Responsibility (CSR) Committee consisting of 3 independent directors and 2 directors. And on the same day, a meeting was held and Director Hsu, Hwa-Lin was elected as the convenor. In line with the international development trend and to achieve the goal of sustainable development, the CSR Committee was renamed the “Sustainable Development Committee” by the Board of Directors on February 24, 2022. The Sustainable Development Committee holds at least two meetings a year and reports on its operations to the Board of Directors. In 2022, the committee held a total of two meetings, on February 24 and December 19, 2022 respectively.

- (II) 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.
1. The key points of the Remuneration Committee in 2022 are as follows:
    - Proper presentation of auditing financial report
    - Monitoring and evaluation over effectiveness of the internal control system
    - The amendment to the "Operation Procedures on Acquisition and Disposal of Assets"
    - Reviewing of the annual audit plan
    - “Greenhouse Gas Inventory and Schedule for Verification”
    - Control over various risks and legal compliance
  2. In 2022, the Company convened a total of five Audit Committee meetings, and operated as follows:
    - Feb. 24, 2022:  
Internal audit report  
Discussed:
      - (1) 2021 “Declaration of Internal Control System”
      - (2) Proposal of the consolidated and parent-company-only financial statements for 2021
      - (3) The amendment to the "Operation Procedures on Acquisition and Disposal of Assets"
      - (4) Revision of internal control system and implementation details of internal audit
      - (5) Proposal of assessment to attesting accountants’ independence and suitability, 2021
      - (6) Proposal of engaging attesting accountants and their compensations, 2022
    - Apr. 15, 2022:  
Report:  
Internal audit report  
Discussed:
      - (1) Proposal of business report for 2020
      - (2) Proposal of earnings distribution for 2020
    - Apr. 28, 2022:  
Discussed:
      - (1) Proposal of total financial report of 2022 Q1
    - Aug. 28, 2022:  
Consolidated financial statements of the first half of 2022
    - Nov. 4, 2021:  
Report:  
Internal audit report  
Discussed:
      - (1) Consolidated financial statements of Q1 to Q3 2021
      - (2) Audit Plan for 2023

3. Operation of the Audit Committee:

The Audit Committee convened five (A) meetings in the most recent fiscal year (2022); 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	5	0	100%	
Independent director	Huang, Hsin Hsien	5	0	100%	
Independent director	Chang, Pao-Thai	5	0	100%	
Other notes:					
<p>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.</p> <p>(I) Conditions described in Article 14-5 of the Securities and Exchange Act</p> <p>(II) Other than those described above, any resolutions unapproved by the Audit Committee but passed by more than two-thirds of directors:</p>					

**In 2022, the Company convened a total of five Audit Committee meetings:**

Date of Audit Committee Meeting (Sequence Number of Meeting)	Motions	Objections, Reservations or Major Proposals of Independent Directors	Audit Committee Resolutions	Handling of the Opinions of Audit Committee Members
The 7 <sup>th</sup> Meeting of the 2 <sup>nd</sup> Term February 24, 2022	Discussed: (1) The "Statement of Internal Control System" of 2021 (2) The consolidated financial statement and individual financial reports of 2021 (3) The amendment to the "Operation Procedures on Acquisition and Disposal of Assets" (4) The amendment to the "Internal Control System and Rules for Implementation of Internal Audit" (5) Assessment on the independence and competence of certified public accountants in 2021 (6) Appointment and remuneration of certified public accountants in 2022	No objections	Approved by all the members present	No such situation
The 8 <sup>th</sup> Meeting of the 2 <sup>nd</sup> Term April 15, 2022	Discussed: (1) Business operation report of 2021 (2) Distribution of surplus in 2021	No objections	Approved by all the members present	No such situation
The 9 <sup>th</sup> Meeting of the 2 <sup>nd</sup> Term April 28, 2022	Discussed: (1) The consolidated financial statement for the first quarter of 2022	No objections	Approved by all the members present	No such situation
The 10 <sup>th</sup> Meeting of the 2 <sup>nd</sup> Term August 8, 2022	Discussed: The consolidated financial statement for the first half of 2022	No objections	Approved by all the members present	No such situation
The 11 <sup>th</sup> Meeting of the 2 <sup>nd</sup> Term November 4, 2022	Discussed: (1) The consolidated financial statement for the first three quarters of 2022 (2) The 2023 Audit Plan	No objections	Approved by all the members present	No such situation



All the proposals above have been discussed fully and agreed by the all members before its submission to the Board of Directors. These proposals contain no the matters described in Article 14-5 of the Securities and Exchange Act or other matters not approved by the Audit Committee but shall be approved by over 2/3 directors of the Board.

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 five Audit Committee meetings in 2022:

●Feb. 24, 2022:

Discussion (1) 2021 "Declaration of Internal Control System"

(2) Proposal of the consolidated and parent-company-only financial statements for 2021.

(3) "Operation Procedures on Acquisition and Disposal of Assets"

(4) Revision of internal control system and implementation details of internal audit.

(5) Proposal of assessment to attesting accountants' independence and suitability, 2021

(6) Proposal of engaging attesting accountants and their compensations, 2022

●Apr. 15, 2022:

Discussion (1) Proposal of business report for 2021

(2) Proposal of earnings distribution for 2021

●Apr. 28, 2022:

Discussion (1) Proposal of 2022 Q1 consolidated financial statements

●Aug. 8, 2022:

Discussing consolidated financial report of the first half of 2022

●Nov. 4, 2022:

(1) Proposal of consolidated financial statements of the first three quarters of 2022

(2) Discussed Audit Plan for 2023

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

### 1. Quarterly

Date	Form of Communication	Matters Communicated	Results of Communication
February 24, 2022	Discussion at offline meeting	Discussion on audit matters in 2021	All the independent directors agreed with the CPAs and the audit report.
April 28, 2022	Discussion at offline meeting	Explanation and Discussion on consolidated financial statement for the first quarter of 2022	
August 8, 2022	Discussion at offline meeting	Discussion on the implementation of the internal audit in the first half of 2022 and the audit plan for the second half of 2022	
December 13, 2022	Discussion via videoconference	Discussion on 2022 mid-term internal control and inspection matters	
February 22, 2023	Discussion via videoconference	Explanation of the results of the 2022 mid-term internal control and inspection	

### 2. Monthly

Date	Form of Communication	Matters Communicated	Results of Communication
January 28, 2022	E-mail submission	Submitted the audit report for December 2021	Independent directors had no objection to the current audit report.
February 25, 2022	E-mail submission	Submitted the audit report for January 2022	Independent directors had no objection to the current audit report.
March 31, 2022	E-mail submission	Submitted the audit report for February 2022	Independent directors had no objection to the current audit report.
April 29, 2022	E-mail submission	Submitted the audit report for March 2022	Independent directors had no objection to the current audit report.
May 31, 2022	E-mail submission	Submitted the audit report for April 2022	Independent directors had no objection to the current audit report.
June 30, 2022	E-mail submission	Submitted the audit report for May 2022	Independent directors had no objection to the current audit report.
July 29, 2022	E-mail submission	Submitted the audit report for June 2022	Independent directors had no objection to the current audit report.
August 31, 2022	E-mail submission	Submitted the audit report for July 2022	Independent directors had no objection to the current audit report.
September 30, 2022	E-mail submission	Submitted the audit report for August 2022	Independent directors had no objection to the current audit report.
October 31, 2022	E-mail submission	Submitted the audit report for September 2022	Independent directors had no objection to the current audit report.
November 30, 2022	E-mail submission	Submitted the audit report for October 2022	Independent directors had no objection to the current audit report.
December 30, 2022	E-mail submission	Submitted the audit report for November 2022	Independent directors had no objection to the current audit report.
January 31, 2023	E-mail submission	Submitted the audit report for December 2022	Independent directors had no objection to the current audit report.
February 24, 2023	E-mail submission	Submitted the audit report for January 2023	Independent directors had no objection to the current audit report.
March 30, 2023	E-mail submission	Submitted the audit report for February 2023	Independent directors had no objection to the current audit report.
April 28, 2023	E-mail submission	Submitted the audit report for February 2023	Independent directors had no objection to the current audit report.

**Communications between the Independent Directors and the Accountants, Accounting Supervisors**

Date	Form of Communication	Matters Communicated	Results of Communication
February 24, 2022	Discussion at offline meeting	Report and discussion on review of the 2021 consolidated financial statement and individual financial reports	All the independent directors agreed with the accountants and the audit report.
April 28, 2022	Discussion at offline meeting	Explanation and discussion on review of the consolidated financial statement for the first quarter of 2022	
August 8, 2022	Discussion at offline meeting	Explanation and discussion on review of the consolidated financial statement for the first half of 2022	
February 22, 2023	Discussion via videoconference	Report and discussion on review of the 2022 consolidated financial statement and individual financial reports	

**Communications between the Independent Directors and the Accountants, Governance Units**

Date	Form of Communication	Matters Communicated	Results of Communication
December 29, 2021	Written report	The accountants reported to the governance units on the review plan of the parent company and subsidiary's 2021 consolidated financial statement and individual financial reports and the risks to be assessed.	The governance units agreed with the accountants' written reports.
February 10, 2022	Written report	The accountants reported to the governance units on the review results of the parent company and subsidiary's 2021 consolidated financial statement and individual financial reports.	
December 21, 2022	Written report	The accountants reported to the governance units on the review plan of the parent company and subsidiary's 2022 consolidated financial statement and individual financial reports and the risks to be assessed.	
February 18, 2023	Written report	The accountants reported to the governance units on the review results of the parent company and subsidiary's 2022 consolidated financial statement and individual financial reports.	

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

Items under evaluation	Status		Summary	Any nonconformity to the Corporate Governance Best Practice Principles for TSEC/TPEX Listed Companies, and reasons thereof:
	Yes	No		
I. Has the Company established and disclosed its corporate governance principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		<p>The Company established its “Corporate Governance Best-Practice Principles” in accordance with the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” on June 13, 2008. The Company has disclosed the “Corporate Governance Best-Practice Principles” in the “Corporate Governance Zone” of its website and in the Market Observation Post System.  <a href="https://www.planet.com.tw/tw/ir/corporate-governance">https://www.planet.com.tw/tw/ir/corporate-governance</a></p> <p>The Company abides by laws and regulations and has established a sound corporate governance structure. The Company has also formulated its regulations governing safeguarding of shareholders' rights and interests, strengthening of the functions of the Board of Directors, protection of stakeholders' rights and interests, and enhancement of information transparency. On July 18, 2019, the Board of Directors approved the appointment of the Corporate Governance Officer, qualified by the law, to carry out matters related to corporate governance, protection of shareholders' rights and interests, and strengthening of the functions of the Board of Directors to continuously implement and enhance corporate governance.</p> <p>On April 15 and December 21, 2022, the Board of Directors approved the following matters including shareholders' participations in the shareholders' meetings via videoconference, disclosure of legal compliance matters in accordance with laws and the principle of information transparency, and the amendment to the Company's “Corporate Governance Best-Practice Principles”.</p>	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		<p>(I) The “Stakeholders' Zone” in the Company's website provides the telephone numbers and email addresses of spokespersons, acting spokespersons and the Audit Committee. In addition, the Company has set up contact windows for different stakeholders and multiple communication channels for shareholders to fully express their views through an open and transparent platform. The Company has also formulated its "Investor Relations Management Procedures", by which the spokesperson and the acting spokesperson handle the shareholder's suggestions, questions, disputes and legal actions, and prepare an investor relations report at the beginning of each year. There were no issues raised by stakeholders in 2022 and it was reported to the Board of Directors on December 21, 2022.</p>	N/A
(II) Whether the Company possess the list of its	V		<p>(II) To be fully clear about the major shareholders who actually</p>	N/A

Items under evaluation	Status		Summary	Any nonconformity to the Corporate Governance Best Practice Principles for TSE/TPEX Listed Companies, and reasons thereof:
	Yes	No		
major shareholders and the controlling parties of such shareholders?			control the Company, PLANET reports the changes in the shareholding status of insiders on a monthly basis according to law. The Company also obtains relevant information through stock agents to keep track of the list of major shareholders.	
(III) Whether the Company establishes or implements some risk control and firewall mechanisms between the Company and its affiliates	V		(III) For better risk control between PLANET and its affiliated enterprises, the Company has, in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies", established a number of rules and regulations in its internal control system and internal audit system, such as "Regulations Governing Operation of Long-term and Short-term Investment", "Standards for Conducting Financial Transactions with Affiliated Enterprises", "Operation Procedures for Transactions with Specific Companies, Group Enterprises and Affiliated Persons", "Regulations Governing Monitoring of Subsidiaries" and other relevant rules and regulations. The Audit Office is responsible for reviewing the implementation of the above regulations according to the annual audit plan to ensure the effectiveness of the formulation and implementation of the regulations, so as to establish a sound risk control mechanism and a good firewall between the Company and its affiliated enterprises. In 2022, there were no transactions with affiliated enterprises.	N/A
(IV) Does the Company set up internal norms to prohibit the insiders from utilizing the undisclosed information to trade securities?	V		(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, all employees of the Company re-sign the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Business Operations and Guidelines on Conduct". Starting from 2021, all new employees are required to receive education and training on ethical operation and sign the labor contract. The labor contract states that employees must strictly abide by the Company's "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Business Operations and Guidelines on Conduct". The Company organizes education activities for insiders every year. On	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>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>December 21, 2022, 11 directors and managers were given a 30-minute training session on "Prevention of Insider Trading" and "Code of Ethical Business Conduct".</p> <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. 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.</p> <p>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) Capability of operational judgement (2) Capability of corporate management</p> <p>(3) Capability of risk management (4) Insight to the international market</p> <p>(5) Leadership (6) Capability of sustainable development</p> <p>(7) Professional capability (8) Industry knowledge</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 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</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>as follows in consideration of the Company's business development demand:</p> <ol style="list-style-type: none"> <li>(1) 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.</li> <li>(2) Gender equality: Proportion of female directors shall not be less than 1/3 of all directors.</li> <li>(3) At least independent directors shall be selected.</li> </ol> <p>■ Executive achievements of diversification</p> <ol style="list-style-type: none"> <li>(1) At present, each of the seven directors has a specialty in the field such as business, sustainability, legal, financial accounting or other areas required by the Company. For industry knowledge, there are three directors, each with specialty in finance, legal and human resources, and four directors with knowledge in other business fields required by the Company. Such knowledge structure lays a solid foundation for the Company's future development.</li> <li>(2) Currently, three out of the seven directors are female, accounting for 43%.</li> <li>(3) Currently, there are three independent directors. An additional independent director will be elected during the re-election of the shareholders' meeting in 2023. After that, among the seven directors, there will be four independent directors and three directors.</li> <li>(4) The Chairman of the Board of Directors and the General Manager of the Company are the same person, which is to improve the operating efficiency and decision-making ability. At the same time, more</li> </ol>	

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>than half of the current Board members are not concurrently acting as employees or managers. To strengthen corporate governance, the Company has set up three seats of independent director, and it is expected to elect one more independent director during the re-election of the shareholders' meeting in 2023, so as to enhance the functions of the Board of Directors and strengthen its supervision.</p>	



Any nonconformity to the Corporate Governance Best Practice Principles for TSEC/TPEx Listed Companies, and reasons thereof:

Items under evaluation	Status		Summary
	Yes	No	

Name	Gender	Age		Independent director Term/Tenure		Concurrence to the Company's employee	1 Capability of operational judgement	2 Capability of corporate management	3 Capability of risk management	4 Insight to the international market	5 Leadership	6 Professional capability	7 Industry knowledge
		51 to 60	61 to 70	3 years less	3 to 9 years								
Chen, Ching-Kang	Male	√				√	√	√	√	√	√	Network communication	Technologies
Hsu, Hwa-Lin	Female	√				√	√	√	√	√	√	Network communication	Technologies
Li, Chuan-I	Male	√					√	√	√	√	√	Business administration	Construction
Lin, Man-Tsu	Female	√				√	√	√	√	√	√	Finance accounting	Technologies
Chen, Shuh	Male	√		√			√	√	√	√	√	Finance 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 committee set up voluntarily?

V

(II) The Company's Board of Directors approved the establishment of the "Remuneration Committee" on April 27, 2011, and voluntarily established the "Audit Committee" on June 13, 2017. On November 4, 2020, the Board of Directors approved formulation of the "Organizational Regulations of the Corporate Social Responsibility Committee", and on December 22, 2020, the Board of Directors voluntarily set up the "Corporate Social Responsibility Committee" as a functional committee of the Board. In line with the international development trend and to achieve the goal of sustainable development and strengthen the implementation of sustainable development of listed companies in Taiwan, the Board of Directors, on February 24, 2022, approved the renaming of the "Corporate Social Responsibility Committee" as "Sustainable Development Committee", which is composed of two directors and three independent directors. On November 4, 2020, the Company formulated the "Regulations of Risk Management Committee", and on December 22, 2020, the Board

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		
(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?	V		<p>of Directors decided to form the "Risk Management Committee" consisting of more than half of the independent directors, which is a functional committee of the Board of Directors. On December 21, 2022, in accordance with the "Risk Management Best-Practice Principles for TWSE/TPEX Listed Companies", the Company renamed the "Regulations of Risk Management Committee" into "Organizational Regulations of Risk Management Committee" and revised the regulations and added the "Risk Management Policies and Procedures" to strengthen the Company's risk management and improve its crisis response ability, so as to achieve the goal of risk control and lay a solid foundation for the sustainable operation of the enterprise.</p> <p>III. The Company has established the rules for performance evaluation for the directors and the Board of Directors. Each year, in accordance with the "Rules for Performance Evaluation of Board of Directors", individual directors conduct self-evaluation on the mastery of the Company's objectives and tasks, understanding of job responsibilities, participation in the Company's operations, internal relationship management and communication, professional progress &amp; continuing education, and internal control and other items. After the self-evaluation, the results will be submitted to the agenda working group for performance evaluation of the Board of Directors. The agenda working group will evaluate the Board's degree of participations in the Company's operations, the improvement of the quality of the Board's decision-making, the composition &amp; structure of the Board, selection of directors, continuing education and internal control. In 2022, individual directors actively participated in the discussion of the Company's operations and had good interaction with the operation teams, making great contributions to the Company and enabling the Company to achieve outstanding business performance. During the year, the attendance rate of directors and independent directors reached 100%. Appropriate and sufficient information was obtained for directors' reference before the meetings, and all directors effectively participated in discussions and decision-making processes. The operation of the Board of Directors was very good over the year. The Board's performance received a high score of 100, which was approved by the Board of Directors on February 23, 2023. Also it is set forth in Article 19-</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>I 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”.</p> <p>The performance evaluation results of individual directors of the Company will be taken into consideration by the Remuneration Committee when discussing the remuneration of individual directors, and will be considered by the Board of Directors when nominating directors for renewal of term of office.</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	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"> <li>1. Handling of matters relating to board of directors meetings and shareholders meetings in compliance with law;</li> <li>2. Preparation of minutes of the board of directors meetings and shareholders meetings;</li> <li>3. Assistance to inauguration and continuing education of directors;</li> <li>4. Provision of information required for performance of duties by the directors and supervisors;</li> </ol>	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		
meetings and shareholder meetings, and preparation of board/shareholder meeting minutes)?			<p>5. Assistance to compliance by directors;</p> <p>6. Other matters described or established in the articles of incorporation or under contract.</p> <p><u>Key points of business execution for 2022 are as follows:</u></p> <p>1. Ensure the favorable communication between directors and heads of departments and provide company's financial or business operation information.</p> <p>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.</p> <p>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 2022, six Board meetings, five Audit Committee meetings, three Remuneration Committee meetings, two Sustainable Development Committee meetings and two Risk Management Committee meetings were held.</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. Taiwan Association of Board Governance, an external professional and independent organization was engaged to conduct external performance evaluation.</p> <p>10. Continuing education of the Corporate Governance Officer in</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					
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	V	2022 are as follows:				Yes	
		Date		Institute	Name of Course		Hours
		Start	End				
		2022/08/24	2022/08/24	Accounting Research and Development Foundation	Preparation of TCFD report: main points of reference		3
		2022/08/24	2022/08/24		Concept Analysis of ISSB S1 Standard "General Requirements for Disclosure of Sustainability-Related Financial Information"		3
2022/08/25	2022/08/25	Concept Analysis of ISSB S2 Standard "Climate-Related Information Disclosure"	3				
2022/08/26	2022/08/26	ISSB S2 Industry Analysis (Part 1): Consumer Goods, Extraction and Mineral Processing, Finance, Technology Communication, Resource Transformation	3				
		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 <a href="mailto:natalie@planet.com.tw">natalie@planet.com.tw</a> , acting spokesperson <a href="mailto:shallon@planet.com.tw">shallon@planet.com.tw</a> , and the Audit Committee <a href="mailto:supervisor@planet.com.tw">supervisor@planet.com.tw</a> , 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 2022 was			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																										
related to corporate social responsibility?			reported to the Board of Directors on Dec. 21, 2022. In 2022, there were no issues raised by stakeholders.																									
			<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"> <li>Talent attraction and retention</li> <li>Human rights</li> <li>Multiple equality and friendly workplace</li> <li>Occupational health and safety</li> </ul> </td> <td>CEO email: <a href="mailto:ceo@planet.com.tw">ceo@planet.com.tw</a></td> </tr> <tr> <td>Investors</td> <td> <ul style="list-style-type: none"> <li>Corporate governance and operation performance</li> <li>Integrity management and compliance with laws and regulations</li> <li>Risk management</li> <li>Privacy right protection</li> <li>Green product and innovative R&amp;D</li> </ul> </td> <td>Spokesperson email: <a href="mailto:natalie@planet.com.tw">natalie@planet.com.tw</a>  Acting Spokesperson email: <a href="mailto:shallon@planet.com.tw">shallon@planet.com.tw</a> <a href="mailto:supervisor@planet.com.tw">supervisor@planet.com.tw</a></td> 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Items under evaluation	Status		Summary	Any nonconformity to the Corporate Governance Best Practice Principles for TSE/TPEx Listed Companies, and reasons thereof:
	Yes	No		
VI. Has the Company commissioned a professional share registration and investor service institution for providing services to shareholders?	V		The Company has engaged the professional 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. ( <a href="http://www.planet.com.tw/tw/ir/corporate-governance">http://www.planet.com.tw/tw/ir/corporate-governance</a> )	N/A
(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 2022; participated in online performance press conference in TPEx on May 20, 2022; was invited to road show of Yuanda Securities on November 21, 2022. 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. ( <a href="https://planet.com.tw/tw/ir/financial-meetings">https://planet.com.tw/tw/ir/financial-meetings</a> )	N/A
(III) Does the Company publish and make official filing of annual financial report within two months after the end of an accounting period, and publish/file Q1, Q2 and Q3 financial reports along with monthly business	V		III. The Company announced and declared the 2022 financial report on February 23, 2023 (within two months upon the end of the accounting year). The financial reports of Q1 to Q3 were announced on April 28, 2022, August 8, 2022, and November 4, 2022, respectively. These dates were earlier than the dates required by law, and the operation of each month was reported and announced before the	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																																		
performance before the required due dates?			<table border="1"> <thead> <tr> <th colspan="4">deadlines.</th> </tr> <tr> <th>Revenue</th> <th>Announcement Date</th> <th>Revenue</th> <th>Announcement Date</th> </tr> </thead> <tbody> <tr> <td>January 2022</td> <td>February 8, 2022</td> <td>July 2022</td> <td>August 8, 2022</td> </tr> <tr> <td>February 2022</td> <td>March 8, 2022</td> <td>August 2022</td> <td>September 8, 2022</td> </tr> <tr> <td>March 2022</td> <td>April 8, 2022</td> <td>September 2022</td> <td>October 7, 2022</td> </tr> <tr> <td>April 2022</td> <td>May 9, 2022</td> <td>October 2022</td> <td>November 8, 2022</td> </tr> <tr> <td>May 2022</td> <td>June 8, 2022</td> <td>November 2022</td> <td>December 8, 2022</td> </tr> <tr> <td>June 2022</td> <td>July 8, 2022</td> <td>December 2022</td> <td>January 9, 2023</td> </tr> </tbody> </table>	deadlines.				Revenue	Announcement Date	Revenue	Announcement Date	January 2022	February 8, 2022	July 2022	August 8, 2022	February 2022	March 8, 2022	August 2022	September 8, 2022	March 2022	April 8, 2022	September 2022	October 7, 2022	April 2022	May 9, 2022	October 2022	November 8, 2022	May 2022	June 8, 2022	November 2022	December 8, 2022	June 2022	July 8, 2022	December 2022	January 9, 2023	
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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> <ul style="list-style-type: none"> <li>*Basic Benefits: Labor insurance and national health insurance, group insurance, marriage &amp; death subsidy, childbirth subsidy and staff's children education subsidy</li> <li>*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</li> <li>*Talent cultivation: Orientation training, director training and online learning platform</li> <li>*LOHAS activity: Employee tourism, family day, volunteer day, society and cultural and recreational activities</li> <li>*Employee health care: Regular annual health examination, regular on-site medical care, consultation of traditional Chinese and western medicine and physiotherapist consultation</li> <li>*Employee child care and education subsidies: pregnancy care packs, pregnancy car service, birth</li> </ul>	NA																																



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>allowance, parenting subsidy, children’s education subsidy.</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</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>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 work opportunities for male and female employees:</p> <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 2022 (158 persons), women accounted for 53% and men accounted for 47%. Number of directors was 44, with a 52% 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. Comprehensive environment, safety and health risk assessment and management:</p> <p>(1)The Company has set up the Environment, Security and Sanitation Office, a Level-one unit, in accordance with the “Occupational Safety and Health Act”, and has established the Occupational</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>Safety and Health Committee with 11 members, among which 4 are workers' representatives elected by employees, accounting for 36.3% of the members of the committee. The committee holds quarterly meetings to invite heads of all units and representatives of workers to discuss the Company's safety and health issues and set occupational safety performance targets.</p> <p>(2)The Environment, Security and Sanitation Office has 2 full-time staff, a Class-1 manager and a safety and health administrator, and has a complete and good documents management mechanism.</p> <p>(3)The committee regularly reviews environmental considerations and laws, and formulates relevant management measures.</p> <p>(4) Every year, the Company holds fire and first-aid drills and provides occupational safety and health education and training for on-the-job personnel to enhance fire safety awareness.</p> <p>(5)The Company also carries out workplace environment monitoring, drinking water testing, air quality monitoring to ensure a safe and healthy working environment.</p> <p>(6) The Company has established a chemical management mechanism to impose control measures through hazards knowledge training, automatic inspections and chemical inventory, etc.</p> <p>(7)The Company has set up an on-site medical service mechanism, with professional nurses and physicians conducting health examinations for employees.</p> <p>(8) In response to the COVID-19 epidemic, the Company formulated the "Epidemic Prevention Manual", the "Emergency Response Plan in Response to the COVID-19 Epidemic" and the "Operation Continuity Plan in Response to the COVID-19</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>Epidemic" to provide employees with adequate information and ensure the continuity of business operations. The Company also set up the one-stop epidemic prevention and management mechanism through online communication platform.</p> <p>Through various safety and health management plans, the Company has achieved zero occupational disasters and zero occupational diseases for five consecutive years, covering all employees and our contractors. In 2022, PLANET was issued with the Certificate for the Record of Disaster-free Working Hours by the Council of Labor Affairs, Executive Yuan, which was an acknowledgment to PLANET's efforts to pursue the goal of zero occupational disasters.</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. 1. PLANET's "Healthcare 360": PLANET's "Healthcare 360" protects the health of its employees through "prevention", "maintenance" and "consultation". The Company strives to help employees maintain health and happiness through proactive care mechanism, health promotion activities, maternity and mom-friendly environment, and well-established welfare measures.</p> <p>(1) Optimization of employee health checks: The number of health checks provided by the Company to each age group is better than the requirement in the regulations, and it is adjusted and optimized</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>annually according to the results of physical examinations of employees. To avoid the inconvenience for employees, all the physical examination procedures are carried out in the Company, so employees can complete health checks in the Company.</p> <p>(2) Comprehensive health consultations: PLANET arranges medical professionals to provide its employees with a full range of health consultation services in the Company, including PLANET Family Physicians (quarterly), TCM Consultations (quarterly), Physiotherapy consultations (quarterly), On-site Medical consultations (monthly).</p> <p>(3) Biweekly massage parlour and weekly office stretching exercises are held to provide staff with physical and mental relaxation. The Company has also established the "Healthy Fat Reduction Club", the "Badminton Club" and the "Rock Climbing Club" with the assistance of professional trainers, who can guide employees to develop regular exercise habits and maintain physical health.</p> <p>2. Well-established maternal care program: The Company provides pregnant employees with the pregnancy care pack, helping pregnant mothers prepare a variety of practical greeting gifts for their new babies. At the same time, the Company provides pregnancy car service- taxi fare subsidy to facilitate pregnant mothers to take car to and from the workplace. The Company also has a special nursing room for female colleagues to use during working hours. In addition, the Company has signed a contract with a nursery school nearby to provide exclusive child care services for employees with discounted service charge and group pickup, thus to give peace of mind to employees and their family members.</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>3. Employee support schemes:  PLANET cares about employees' life and provides various support schemes to help employees better balance their work, family, study and life.</p> <p>(1) PLANET Mentor Program: Under the PLANET Mentor Program, senior employees in each unit are assigned to act as mentors to new employees to help them adapt to their job and the Company's operation processes, as well as keep them up to date on the latest company news and events. The "PLANET e-learning platform" on the Company's Intranet also helps new employees get familiar with the corporate culture, promotes understanding and networking between employees and departments, and builds team consensus in the units.</p> <p>(2) Emergency assistance for employees: When an employee faces a serious emergency in their life that also affects their work, special emergency assistance packages are available at the Company to help alleviate the impact and to provide temporary protection of their livelihood so that the employee can focus on getting their work and life back in order.</p> <p>4. Education subsidies for employees' children:  To reward the employees for their long-term commitment and contribution, PLANET provides children's education subsidies to reduce the burden of employees' education expenses. In 2022, the Company received 87 applications from employees for education subsidies for 137 children, paying a total amount of NT\$ 1.37 million for the subsidies.</p> <p>5. Multiple communication channels for employee opinions:</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 a HR mailbox and a CEO mailbox, so that employees can directly express their opinions to the HR manager and the CEO.</p> <p>(2) The Company conducts regular satisfaction surveys, through which employees can express their opinions across departments.</p> <p>(3) The Company allows employees to express their views through the regular annual performance reviews. Employees are free to express their opinions about job responsibilities, team role, supervisor or management systems. The Company aims to establish free communication channels to encourage employees to express their views freely.</p> <p>(III) Investor Relations: 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) Supplier relationship: The Company has established the "Regulations Governing Suppliers Management" and the "Regulations Governing Procurement Management", and has gradually incorporated environmental, social</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>and corporate governance requirements into the regulations for suppliers. Through these measures, the Company expects to improve the effectiveness of responsible supply chain and green supply chain management, reduce supply chain operational risks, establish sustainable business partnership, and disclose relevant management policies on the Company's website.</p> <p>The Company keeps in touch with suppliers at all times and communicates product policies, quality objectives and cooperation progress through meetings, videoconference, telephone and exclusive mailbox on the website. In line with the international trend of environmental protection, the Company has fully carried out the R&amp;D of green energy products, and has formulated the "Green Product Environmental Protection Standards", to strictly follow the requirements of environmental protection standards throughout the technology R&amp;D, designing, manufacturing, transportation and recycling stage. The Company develops and designs energy-saving products, uses energy-saving wafers, and uses environmentally-friendly and recyclable packaging materials for the outer box and inner buffer material, thus to improve the efficiency of resource reuse. The Company has also signed the "Declaration of Compliance with Supply Chain Code of Conduct" with suppliers to improve the sustainability of its supply chains.</p> <p>The Company has always adhered to the principles of integrity operation and strived to uphold fairness and mutual respect in its business operations.</p> <p>Based on its no-gifts/anti-bribery policy, the Company has established the "Commercial Presents Code 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>Conduct" to prohibit employees from taking advantage of their positions to receive gifts directly or indirectly, and to strictly regulate commercial presents provided by its business partners with the aim to maintain integrity in the business relations between the Company and its suppliers.</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 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. Except creating the profit 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 &amp; supervisors for 2022:  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</p>	

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			<p>available schedule and professional background. In 2022, 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. The courses taken are described as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Position</th> <th rowspan="2">Name</th> <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 education compliant?</th> </tr> <tr> <th>Start</th> <th>End</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Director</td> <td rowspan="2">Chen, Ching-Kang</td> <td>2022/06/29</td> <td>2022/06/29</td> <td rowspan="2">Securities and Futures Institute</td> <td>Discussion on Legal Risks and Countermeasures of Directors and Supervisors Based on Major Corporate Fraud Cases</td> <td>3</td> <td rowspan="2">Yes</td> </tr> <tr> <td>2022/07/29</td> <td>2022/07/29</td> <td>Established Facts and Case Analysis of Breach of Trust by Directors and Supervisors and Special Breach of Trust</td> <td>3</td> </tr> <tr> <td rowspan="2">Director</td> <td rowspan="2">Hsu, Hwa-Lin</td> <td>2022/08/10</td> <td>2022/08/10</td> <td rowspan="2">Taiwan Investor Relations Institute</td> <td>Cross-region Management Practice of Net Zero Carbon Emissions</td> <td>3</td> <td rowspan="2">Yes</td> </tr> <tr> <td>2022/08/18</td> <td>2022/08/18</td> <td>Sustainable Management of Enterprises - An Analysis of Assets Inheritance and Succession Practice</td> <td>3</td> </tr> <tr> <td rowspan="2">Representative of corporate director</td> <td rowspan="2">Li, I-Chuan</td> <td>2022/08/10</td> <td>2022/08/10</td> <td rowspan="2">Taiwan Investor Relations Institute</td> <td>Cross-region Management Practice of Net Zero Carbon Emissions</td> <td>3</td> <td rowspan="2">Yes</td> </tr> <tr> <td>2022/08/18</td> <td>2022/08/18</td> <td>Sustainable Management of Enterprises - An Analysis of Assets</td> <td>3</td> </tr> </tbody> </table>	Position	Name	Date		Institute	Name of Course	Hours	Is the continuing education compliant?	Start	End	Director	Chen, Ching-Kang	2022/06/29	2022/06/29	Securities and Futures Institute	Discussion on Legal Risks and Countermeasures of Directors and Supervisors Based on Major Corporate Fraud Cases	3	Yes	2022/07/29	2022/07/29	Established Facts and Case Analysis of Breach of Trust by Directors and Supervisors and Special Breach of Trust	3	Director	Hsu, Hwa-Lin	2022/08/10	2022/08/10	Taiwan Investor Relations Institute	Cross-region Management Practice of Net Zero Carbon Emissions	3	Yes	2022/08/18	2022/08/18	Sustainable Management of Enterprises - An Analysis of Assets Inheritance and Succession Practice	3	Representative of corporate director	Li, I-Chuan	2022/08/10	2022/08/10	Taiwan Investor Relations Institute	Cross-region Management Practice of Net Zero Carbon Emissions	3	Yes	2022/08/18	2022/08/18	Sustainable Management of Enterprises - An Analysis of Assets	3	
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	Yes	No									
							Inheritance and Succession Practice				
			Representative of corporate director	Lin, Man-Tsu	2022/07/20	2022/07/20	Taipei Exchange	Sustainable Development Roadmap Industry Theme Information Session	2	Yes	
						2022/08/10	2022/08/10	Taiwan Investor Relations Institute	Cross-region Management Practice of Net Zero Carbon Emissions		3
						2022/08/18	2022/08/18	Taiwan Investor Relations Institute	Sustainable Management of Enterprises - An Analysis of Assets Inheritance and Succession Practice	3	Yes
						2022/08/25	2022/08/25	Securities counter trading center	Information and Explanation Seminar on Insider Equity at Mainboard/ Emerging Stock Board Companies	3	
			Independent Director	Chen, Shuh	2022/10/21	2022/10/21	Accounting Research and Development Foundation	Preparation of TCFD Report: Main Reference Points	3	Yes	
						2022/11/28		2022/11/28	Business Ethics and Sustainable Development		3
			Independent Director	Huang, Hsin Hsien	2022/08/12	2022/08/12	Corporate Operating and Sustainable Development Association	M&A Practice and Legal Issues	3	Yes	
						2022/08/18	2022/08/18	Taiwan Investor Relations Institute	Sustainable Management of Enterprises - An Analysis of Assets Inheritance and		3

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Items under evaluation	Status		Summary	Any nonconformity to the Corporate Governance Best Practice Principles for TSEC/TPEX Listed Companies, and reasons thereof:																												
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			<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 education compliant?</th> </tr> <tr> <th>Start</th> <th>End</th> </tr> </thead> <tbody> <tr> <td>2022/08/24</td> <td>2022/08/24</td> <td rowspan="4">Accounting Research and Development Foundation</td> <td>Preparation of TCFD report: main points of reference</td> <td>3</td> <td rowspan="4">Yes</td> </tr> <tr> <td>2022/08/24</td> <td>2022/08/24</td> <td>Concept Analysis of ISSB S1 Standard "General Requirements for Disclosure of Sustainability-Related Financial Information"</td> <td>3</td> </tr> <tr> <td>2022/08/25</td> <td>2022/08/25</td> <td>Concept Analysis of ISSB S2 Standard "Climate-Related Information Disclosure"</td> <td>3</td> </tr> <tr> <td>2022/08/26</td> <td>2022/08/26</td> <td>ISSB S2 Industry Analysis (Part 1): Consumer Goods, Extraction and Mineral Processing, Finance, Technology Communication, Resource Transformation</td> <td>3</td> </tr> </tbody> </table>	Date		Institute	Name of Course	Hours	Is the continuing education compliant?	Start	End	2022/08/24	2022/08/24	Accounting Research and Development Foundation	Preparation of TCFD report: main points of reference	3	Yes	2022/08/24	2022/08/24	Concept Analysis of ISSB S1 Standard "General Requirements for Disclosure of Sustainability-Related Financial Information"	3	2022/08/25	2022/08/25	Concept Analysis of ISSB S2 Standard "Climate-Related Information Disclosure"	3	2022/08/26	2022/08/26	ISSB S2 Industry Analysis (Part 1): Consumer Goods, Extraction and Mineral Processing, Finance, Technology Communication, Resource Transformation	3			
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			<p>(VII) Risk management policies and risk assessment standards:</p> <p>(1) Implementation of risk management policies and risk measures:</p> <p>On November 4, 2020, the Company formulated the "Regulations of Risk Management Committee", and on December 22, 2020, the Board of Directors approved the establishment of the "Risk Management Committee" consisting of more than half of 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>independent directors. On December 19, 2022, in accordance with the "Risk Management Best-Practice Principles for TWSE/TPEX Listed Companies", the committee renamed the "Regulations of Risk Management Committee" into "Organizational Regulations of Risk Management Committee" and revised the regulations and added the "Risk Management Policies and Procedures" to the regulations, which were approved by the Board of Directors on December 21, 2022. The renaming and revision of the regulations would strengthen the Company's risk management and improve its crisis response ability, so as to achieve the goal of risk control and lay a solid foundation for the sustainable operation of the enterprise.</p> <p>The "Risk Management Committee" of the Company is composed of more than half of the independent directors and has three members (including two independent directors). The Risk Management Committee, under the Board of Directors, regularly receives risk management implementation reports from relevant operating units and holds risk management meetings at least twice a year. At the same time, risk monitoring is carried out by the Audit Office and reported to the Board to ensure the effectiveness of risk management.</p> <p>In 2022, the Risk Management Committee held two meetings, on November 4 and December 19 respectively, and reported the situation of the Company's risk management to the Board.</p> <p>(VIII) Implementation of customer policy:  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</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>clients follow the “Managerial Regulations of Customer Credit Limits”, supplemented with the receivable insurance, to ensure the collection of payments.</p> <p>2. Customer service mailbox and technical consultancy services: the business unit and the technical engineers must reply clients’ questions within 24 hours.</p> <p>3. The Regulations Handling Complaints: the channel of filing customer complaint is set, and the consumption compensation application procedure is established.</p> <p>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 appraising the related execution departments. For the customer satisfaction survey of 2022, the overall satisfaction to the Company was 99.77%.</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 trainings are provided to clients, to enable them understand the functions and applications of products.</p> <p>7. In consideration of the COVID-19 pandemic situation, set up virtual exhibition and meet customer’s needs for product experience.</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</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		
			insurance to MSIG Mingtai Insurance Co., Ltd., with insured amount of USD 1 million and term from September 1, 2022 to September 1, 2023. It was reported in board meeting on November 4, 2022.	

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 8th Term (2022) of Corporate Governance Evaluation, and the improvements**



Question	Indicator	Type	Self- evaluation	Actual points	Description of deviance	Improvements
1.6	Does the Company hold shareholders' meeting before the end of May?	A	0	0	In 2021, the Company did not hold regular shareholders' meeting before the end of May, therefore, the Company could not score any points.	On May 27, 2022, the Company held shareholders' meeting, and all four directors and three independent directors attended the meeting, including Chairman Chen, Ching-Kang, Independent Director Chen, Shuh, Chang, Pao-Thai and Huang, Hsin Hsien, Director Hsu, Hwa-Lin, Li, I-Chuan and Lin, Man-Tsu.
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	The Chairman and General Manager of the Company are the same person, so the Company could not score any points.	The Board of Directors, on February 23, 2023, approved the re-election of the seven directors on the regular shareholders' meeting to be held on May 24, 2023. After the re-election, the Company will have 4 independent directors and 3 directors, which means the Company will have an additional independent director.
2.5	Is it true that the number of the directors in the Company's board of directors who are concurrently employees of the Company or of its parent company, subsidiary, or sister company is less than (or equal to) one-third of the total number of directors?	A	0	0	Of the seven directors of the current Board of Directors of the Company, three are concurrently employees of the Company, including one person acting as the Chairman and General Manager, one acting as the Deputy General Manager and one acting as the Financial Executive, which is more than one third of the directors.	The Board of Directors, on February 23, 2023, approved the re-election of the seven directors on the regular shareholders' meeting to be held on May 24, 2023. After the re-election, the Company will have 4 independent directors and 3 directors, which means the Company will have an additional independent director. After the re-election, the number of directors who concurrently act as employees will be two, which means that the number of the directors who are concurrently

						employees of the Company or of its parent company, subsidiary, or sister company will be less than one-third of the total number of directors.
2.7	Does the number of the Company's independent directors reach half or more of the total number of directors?	AA	0	0	The number of directors in the Company is seven, including three independent directors, so the number of independent directors is less than half of the total number of directors.	The Board of Directors, on February 23, 2023, approved the re-election of the seven directors on the regular shareholders' meeting to be held on May 24, 2023. After the re-election, the Company will have 4 independent directors and 3 directors, which means the Company will have an additional independent director. Therefore, the number of the Company's independent directors will be more than half of the total number of directors.
2.23	Have the rules adopted by the Company for assessing the performance of the Board of Directors been passed by the Board? Do the rules require an external assessment to be carried out at least once every three years? Has the Company carried out assessment in accordance with the schedule provided in the rules? And has the Company disclosed the implementation status and assessment results on its website or in its annual report?	AA	0	0	The Company has established its "Rules for Performance Evaluation of Board of Directors", which has been approved by the Board of Directors. However, the rules do not require an external assessment to be carried out at least once every three years.	The Company has established its "Rules for Performance Evaluation of Board of Directors". On August 8, 2022, the Board of Directors approved the the rules with the stipulation that an external assessment to be carried out at least once every three years. In June 2022, the Company entrusted Taiwan Association of Board Governance to carry out the external performance evaluation of the Board of Directors for the year 2019/2020. The evaluation report was submitted on August 2, 2022, and the evaluation results were reported to the Board of Directors on December 21, 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 released its financial report for 2020 on March 11, 2021, meaning that the Company did not release its annual financial report within two months after the end of the accounting year. Therefore, the Company could not score any points.	The Company released its financial report for 2021 on February 24, 2022, meaning that the Company released its annual financial report within two months after the end of the accounting year. The Company also published the annual consolidated financial report in the Market Observation Post System within the required period.

(IV) Disclose the composition, responsibilities, and functioning of remuneration committee, if available : The Remuneration Committee of the Company is composed of three independent directors.

(1) Information about Remuneration Committee members

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 (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 &amp; 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.</p> <ol style="list-style-type: none"> <li>1. 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;</li> <li>2. The Independent Director concerned and spouse are not holding shares of the Company. Relatives within the second degree of kinship are holding 103,000 shares, accounting for 0.16%.</li> <li>3. Not the director, supervisor or employee of companies with specific relationships with the Company</li> <li>4. No reward by providing such services as business, legal affairs, finance, accounting, etc. for the Company within the latest 2 years.</li> </ol>	2

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>Independent Director Chen, Shuh holds a PhD in Business from National Taiwan University. Chen, Shuh currently acts as the Chairman of Central Investment Holding Co. Ltd, an independent director, Audit Committee member, convenor of the Corporate Sustainability Committee of Asia Cement Corporation, an independent director, Audit Committee member, Remuneration Committee member, convenor of Sustainable Development Committee of O-TA Precision Industry Co., LTD, and as the President of Zhong Dao Association of Leadership &amp; Culture. Over his career path, Chen, Shuh also served as the Chairperson of the Financial Supervisory Commission, Chairman of Taiwan Stock Exchange Corporation and an 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.</p> <ol style="list-style-type: none"> <li>1. 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;</li> <li>2. The party concerned, spouse or two degrees of kinships do not hold the Company's any shares;</li> <li>3. Not the director, supervisor or employee of companies with specific relationships with the Company</li> <li>4. No reward by providing such services as business, legal affairs, finance, accounting, etc. for the Company within the latest 2 years.</li> </ol>	2

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.</p> <ol style="list-style-type: none"> <li>1. 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;</li> <li>2. The party concerned, spouse or two degrees of kinships do not hold the Company's any shares;</li> <li>3. Not the director, supervisor or employee of companies with specific relationships with the Company</li> <li>4. No reward by providing such services as business, legal affairs, finance, accounting, etc. for the Company within the latest 2 years.</li> </ol>	1

## (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 (2022), 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 2022 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 2022, the Company convened a total of three Remuneration Committee meetings, and operated as follows:

●Feb. 24, 2022:

Proposal of remunerations of employees and directors for 2021

●Aug. 8, 2022:

Evaluation and decision of the remuneration distributed to directors and managers and employees for 2021

●Dec. 21, 2022:

Review the year-end bonus of managers for 2022 and proposal of the fixed remuneration adjustment for 2023

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 2022, the Company convened a total of three Remuneration Committee meetings:

Date of Remuneration Committee Meeting (Term)	Motions	Objections, Reservations or Major Proposals of Independent Directors	Remuneration Committee Resolutions	Handling of the Opinions of Remuneration Committee Members
The 6 <sup>th</sup> Meeting of the 4 <sup>th</sup> Term February 24, 2022	Discussed: Proposal of 2021 remuneration for employees and directors. Proposed in accordance with the Articles of Association of the Company and the Company Act. Resolutions were made after full discussion and to be submitted to the Board of Directors for review.	No objections	Approved by all the members present	No such situation
The 7 <sup>th</sup> Meeting of the 4 <sup>th</sup> Term August 8, 2022	Discussed: 2021 remuneration distribution plan for directors and managers Reviewed the remuneration system with reference to the normal remuneration level in the industry. Took into consideration of individual performance and the Company’s future risks and presented the recommendations to the Board for review. When discussing the remuneration and performance of individual members, the individual members concerned withdrew from the discussion and did not participate in the decision-making.	No objections	Approved by all the members present	No such situation
The 8 <sup>th</sup> Meeting of the 4 <sup>th</sup> Term December 21, 2022	Discussed: 2022 annual bonus for managers and 2023 fixed salary adjustment plan Reviewed the remuneration system with reference to the normal pay level in the industry. Discussed 2022 business operation. Took into consideration of individual performance and the Company’s future risks and presented the recommendations to the Board for review.	No objections	Approved by all the members present	No such situation

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 2022, the Company has convened total three Remuneration Committee meetings:

●Feb. 24, 2022:

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

●Aug. 8, 2022:

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

●Dec. 21, 2022:

Discussed the proposal of the year-end bonus to the managers for 2022 and the adjustment of the fixed salaries for 2023

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.

### (3) Operation of the Nominating Committee

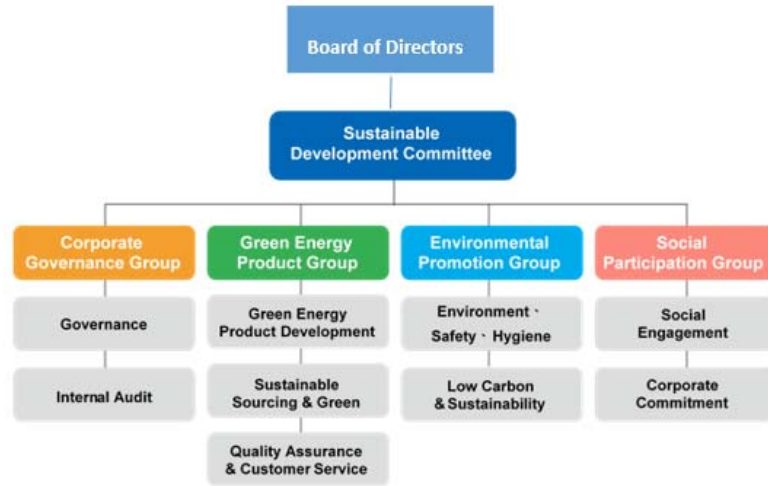
The Company currently does not have a nominating committee and therefore has no operational information.

(5) Implementation of sustainable development and deviations from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons for such deviations:

Implementation items	Implementation Status			Deviations from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary	
1. Has the Company established a governance framework to promote sustainable development and an exclusively (concurrently) responsible unit for fulfilling sustainable development, with high-level managers authorized by the Board of Directors to handle such efforts under the supervision of the Board?	V		<p>1. PLANET’s “Sustainable Development Committee” is a functional committee under the Company’s Board of Directors, and is the top governance unit in charge of the Company’s sustainable development matters. At the operational level, PLANET has a Chief Sustainability Officer and has established its “Sustainable Development Promotion Team” and Sustainability Office, which are responsible units for promoting the Company’s sustainable development and implementing its sustainability strategies.</p> <p style="text-align: center;"><b>Corporate Governance Structure</b></p> <pre> graph TD     SM[Shareholders Meeting] --&gt; BD[Board of Directors]     SM --&gt; BOA[Board of Auditors]     BD --&gt; IA[Internal Audit]     BD --&gt; RC[Remuneration Committee]     BD --&gt; SDC[Sustainable Development Committee]     BD --&gt; RMC[Risk Management Committee]     </pre> <p>The “Sustainable Development Committee” was originally named “Corporate Social Responsibility Committee” (CSR Committee). On December 22, 2020, the Board of Directors voluntarily set up the "Corporate Social Responsibility Committee" as a functional committee under the Board. In line with the international development trend and to achieve the goal of sustainable development, the Board of Directors, on February 24, 2022, approved the renaming of the "Corporate Social Responsibility Committee" as "Sustainable Development</p>	N/A


Committee".

### Organization Chart of the Sustainable Development Committee



PLANET’s Sustainable Development Committee sets sustainability goals based on the sustainable development direction of the Company after considering the overall environment, key issues of concern to stakeholders and industrial development trends. The Company takes a strategic, long-term approach to regularly review the accomplishment of goals and its performance. The committee members are heads of relevant units of the Company. At the same time, the Company constantly improves the level of its sustainable development so as to make its ESG practices reach the desired breadth and depth, and to satisfy the investors (shareholders), employees, customers, suppliers, members of the society and other relevant stakeholders.

The "Sustainable Development Committee" is a functional committee under the Board of Directors. The members of the committee include 2 directors and 3 independent directors. The Board of Directors supervises various ESG practices carried out by the Sustainable Development Committee. The relevant operations of the committee are carried out by the Sustainable Development Promotion Team at the operational-level, which consists of the Chief Sustainability Officer, acted by the Deputy General Manager, and four senior executives with professional competence as team members, including the Chief Financial Officer, Chief Technical Officer, Chief Operating Officer and the Special Assistant to the General Manager.

		<p>The "Sustainable Development Committee" reports to the Board twice a year on PLANET's sustainable development situation. On February 24 and December 19, 2022, the Sustainable Development Promotion Team under the Sustainable Development Committee reported to the Board on specific sustainability strategies and policies, global risk assessment and short-, medium- and long-term sustainability governance objectives. The Board gave positive feedback to the report made by the team and the strategic progress of the Company's sustainable development.</p>	
<p>2. Does the Company perform assessments of risks in environmental, social, and corporate governance issues related to its business activities in accordance with the principle of materiality and formulate risk management policies and strategies accordingly?</p>	<p>V</p>	<p>2. PLANET constantly conducts environmental, social and corporate governance risk assessments in accordance with the principle of materiality. On December 22, 2020, the Company set up its Risk Management Committee, a functional committee under the Board, in order to reduce its operational risks and implement corporate governance. The Risk Management Committee, responsible for implementing risk management, has three members, including two independent directors and the Chief Operating Officer, among whom the convenor of the committee, Huang, Hsin Hsien, has legal expertise and possesses the professional competence required by the committee. The operating unit under the "Risk Management Committee" meets at least twice a year to review various risk policies and implementation status and report to the Board of Directors. On November 4 and December 19, 2022, the operating unit reported to the Board of Directors on the Company's risk management operation, and received positive feedback from the Board regarding the risk management situation of the Company.</p> <p style="text-align: center;"><b>Organization Chart of Risk Management Committee</b></p> <div style="text-align: center;">  <pre> graph TD     A[Board of Directors] --&gt; B[Risk Management Committee]     B --&gt; C[Operating Unit] </pre> </div> <p>On December 21, 2022, in accordance with the "Risk Management Best-Practice Principles for TWSE/TPEX Listed Companies", PLANET renamed the "Regulations of Risk</p>	<p>N/A</p>

Management Committee" into "Organizational Procedures of Risk Management Committee" and revised the regulations and added the "Risk Management Policies and Procedures" to strengthen the Company's risk management and improve its crisis response ability, so as to achieve the goal of risk control and lay a solid foundation for the sustainable operation of the Company.

PLANET's risk management responsible unit defines all kinds of risks in the Company's operations according to its internal control system, carries out risk assessment on the major environmental, social and corporate governance issues concerned by all stakeholders, and formulates risk prevention strategies and measures. At the same time, The Company analyzes and identifies the impacts and the degree of the impacts of each issue to generate the materiality matrix.

To implement Corporate Governance 3.0, PLANET compiled its 2022 Sustainability Report and the Climate-related Financial Disclosure Report based on the TCFD framework, covering governance, strategy, risk management, metrics and targets. With 2022 as the base year, the Company expects to achieve its target of reducing emissions by 50% by 2030 and net zero carbon emissions by 2050. In March 2023, the Company underwent BSI assurance, and it was expected to receive the assurance certificate in May 2023.

**TCFD Framework and Its Contents**

Governance	Strategy	Risk Management	Metrics and Targets
a) Board's oversight of climate-related risks and opportunities	b) Climate-related risks and opportunities the organization has identified over the short, medium, and long term	a) The organization's processes for identifying and assessing climate-related risks.	a) Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process
Report regularly to the Board on corporate climate change issues, review various risk management strategies and make decisions	Risks: Short term : Carbon fee, carbon tariff and related regulations Medium term : Uncertainty in the low-carbon transition · customer changes supplier selection criteria, supply chain disruption, the severity of extreme weather incidents · increase in premiums for natural disasters, rising temperature Long term: Net zero emissions · impact on	<ul style="list-style-type: none"> <li>Establish climate related risk/opportunity assessment processes and information processes</li> <li>The Sustainable Development Committee/Risk Management Committee regularly reviews the management strategies and progress</li> </ul>	<ul style="list-style-type: none"> <li>Set a goal of net zero carbon emission by 2050</li> <li>Set short-, medium- and long-term targets under the above general goal</li> <li>-Short term: reduce emission by 30% by 2025</li> <li>-Medium term: reduce emission by 50% by 2030</li> <li>-Long-term: reduce emission</li> </ul>

			<p>corporate reputation Opportunities:  Short term :  Improving functionality and efficiency in customer products , improving energy efficiency , participating in renewable energy program , participating in carbon trading market,  Developing low-carbon products and services  Medium term :  Driving low carbon and green manufacturing  Long term :  Enhancing corporate reputation and brand awareness , enterprise sustainable operation</p>		by 60% by 2040		
			<p>b) Management's role in assessing and managing climate-related risks and opportunities</p>	<p>b) Impact of climate-related risks and opportunities on the organization's businesses, strategies, and finance</p>	<p>b) The organization's processes for managing climate-related risks</p>	<p>b) Disclose Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions, and the related risks</p>	
			<ul style="list-style-type: none"> <li>The Sustainability Office continuously collects international trends and national development, and reviews the risks and opportunities in the operations. .</li> <li>The Sustainable Development Promotion Team is responsible for the formulation and implementation of response measures to climate change-related issues.</li> </ul>	<p>Assess the impact of climate-related risks and opportunities on financial planning in the following areas.</p> <ul style="list-style-type: none"> <li>Operating costs and revenue</li> <li>Capital expenditure and capital allocation</li> <li>Acquisition of capital</li> </ul>	<ul style="list-style-type: none"> <li>Internal operating procedures and risk impact assessment benchmarks have been established</li> <li>Perform ISO14001/ISO1406 4-1 third-party assurance GHG MRV every year</li> </ul>	<p>Emissions in 2022 (unit : tons of CO<sub>2</sub>e)</p> <ul style="list-style-type: none"> <li>-Scope1 : 24.39 tons</li> <li>-Scope 2 : 342.89 tons</li> <li>-Scope 3 : 136.28 tons</li> </ul>	
				<p>c) The resilience of the organization's strategy, taking into consideration different climate-related scenarios (Including a 2°C or worse scenario)</p>	<p>c) how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management</p>	<p>c) The targets used by the organization to manage climate-related risks and opportunities and performance against targets</p>	
				<p>Scenarios have been set based on the following scenarios revealed in the IPCC AR6 report</p> <ul style="list-style-type: none"> <li>SSP1-1.9</li> <li>SSP5-8.5</li> </ul>	<ul style="list-style-type: none"> <li>The Environmental Sustainability Team collects domestic and international environmental and energy legislation and issues to identify related risks and opportunities</li> <li>Every six months, the Sustainable Development Promotion Team is convened by the Sustainability</li> </ul>	<p>Climate-related performance indicators and quantitative targets have been established, and are regularly reviewed and disclosed in sustainability reports.</p> <ul style="list-style-type: none"> <li>Adaptation: Implementation of Corporate Governance 3.0 and</li> </ul>	

					<p>Officer to review the implementation and target achievement progress.</p> <ul style="list-style-type: none"> <li>• Risk management policies, procedures and framework are regularly reviewed by the Risk Management Committee.</li> <li>• ISO14001 is included in the environment/energy /carbon management agenda.</li> </ul>	<p>international carbon control response measures; continue to enhance corporate climate resilience.</p> <ul style="list-style-type: none"> <li>• Mitigation: Short -, medium - and long-term carbon reduction targets and strategies have been set, including net zero carbon emissions by 2050. The Sustainable Development Committee reviews performance regularly.</li> </ul>	
<p>Environmental, social and corporate governance issues related to the PLANET's operations are managed in accordance with the Company's risk management policies and procedures:</p> <ol style="list-style-type: none"> <li>1.Risk management objectives <ol style="list-style-type: none"> <li>(1) To achieve corporate goals</li> <li>(2) To improve management efficiency</li> <li>(3) To provide reliable information</li> <li>(4) To allocate resources efficiently</li> </ol> </li> <li>2.Risk management and culture <ol style="list-style-type: none"> <li>(1) Establishing a sound risk governance and management framework</li> <li>(2).Cultivating a culture of risk</li> <li>(3).Providing adequate resources and support</li> <li>(4).Integration and coordination</li> </ol> </li> <li>3.Organizational structure and responsibilities of risk management <ol style="list-style-type: none"> <li>(1).Board of Directors</li> <li>(2).Risk Management Committee</li> <li>(3).Operating Unit</li> </ol> </li> <li>4.Risk management procedures <ol style="list-style-type: none"> <li>(1).Risk identification</li> <li>(2).Risk analysis</li> <li>(3).Risk assessment</li> <li>(4).Risk Response</li> <li>(5).Risk supervision and review</li> </ol> </li> </ol>							

			5.Risk reporting and disclosure: Strengthening corporate governance and ensuring the timeliness and information transparency of the reporting to stakeholders										
3.Environmental issues  1.Has the Company developed an appropriate environmental management system according to its industrial characteristics?	V		<p>1. Taking into consideration of the characteristics of networking &amp; communication industry and the operational needs of the Company, PLANET has established environmental sustainability policies and formulated environmental sustainability goals and strategies according to the policies to implement environmental sustainability. The Company's <u>environmental sustainability policies</u> are as follows:</p> <p>(1) Developing green-energy and carbon-reduction products to promote sustainability of the Earth</p> <p>(2) Implementing carbon reduction management to mitigate climate change</p> <p>(3) Deepening environmental education to enhance environmental sustainability awareness</p> <p>In the face of the global climate change issue, PLANET closely monitors its growth risks and potential market opportunities while striving to achieve the goal of keeping global warming below 1.5°C. The Company is proactively implementing its climate action and systematically practicing forward-looking management measures, and has set its short, medium and long-term goals of environmental sustainability and developed the "PLANET 2050 Net Zero Carbon Emission RoadMap".</p> <p><b>Environmental Sustainability Goals</b></p> <table border="1"> <thead> <tr> <th>Short Term (by 2023)</th> <th>Medium Term (by 2030)</th> <th>Long Term (by 2050)</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> <li>• Climatic change</li> <li>-ISO 14064-1 GHG inventory and assurance</li> <li>-Low carbon transition: Green products and green manufacturing</li> <li>-Use of renewable energy</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>• Climate change</li> <li>-CDP carbon disclosure</li> <li>-SBTi (Science Based Targets initiative)</li> <li>-ISO 14067 product carbon footprint</li> <li>• carbon management</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>• Climate change</li> <li>-PAS 2060 carbon neutrality</li> <li>-RE100</li> <li>• Environmental management</li> <li>• Build a total quality management system continuously</li> </ul> </td> </tr> <tr> <td>Short Term (By 2023)</td> <td>Medium Term (By 2030)</td> <td>Long Term (By 2050)</td> </tr> </tbody> </table>	Short Term (by 2023)	Medium Term (by 2030)	Long Term (by 2050)	<ul style="list-style-type: none"> <li>• Climatic change</li> <li>-ISO 14064-1 GHG inventory and assurance</li> <li>-Low carbon transition: Green products and green manufacturing</li> <li>-Use of renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>• Climate change</li> <li>-CDP carbon disclosure</li> <li>-SBTi (Science Based Targets initiative)</li> <li>-ISO 14067 product carbon footprint</li> <li>• carbon management</li> </ul>	<ul style="list-style-type: none"> <li>• Climate change</li> <li>-PAS 2060 carbon neutrality</li> <li>-RE100</li> <li>• Environmental management</li> <li>• Build a total quality management system continuously</li> </ul>	Short Term (By 2023)	Medium Term (By 2030)	Long Term (By 2050)	N/A
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<ul style="list-style-type: none"> <li>• Supply chain management</li> <li>-Green supply chain management platform: Green products/materials</li> <li>• Energy &amp; resource management</li> <li>-Carbon reduction management</li> <li>• -Waste management</li> </ul>	<ul style="list-style-type: none"> <li>-Internal carbon pricing</li> <li>-Green supply chain management platform</li> <li>-Carbon inventory/carbon footprint</li> <li>• Energy &amp; resource management</li> <li>• -ISO 50001 Energy Management</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
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PLANET has established a complete environmental management system. In 2009, the Company obtained the ISO14001 Environmental Management System certification for the first time. On November 27, 2015, the Company, ahead of domestic enterprises, obtained the latest version of the “ISO 14001:2015 Environmental Management System” certification. Over the years, the Company has been maintaining the record of zero defective points in obtaining the management system certification. Latest certification period:

International Environmental Management Certification Organization	Term of Validity
TUV Nord	From February 9, 2022 to February 8, 2025

PLANET has been constantly improving its green supply chain system and has developed the “Supply Chain Code of Conduct” and the “Responsible Mineral Procurement Policy”. Suppliers are required to sign the “Declaration of Compliance with Supply Chain Code of Conduct” to ensure that the Company’s products are green and power-saving and have minimum environmental impact during the process from raw material supply to finished product output.

<p>2. Is the Company committed to improving energy efficiency and using renewable materials with low impact on the environment?</p>	<p>V</p>	<p>2. PLANET has been committed to improving resource utilization efficiency, including the improvement of energy efficiency, product efficiency, raw material utilization efficiency, and the use of recyclable materials with low environmental impact, in order to reduce environmental impact and implement responsible production.</p> <p>(1) PLANET has established the "Green Action Plan", "Environmental Maintenance Code", "Office Energy Conservation Regulations", etc., and carried out various energy-saving and carbon reduction projects, such as the office LED lamp replacement project, air conditioning energy-saving operation project, and energy-saving fan replacement project, to cope with climate change.</p> <p>(2) PLANET has fully carried out the R&amp;D of green energy products, and has formulated the "Eco-friendly Product Design Principles", to strictly follow the requirements of environmental standards throughout the technology R&amp;D, designing, manufacturing, transportation and recycling stage. The Company is using energy-saving wafers and developing power-saving PoE switches, and all product lines of the Company have adopted the Switch Mode Power Supply conforming to the "Energy Star" standard stipulated in the United States Energy Law to improve product efficiency. The outer boxes of the products adopt environmentally -friendly design, and the packaging material is made of degradable/recyclable environmental buffer material, which can improve the efficiency of resource reuse and reduce the environmental impact.</p> <p>The total electricity consumption of the Company's operating points in 2022 was 673,637 KWH, a decrease of 3.49% compared with 2021.</p> <table border="1" data-bbox="518 1489 1294 1715"> <thead> <tr> <th>Year</th> <th>Office Area Power Consumption (KWH)</th> <th>Common Area Power Consumption (KWH)</th> <th>Total Power Consumption (KWH)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>358,092</td> <td>332,178</td> <td>690,270</td> </tr> <tr> <td>2022</td> <td>353,889</td> <td>319,748</td> <td>673,637</td> </tr> </tbody> </table>	Year	Office Area Power Consumption (KWH)	Common Area Power Consumption (KWH)	Total Power Consumption (KWH)	2021	358,092	332,178	690,270	2022	353,889	319,748	673,637	<p>N/A</p>
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2021	358,092	332,178	690,270												
2022	353,889	319,748	673,637												
<p>3. Does the Company assess its current and future potential risks and opportunities raised by climate change, and take coping</p>	<p>V</p>	<p>3. In accordance with the TCFD recommendation report, the Company discloses the risks and opportunities brought by climate change and presents its due responsibilities and strategies, with the aim to allocate capital more reasonably and effectively and to achieve the vision of net zero carbon emission.</p> <p>(1) Governance in response to climate change: PLANET establishes its Climate Governance Report based on the TCFD framework. The Sustainable Development</p>	<p>N/A</p>												

measures to address climate-related issues?

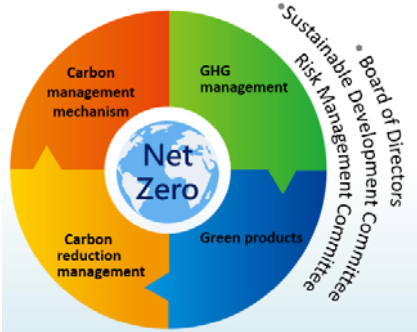
Promotion Team is responsible for inspecting relevant operations and composing the contents of the report. Upon completion of the report, it is presented to the Company's management for review, and then submitted to the Board of Directors for supervision, decision-making and inspections in relation to the Company's risk management strategies.

(2) Strategy in response to climate change: In compliance with the TCFD framework, PLANET has identified and assessed climate change risks and response measures across the different units in the Company, and has uncovered potential risks and opportunities. PLANET constantly identifies its transition risks, physical risks, and opportunities posed by climate change to its value chain regarding its policies, regulations, markets, technologies, reputation, and physical risks in consideration of changes in internal and external environments, and formulates effective response measures accordingly.

(3) Risk and opportunity management in response to climate change: PLANET's Sustainable Development Promotion Team conducts interviews and discussions to identify climate-related risks and opportunities based on TCFD's operational guidelines. The team then conducts a financial quantitative analysis and reviews existing measures and solutions to fully identify potential transition risks, physical risks and opportunities faced by the Company.

**PLANET's Core Climate-related Strategies and Risks**

<b>Core Strategy</b>	<b>Climate-related Risks</b>
GHG Management	<ul style="list-style-type: none"> <li>• Carbon fee, carbon tariff and related regulations</li> <li>• Net zero emissions</li> </ul>
Green Products	<ul style="list-style-type: none"> <li>• Uncertainty in the low-carbon transition</li> <li>• Customer changes supplier selection criteria</li> <li>• Net zero emissions</li> </ul>
Carbon Reduction Management	<ul style="list-style-type: none"> <li>• Carbon fee, carbon tariff and related regulations</li> <li>• Net zero emissions</li> </ul>
Carbon Management Mechanism	<ul style="list-style-type: none"> <li>• Carbon fee, carbon tariff and related regulations</li> <li>• Net zero emissions</li> <li>• Impact on corporate reputation</li> <li>• The severity of extreme weather incidents</li> <li>• Increase in premiums for natural disasters</li> <li>• Rising temperature</li> </ul>

		<p>(4) Metrics and targets in response to climate change: PLANET has referred to the GRI302, GRI305 and other indicators to establish performance tracking indicators. Meanwhile, it has introduced disclosure indicators of Sustainability Accounting Standards.</p> <p>(5) PLANET completed the BSI assurance for the “2022 TCFD PLANET Technology Corporation Climate-related Financial Disclosure Report” in April 2023. It was expected to obtain the level-4 assurance certificate in May 2023.</p>							
<p>4 Did the Company take inventory of its GHG emissions, water consumption, and total weight of waste in the last two years, and formulate policies for GHG reduction, water use reduction, or management of other waste?</p>	<p>V</p>	<p>4. GHG emissions, water consumption and waste weight  Since 2022, PLANET has adopted an operational control approach to define organizational boundaries and calculate GHG emissions according to the regulations of ISO14064-1 and GHG Protocol, and set "base year 2022, carbon reduction of 50% by 2030, net zero carbon emissions by 2050" as goals for carbon reduction. The Company, based on the results of risk and opportunity identification, develops carbon reduction strategies and action plans in consideration of the “2050 Net Zero Carbon Emission” target and domestic and international carbon reduction trends and requirements, and continuously improves its TCFD procedures to address risks raised by climate change.</p> <ol style="list-style-type: none"> <li>(1) GHG management: Calculate GHG emissions and plan carbon reduction roadmap.</li> <li>(2) Green products: Uphold the “Eco-friendly Product Design Principles” and continue to develop low-carbon, energy-saving products</li> <li>(3) Carbon reduction management: Purchase renewable energy and carry out internal/external carbon reduction actions</li> <li>(4) Carbon management mechanism: Participate in CDP carbon disclosure projects, join SBTi Science Based Target initiative, and implement internal carbon pricing.</li> </ol> <div style="text-align: center; margin: 10px 0;"> <table border="1" style="border-collapse: collapse; width: 100%;"> <tr> <td style="width: 33%; text-align: center;">2022</td> <td style="width: 33%; text-align: center;">2030</td> <td style="width: 33%; text-align: center;">2050</td> </tr> <tr> <td style="text-align: center;">Base</td> <td style="text-align: center;">Emission reduction 50%</td> <td style="text-align: center;">Carbon neutrality</td> </tr> </table> <p style="display: flex; justify-content: space-between; width: 100%; font-size: small;"> <span>Low Carbon emissions</span> <span>Zero Carbon emissions</span> </p>  </div>	2022	2030	2050	Base	Emission reduction 50%	Carbon neutrality	<p>N/A</p>
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<p>4. Social issues (1) Has the Company developed its policies and procedures in accordance with laws and the International Bill of Human Rights?</p>	<p>V</p>	<p>4. Social issues</p> <p>1) PLANET has established the “Sustainable Development Best Practice Principles” and “Sustainable Development Systems and Policies”, which stipulate that the Company should comply with relevant labor laws and international human rights conventions and follow the UN’s “Universal Declaration of Human Rights”, the “UN Global Compact”, “Guiding Principles on Business and Human Rights”, and the “International Labor Office Tripartite Declaration of.</p>	<p>N/A</p>																												

		<p>Principles”. The Company does not allow anything to happen that could jeopardize the basic rights of employees. At the same time, PLANET strives to fulfill its corporate responsibilities to protect human rights. In addition, the Company has established the "Employee Work Rules" in accordance with the Labor Standards Act and related laws. PLANET prohibits the employment of illegal labor and child labor and does not allow any other forms of illegal employment. At the same time, the Company protects the rights of employees with physical and mental disabilities, and gives priority to job seekers with physical and mental disabilities who meet the requirement of the job. In 2022, the number of employees with physical and mental disabilities accounted for 1.27% of the Company's total staff , which was in compliance with government regulations. The Company has always adhered to the principle of equal employment and does not consider a job seeker's religion, race or party affiliation as a factor in deciding whether to hire or not. There have been no cases of discrimination in PLANET’s employment. PLANET has always been an advocate for the principle of "Gender Equality in Employment” and actively promoting "Equal Rights for Male and Female Employees”. The Company has established the “Measures for Prevention of Sexual Harassment at Workplace”, “Regulations Governing Gender Equality in Employment” and “Directions for Prevention and Management of Unlawful Infringement in the Performance of Duties”, and organizes “Sexual Harassment Prevention and Human Rights Protection Education and Training" for all staff regularly every year. At PLANET, employees doing the same work receive equal treatment and compensation regardless of their gender. Female employees’ opportunities for employment and job promotion throughout their professional career is also emphasized at the Company. Currently the gender ratio of all employees in the Company is: female: 53.2%, male: 46.8%, and the gender ratio of managerial employees is: female : 52.3% , male: 47.7%, which shows that the percentage of female employees has outnumbered that of male employees in both categories. In 2022, a total of 3 second-time employed women were employed, accounting for 9.38% of the total number of new recruits in the year.</p> <p>PLANET strives to create an equal, friendly, healthy and happy workplace environment. It was the first Company in Taiwan to be presented with the “Taiwan Mittelstand Award for Gender Equality” by the Ministry of Economic Affairs (MOEA),</p>	
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		<p>followed by the “Taiwan Mittelstand Award for Workplace Friendliness”, and being nominated as a Gender Mainstreaming Benchmark Enterprise by the Industrial Development Bureau, MOEA.</p> <p>PLANET has published the relevant regulations and principles of the "Employee Work Rules", approved by the Bureau of Labor Insurance, on the Company's internal shared platform for staff to inquire at any time. The Company also holds regular quarterly labor and management meetings to maintain good communication between labor and management and protect the rights and interests of employees.</p>	
<p>(2) Has the Company established and implemented reasonable employee benefits (including remuneration, leave, and other benefits), and ensured that business performance or results are reflected adequately in employee remuneration?</p>	<p>V</p>	<p>(2)</p> <ul style="list-style-type: none"> <li>● <u>Remuneration</u></li> </ul> <p>Item 1 of Article 19 of the Company’s Articles of Association states that “1. If the Company has profits in the year, it shall set aside no less than 5% for the compensation of employees and no more than 2% for the compensation of directors. However, if the Company has accumulated losses, it shall set aside the amount to cover the losses first”. Over recent years, the Company has set aside 6% as employee compensation every year for all its employees.</p> <p>When the Company hits its operation targets, it also provides operation bonus, performance bonus and sales bonus for employees. In addition, there is a well-established salary adjustment system. At PLANET, employees doing the same work receive equal treatment and compensation regardless of their gender. Female employees’ opportunities for employment and job promotion throughout their professional career is emphasized at the Company.</p> <p>The total salary of full-time non-supervisory employees in 2022 was NTD 116,741 thousand, showing an increase of NTD9,501 thousand over 2021. Meanwhile, the average salary of full-time non-supervisory employees in 2022 was NTD 852 thousand, with an increase of 9.7% over 2021.</p> <p>PLANET has well-established leave system, labor pension system and welfare measures in accordance with the Labor Standards Act.</p> <ul style="list-style-type: none"> <li>● <u>Leave system:</u></li> </ul> <p>In addition to “regular leaves”, “rest days” and “public holidays”, PLANET also grants “annual paid leaves” to employees. Employees who have worked for the Company for more than six months will be granted annual paid leave of three to thirty days per year depending on their years of</p>	<p>N/A</p>

		<p>service. In addition to annual paid leave, the Company also gives official leave, occupational sick leave, wedding leave, funeral leave, menstrual leave, leave for pregnancy checkups, maternity leave, paternity leave, fetal leave, volunteer leave, indigenous people leave, etc. During the aforesaid leave periods, the salary is paid by the Company as usual.</p> <ul style="list-style-type: none"> <li>● <u>Labor pension system:</u> At present, the Company allocates 6% of the monthly salary of employees to the individual employee pension accounts at the Ministry of Labor every month in accordance with the new pension system, and allocates 2% of the monthly salary of the employees who joined the Company before July 1994 to Bank of Taiwan. Every year, the Company employs actuaries to submit actuarial reports regularly. Employees who are eligible for retirement may apply for retirement under the “Personnel Management Measures”. Up to now, the Company has allocated NTD 13,302,000 to Bank of Taiwan, which is sufficient to cover the pension required by retiring personnel. In 2021 and 2022, two employees completed application for retirement and received the pension under the old pension system.</li> <li>● <u>Welfare measures:</u> In addition to the basic benefits, such as Labor and National Health Insurance, group insurance, annual bonus, festival cash gifts, birthday cash gift, subsidies for weddings, funerals and celebrations, education &amp; training and annual health checkup, PLANET’s employees also enjoy education subsidies for employees’ children (NTD 20,000 per year from the age of 0 to college graduation), maternity subsidy, subsidy for pregnancy car service, pregnancy care packs, exclusive family physician consultation services (Traditional Chinese Medicine (TCM)/Western Medicine/physiotherapy consultation), employee health seminars, employee trips, association subsidies, etc. PLANET cares about the work and life of its employees, striving to help employees have a sound balance between their work and family life.</li> </ul>	
3 Does the Company provide employees with a safe and healthy work environment	V	3. PLANET has established a Grade 1 responsible unit, the Environment, Health and Safety Office (EHS), which is responsible for projecting, planning and promoting occupational safety and health issues. The EHS has planned to introduce ISO45001 in 2023.	N/A



and organize regular training on safety and health for employees?

- **Work environment:** The Company conducts regular workplace inspections and equipment and environment improvement works, including: chemical storage equipment improvement, operating environment monitoring, air quality monitoring, equipment safety labeling, etc. The Company also provides staff with ergonomic mouse pads and personal protective equipment, such as safety shoes, goggles, etc., to enhance staff safety at work. Through the self-inspection systems, such as safety equipment inspection and inventory, 5S inspection and inventory, workplace inspection, etc., the Company regularly inspects fire equipment, electrical equipment, environment and even elevator hygiene situation in common areas to proactively discover problems and make improvement, so as to provide employees with a safe and healthy work environment.
- **Education & training:** The Company organizes online education and training programs, such as: new staff occupational safety training, fire safety training, sexual harassment prevention seminar, and strengthens staff safety and fire awareness through online tests. The Company holds fire drills every six months to implement the measures for the Self-guard Fire Protection Group and fire escape to improve the emergency response ability of employees.
- The Company has established its occupational safety and health related certificate management system, and allocated management personnel according to the laws and regulations. For occupational safety and health, there are operation supervisors, administrators, firefighting personnel, and for first aid, there are adequate fire prevention administrators and first-aid personnel. The Company also conducts regular training through external institutions to maintain the validity of certificates and improve the safety and health management of the Company.

Title of Certificate	Number of persons allocated according to the law	Expiry Date
Type A Occupational Safety and Health Operations Supervisor	1	2024/3/28
Type B Occupational Safety and Health Administrator	1	2024/9/21
Fire prevention administrator	1	2024/4/1
First-aid personnel	4	2024/2/18
Organic solvent operations Supervisor	1	2024/11/29

- The Company had no case of occupational disaster in 2022.

		<ul style="list-style-type: none"> <li>● COVID-19 epidemic prevention and response: The Company established the "Epidemic Prevention and Response Team" on March 20, 2020, with the Chairman as the convener and the Deputy General Manager as the commander. The heads of all departments were responsible for the press and public relations, information security, human resources/security, procurement/production, sales and R&amp;D functions to cope with various risks. In 2021, the Company formulated the "Epidemic Prevention Manual", the "COVID-19 Emergency Response Plan" and the "Business Continuity Plan in Response to COVID-19" to provide employees with adequate information and ensure the Company's continuous operation.</li> <li>● Staff's physical and mental health: In addition to the "employee family day", employee trips and volunteer activities, the Company has been implementing the "Health 360" program since 2016 to help employees maintain their own health and that of their family members in an all-round way. The measures of the program include setting up health management equipment in the offices, quarterly consultations with physicians of TCM and Western Medicine, and annual regular employee health examinations. In addition, the Company organizes physical and mental health lectures and activities from time to time, such as "How to relieve life pressure", "How to get rid of sarcopenia", "How to relieve shoulder and neck pains", "Physiotherapy consultation" and other health lectures to help employees maintain physical and mental health in an all-round way.</li> </ul>	
<p>(4) Has the Company established and implemented an effective training program that helps employees develop skills over the course of their career?</p>	√	<p>(4) The Company takes talent development as a long-term strategy, providing multiple learning resources and channels to encourage independent learning, thus to improve the knowledge, skills and professionalism of employees. At the same time, the Company attaches great importance to the cultivation of middle-level executives, with the aim to implement the Company's talents succession plan and achieve its goal of sustainable human resources management.</p> <p>(1) Improvement of professional competence:  In accordance with the "Measures for the Implementation of Education and Training Programs", the Company sets an annual plan for staff's further education and training every year to improve staff's core work skills, professional competence and management ability. The Company has established the "PLANET e-college", which is an innovative e-learning platform enabling employees to learn independently online at any time and place, thus enhancing the convenience of employees' learning. In addition, the Company carries out different offline or online</p>	N/A

		<p>professional training for different departments to strengthen the professional and management ability of employees.</p> <p>(2) Functional behavior development: The Company has independently planned and designed functional learning programs for executives: "High-level Executive Inheritance Team Building Program" and "Middle-level Executive Inheritance Team Building Program", with a total of 59 participants. Focusing on corporate strategy, mission, vision and culture, these programs are taught by senior executives. Through course training, brainstorming, group discussion, reports, team consensus is formed, and the core values of the Company, such as strategy, vision and corporate culture, are delivered and rooted deeply in the mind of each of the senior and middle executives, thus to achieve the Company's goal of sustainable inheritance of corporate values.</p> <p>(3) Annual performance assessment and manpower inventory: PLANET's employees have the opportunities for job promotion and job transfer based on job performance. The Company strives to place the right person on the right post to let potential talents give full play to their strengths in the Company and realize personal career development. All employees of the Company participate in performance assessment regularly every year. Employees can directly communicate with their supervisors about salary issues, and after that, the issues are forwarded to the management for approval. Performance bonuses are given to employees as incentives for their good performance.</p>					
<p>5. Do the Company's products and services comply with relevant laws and international standards in terms of customer health and safety, customer privacy, and marketing and labeling? And has the company developed relevant policies and complaint procedures to protect the rights and</p>	<p>√</p>	<p>5 The Company has been selling its products under its own brand "PLANET" to nearly 160 countries on the five continents, and has established close and long-term partnerships with distributors all over the world. The Company has always been quick, active and effective in dealing with the customers' response to the market and products, and has established regulations to protect the rights and interests of customers and fulfill its product responsibility.</p> <table border="1" data-bbox="475 1594 1353 2051"> <tr> <td data-bbox="475 1594 727 1995"> <p>Disclosing complete product information and providing standardized contract when selling</p> </td> <td data-bbox="727 1594 1353 1995"> <p>Information of all products of the Company is published on its global marketing website and product catalog directory, which is accessible to customers at any time. When selling products to customers, the Company provides "General Terms of Sales" in the sales agreement signed by both parties, with price, payment method, shipment and delivery of goods, product complaints, warranty and other information.</p> </td> </tr> <tr> <td data-bbox="475 1995 727 2051"> <p>Setting up a</p> </td> <td data-bbox="727 1995 1353 2051"> <p>The website is accessible to distributors worldwide.</p> </td> </tr> </table>	<p>Disclosing complete product information and providing standardized contract when selling</p>	<p>Information of all products of the Company is published on its global marketing website and product catalog directory, which is accessible to customers at any time. When selling products to customers, the Company provides "General Terms of Sales" in the sales agreement signed by both parties, with price, payment method, shipment and delivery of goods, product complaints, warranty and other information.</p>	<p>Setting up a</p>	<p>The website is accessible to distributors worldwide.</p>	<p>N/A</p>
<p>Disclosing complete product information and providing standardized contract when selling</p>	<p>Information of all products of the Company is published on its global marketing website and product catalog directory, which is accessible to customers at any time. When selling products to customers, the Company provides "General Terms of Sales" in the sales agreement signed by both parties, with price, payment method, shipment and delivery of goods, product complaints, warranty and other information.</p>						
<p>Setting up a</p>	<p>The website is accessible to distributors worldwide.</p>						

interests of consumers or customers?		<p>"Partner Zone" on the global website and assisting distributors in localization of marketing</p> <p>Compliance with international certification standards</p> <p>24-hour instant response</p> <p>Multiple communication channel</p> <p>Complete after-sales service</p> <p>Customer complaint channels</p>	<p>The Company also carries out product promotion and education activities to broaden and deepen the distribution of PLANET' products and solutions in the local market.</p> <p>The product specification and packaging box indicate the product's green energy design and its compliance with the relevant environmental standards and specifications.</p> <p>There are "Customer Service Mailbox" and "Technical Advisory Service" on the global website. The business units and technical engineers are required to reply to customers' comments and inquiries within 24 hours.</p> <p>Respond to customer questions promptly via Email, Skype, Facebook page, LinkedIn page, international professional technology website and other channels.</p> <p>The Company has established the Warranty Policy to handle the requests of distributors around the world for product return, replacement, repair and recall.</p> <p>The Company has set up customer complaint channels and consumer compensation application procedures. The "Regulations Governing Handling of Customer Complaints" formulated by the Company clearly specifies the customer complaint channels and handling procedures.</p>	
(6) Has the Company formulated a supplier management policy requiring suppliers to follow relevant norms on issues such as environmental	V	(6) Honesty and integrity are the primary qualities that PLANET	considers when selecting suppliers and building business partnerships. Currently about 77.88% of the Company's suppliers are from Taiwan. The communication channels between the Company and its suppliers have been open and effective, and the business transactions have been executed satisfactorily. Facing the future environmental trends, the Company attaches greater importance to the cooperation with	N/A

<p>protection, occupational safety and health, or labor rights? And how has the policy been implemented?</p>		<p>chip manufacturers with energy-saving design, and has signed the "Declaration of Compliance with Supply Chain Code of Conduct" with all its suppliers (except spot suppliers) to ensure that the products of the Company are made in green manner. In 2022, 100% of the suppliers signed the "Declaration of Compliance with Supply Chain Code of Conduct".</p> <p>PLANET has included RBA code of conduct in supplier selection and auditing, which covers the aspects of labor rights, environmental protection, safety and health, ethics and management system and requires suppliers to comply with local laws and regulations and PLANET's supply chain Code of Conduct. Based on the results of the assessments, the Company develops improvement measures and assists suppliers to make continuous improvement, with the aim to improve the effectiveness of responsible supply chain management.</p> <p>In the face of the environmental sustainability trend, the Company has established the "Supply Chain Code of Conduct", the "Environmental Protection Specification for Green Products" and the "Responsible Mineral Procurement Policy". The following contents are included:</p> <ol style="list-style-type: none"> <li>1) Suppliers shall adopt lead-free processes for production.</li> <li>2) Product design shall adhere to environmental protection and energy-saving principles.</li> <li>3) Suppliers shall ensure no use of hazardous substances.</li> <li>4) Product shall comply with EU RoHS, REACH, WEEE and EuP directives.</li> <li>5) New outsourcing factories shall have ISO 14001 certification.</li> <li>6) The workshops of outsourcing factories shall comply with safety standards.</li> <li>7) Suppliers shall not use any illegal workers (protect legal workers) and child labor.</li> <li>8) Supplier's materials shall not contain conflict minerals from Congo and surrounding countries.</li> </ol> <p>The Company has conducted ISO 14001 environmental system declaration for all suppliers to ensure that the supply chain complies with environmental management regulations. The contract between the Company and its major suppliers</p>	
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			<p>expressly stipulates that any violation of the Company's sustainable development and corporate social responsibility policies by the supplier, which has a significant impact on the environment and society, shall be regarded as a breach of contract and the Company may terminate or rescind the contract at any time. The Quality Assurance Center of the Company conducts environmental, quality and ESG management audit and consultation for outsourced factories on a quarterly basis to ensure that the Company's manufacturing complies with international environmental protection and human rights standards. The Company also regularly conducts ESG sustainability audit and guidance for major partners to ensure the proper operation of the responsible supply chain.</p>	
<p>5. Did the Company refer to the internationally accepted reporting standards or guidelines to prepare reports such as sustainability reports that disclose non-financial information of the Company? Did the aforesaid report obtain the assurance or assurance opinion of a third-party unit?</p>	V		<p>5. Since 2011, the Company has been voluntarily compiling its “Corporate Social Responsibility Report” every year. In 2021, the Company renamed the report “Sustainability Report” and published it in the Sustainable Development Zone on the official website of the Company. Since 2014, the Company has uploaded the report to the Market Observation Post System by the end of June every year. Since 2019, the report has been compiled in accordance with the GRI Standards published by the Global Reporting Initiative (GRI).</p> <p>The 2022 Sustainability Report was compiled in accordance with GRI Standards 2011, the SASB (Sustainability Accounting Standards Board) standards for Hardware of Technology &amp; Communications, and the TCFD (Task Force on Climate-related Financial Disclosures) framework. Meanwhile, the compilation of the report responded to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, the “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies” and the UN’s Sustainable Development Goals (SDGs).</p> <p>An independent and credible third party, BSI Assurance UK Limited (BSI), has been engaged to provide assurance for the 2022 Sustainability Report and the TCFD report. Both reports have met the AA 1000 Assurance Standards and GRI Standards, and satisfied the SASB standards. The Third-party Assurance Statement:</p> <p><a href="https://www.planet.com.tw/tw/sustainability/reports">https://www.planet.com.tw/tw/sustainability/reports</a></p>	N/A
<p>6. If the Company has formulated its own sustainable development best practice principles in accordance</p>				

with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, please describe the deviations between its operation and the formulated principles:




PLANET has established the “Sustainable Development Best Practice Principles” and “Sustainable Development Systems and Policies” to make sustainable development one of the Company's core business strategies. The Company will actively implement its corporate social responsibility, manage the economic, environmental and social impacts of its business activities, and drive economic, environmental and social progress in accordance with its established principles and policies in order to achieve sustainable development. Over the years, the Company has made continuous efforts to improve its ESG performance, which has been widely recognized by the government and the media. PLANET was ranked among the top 5% of TPEX-listed companies in the 8th (2022) “Corporate Governance Evaluation” in Taiwan, and won the “Excellence in Corporate Social Responsibility Award” for the 16th consecutive year. The Company also received the “Asia Responsible Enterprise Awards- Social Empowerment” from Enterprise Asia and the honor of “Excellent Mittelst and Enterprise Building Friendly Workplace” from Ministry of Economic Affairs. PLANET was also selected as a Taiwan and global benchmarking enterprise.

7. Other important information helpful to understand the implementation of the Company’s sustainable development policies:

PLANET is committed to becoming the leader of product and technology innovation in the global Netcom market. Over the years, the Company, adhering to the principles of integrity and excellence, altruism and mutual benefits, innovation and sustainability, has been providing innovative and sustainable network communication equipment and solutions to the market under its brand “PLANET”. At the same time, the Company actively improves its ESG performance, fulfills its corporate social responsibility, and creates corporate sustainable value.

The "Sustainable Development Committee" is a functional committee under the Board of Directors. The Deputy General Manager acts as the chairperson of the committee and the Chief Sustainability Officer of the Company. The committee is the Company's highest unit responsible for its sustainable development operations. At the operational level, the Company has a "Sustainable Development Promotion Team", which is responsible for implementing sustainable development polices and measures. In general, the Company strives to keep pace with international trends, strictly implements corporate governance and fulfills corporate commitments, with the aim to promote environmental and social sustainability, so as to enhance its brand value and achieve sustainable corporate development.

2022 PLANET Sustainability Achievements:

Aspect	Achievement	SDGs Goals
Governance	<ul style="list-style-type: none"> <li>Profit grew steadily, with EPS reaching NTD 7.01 in 2022, the best in the past years</li> <li>Ranked in the top 5% of TWSE/TPEX listed companies in the 8th (2022) “Corporate Governance Evaluation”</li> <li>Ranked No. 1 in the mittelstand companies in the “2022 Excellence in Corporate Social Responsibility Award”, receiving the award for the 16<sup>th</sup> consecutive year.</li> <li>The Sustainability Report adopted SASB Standards and obtained third party assurance.</li> <li>Prepared the first TCFD report, and obtained third party assurance.</li> <li>Received the “2022 Taiwan Corporate Sustainability Award”, with a “Golden Award” for the Sustainability Report.</li> </ul>	 <p>就業與經濟成長 工業、創新基礎建設 減少不平等 氣候行動 和平與正義制度 全球夥伴</p>
Environmental	<ul style="list-style-type: none"> <li>Upholding the principles of scientific and technological innovation and green product development, the green and innovative design of PLANET’s Industrial 5G IoT communication equipment received “2022 Taiwan Excellence Award” and the “2022 Computex Best Choice Golden Award”.</li> <li>Enhanced responsible supply chain management. In 2022, 100% of the suppliers signed the "Declaration of Compliance with Supply Chain Code of Conduct".</li> <li>The scope of GHG inventory extended to suppliers, and the Company obtained ISO 14064-1 GHG inventory certification for the first time.</li> <li>In response to the RE10X10 initiative, the Company officially switched to green electricity supply in July 2022. By December 2022, 30,309 KWH of green electricity had been used and 15 certificates of renewable energy had been obtained.</li> <li>PLANET worked with International Nature Restoration Action Association to promote the “Good Air and Happy Farm Life in Taiwan” program. Through the use of rice straw decomposing bacteria, the problem of air pollution and carbon emission caused by burning rice straws can be reduced, and rice straw waste can be decomposed and recycled on the site, which will increase soil organic substances to protect biodiversity. In 2022, rice straw decomposing bacteria were first used in the rice fields in Hualien and Changhua. PLANET called on 77 enterprises to participate in the adoption of 4,100 hectares of rice fields, reducing carbon emissions by 36,900 tons.</li> <li>PLANET participated in the adoption of Pinglin organic tea plantation for the 12<sup>th</sup> consecutive year. In 2022, employee adoption rate was 84%, expanding the area of Pinglin organic tea plantations from 1 hectare in 2010 to 53 hectares in 2022.</li> </ul>	 <p>淨水與衛生 責任消費與生產 氣候行動</p>
Social	<p><u>Sustainable Human Resources Management:</u></p> <ul style="list-style-type: none"> <li>PLANET strives to maintain a happy workplace of equality, diversity and integration. In 2022, there was no discrimination in its employment.</li> <li>The total training hours of all employees in 2022 was 2,977 hours, with an average of 18.84 hours per person, an increase of 1.52 hours per person compared with 2021(17.32 hours) .</li> <li>In 2022, the education subsidy for employees' children was paid to 137 children. From 2006 to 2022, 1,099 children benefited from the education subsidy for employees' children.</li> <li>PLANET realized, for five consecutive years, the record of zero job disaster and zero occupational disease. In 2022, PLANET was issued with the Certificate for the Record of Disaster-free Working Hours by the Council of Labor Affairs, Executive</li> </ul>	 <p>消除飢餓 健康與福祉 健康與福祉 性別平等 就業與經濟成長</p>



	<p>Yuan.</p> <ul style="list-style-type: none"> <li>• Obtained the “Taiwan i Sports 2022 Certification” from the Sports Administration, Ministry of Education for the first time, and obtained the “Badge of Accredited Healthy Workplace” and the “Badge of Accredited Healthy Workplace-Health Promotion” from the Health Promotion Administration.</li> </ul> <p><u>Social participation:</u></p> <ul style="list-style-type: none"> <li>• PLANET has been implementing the “Remedial education/ psychological counseling for disadvantaged children” Since 2004. From 2004 to 2022, a total of 10,391 disadvantaged children benefited from the remedial education and counseling, and 2,086 teachers and volunteers were sponsored by PLANET through development group activities. In total, 12,477 persons were sponsored by the Company.</li> <li>• PLANET has been supporting the “Program for Promoting Children’s Reading Habits in Rural Areas-Give Children a Bright Future” since 2014. From 2014 to 2022, the Company sponsored 21 elementary schools and 1 junior high school in Changhua County, helping students of 1,458 classes cultivate the habit of regular reading and develop an international view. During 2021 and 2022, PLANET called on more than a hundred Taiwan and foreign role model enterprises to support the program, benefiting more than 120,000 students from 460 schools.</li> <li>• PLANET supported the “Good Air and Happy Farm Life in Taiwan” program. The Company called on the government, 77 enterprises, environmental protection organizations, famers in Hualien/Changhua to support the using of rice straw decomposing bacteria to replace the burning of rice straws, which covered 4,100 hectares and reduced carbon emission by 36,900 tons. The new method can enhance soil carbon sequestration and prevent air pollution, thus creating a better environment.</li> </ul>	
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■ **“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. 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. The corporate “Sustainable Development Policy” are established as follows:

■ Implement sound corporate governance

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, and effective implementation of ESG risk management.

■ Achieving highest level of corporate commitment

Commitment to customers and suppliers, employees training and care, and R&D innovations

■ Striving for environmental sustainability

Promotes recycling, energy saving and carbon reduction, green product development and manufacturing, and sustainable supply chain

■ Contributing in social activities to create long-term benefits

Applies the standards of business practice to social participation, aiming at create positive impacts on the society in the long run.

Therefore, our enterprise commitments are:

- 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, and achieve carbon neutrality.
- 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

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.

### **Social engagement with long-term influences**

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.

#### **1. Encouraging the employees to participate together, and contribute their efforts to various social services and charitable activities**

- (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.
- (2) This was the thirteen year for adopting the organic tea garden at Pinglin. In 2022, 84% of employees participated in the adoption of organic tea garden, with a view to protecting water resources in the upstream of Feitsui Reservoir.
- (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 2022, the total volunteer service hours of the staff reached 312 and the specific volunteer activities include the adaptation of organic tea garden, cleaning of beach and mountain, blood donation, etc.

## 2. “PLANET Educational Charitable Trust” - The first public trust fund in Taiwan focusing on education support

Founded in August 2004, “PLANET Educational Charitable Trust” is first public trust fund in Taiwan focusing on education support. The public trust fund focuses on “education” issues and carries out educational and cultural promotion projects with the principle of “promoting education and improving human quality”. PLANET integrates its core business management capabilities into the operation of these projects and establishes standard SOP in order to implement the projects strategically and effectively. With these projects, PLANET expects to exert substantial and positive impact on the society in the long run. Starting from its operating base in Xindian District, New Taipei City, the operation of the public trust fund has expanded to new Taipei City and Taipei City, sponsoring student education subsidies of many schools, academic research of academic institutions and a number of social, charity and cultural subsidies.

The educational and cultural subsidies in 2022 mainly include:

- (1) The “Remedial education/psychological counseling/diversified learning” for disadvantaged elementary/junior high school children: Over the past 18 years, PLANET has been sponsoring the project of “Remedial Education/psychological counseling for disadvantaged children” in New Taipei City’s Xindian District, Sanxia District, Xizhi District, Shulin District and Taipei City’s Muzha area. From 2004 to 2022, PLANET has supported a total of 19 elementary schools, junior high schools and institutions through the program, providing remedial education to 10,391 children and sponsoring 2,086 teachers and volunteers through development group activities.
- (2) The program for promoting children’s reading habits in rural areas-“Give Children a Bright Future”: Since 2014, PLANET has been cooperating with Global Views – Commonwealth Publishing Group to implement the program of “Planting the Seeds of Reading: Give Children a Bright Future”, sponsoring elementary schools and junior high schools in Pitou Township, Changhua County and its adjacent township areas. Every month, the program provides a magazine “Global Kids Monthly” for each class of Grade 1-3, and a “Global Kids Junior Monthly” for each class of Grade 4-9 every month. In 2022, PLANET sponsored 179 classes in 16 elementary schools and 1 junior high school with 2,148 magazines. Over the past 9 years, the Company has sponsored a total of 1,458 classes in 21 elementary schools and 1 junior high school with 17,496 magazines. In 2021 and 2022, Mr. Jack Chen, Chairman of PLANET, called on role model enterprises selected by the National Innovation and Entrepreneurship Association to support this program, and the program received response and support from more than a hundred Taiwan and foreign entrepreneurs. More than 4,000 children's magazines were donated under the program, benefiting more than 120,000 rural students and helping 460 schools in rural areas build a bright future.
- (3) Campus singing tour “Send Good Songs to Campus”: PLANET has been committed to supporting arts and culture education in the society. The Company has been supporting the Cantare Singers for 19 years since 1993, who have brought Chinese and foreign famous songs, operas, folk songs, campus songs and other good songs to young students and the public.
- (4) Promotion of environmental education: To help mitigate climate change and create better farming conditions, PLANET has been supporting the “Good Air and Happy Farm Life in Taiwan” program and included the program in the Company’s internal environmental education training courses. The Company has called on all circles of the society to promote the program throughout Taiwan. In 2022, the Company called on 77 enterprises to sponsor and adopt 4,100 hectares of rice fields in Hualien and Changhua,

reducing carbon emission by 36,900 tons.

- (5) Scholarship : In 2022, PLANET provided scholarship to two students. From 2005 to 2022, the Company has subsidized 82 students with a total of NTD 820,000 of scholarships.
- (6) Life and health education: PLANET has sponsored the funds for singing teaching activities of Chibusch Elderly Health Association.
- (7) Disease prevention education: PLANET has sponsored Taiwan Lung Foundation and Doctors without Borders Foundation.

## Disclosure of Climate-related Information

### 1. Implementation of Climate-related Disclosures

Item	Implementation
1. Describe the Board and management's oversight and governance of climate-related risks and opportunities	<p>(1) The Board's oversight of climate-related risks and opportunities PLANET establishes its Climate Governance Report based on the TCFD framework. The Sustainable Development Promotion Team is responsible for inspecting relevant operations and composing the contents of the report. Upon completion of the report, it is presented to the Company's management for review, and then submitted to the Board of Directors for supervision, decision-making and inspection in relation to the Company's risk management strategies.</p> <ul style="list-style-type: none"> <li>• Sustainable Development Committee: The committee meets at least twice a year and assists the Board in continuously promoting sustainable development policies and enhancing corporate governance, which are included in the Company's operations and development direction.</li> <li>• Risk Management Committee: The committee meets at least twice a year and manages the various risks that may affect the achievement of the Company's objectives with a sound risk management framework. The committee participates in the Company's operation activities and daily management processes through fulfilling its risk management functions.</li> </ul> <p>(2) Management's role in assessing and managing climate-related risks and opportunities Through inter-departmental collaboration, the Sustainability Office continuously reviews and collects relevant international trends and national development, and analyzes issues raised by climate change. The Sustainability Office carries out inspections, evaluations and control over climate related matters according to the following management procedures:</p> <ul style="list-style-type: none"> <li>a) Every six months, the Sustainable Development Promotion Team reviews risks and opportunities in the Company's overall operations (including supply chain) and the management strategies and implementation situation, and make a report to the Board of Directors.</li> <li>b) The Sustainability Office continuously reviews and collects relevant international trends and national development, and identifies potential risks and opportunities, for which the office develops response measures, set up objectives and review improvement situation.</li> <li>c) The Environmental Sustainability Team provides carbon risk/opportunity management information and performance to the Chief Sustainability Officer on a semi-annual basis.</li> </ul>
2. Describe how the identified climate-related risks and opportunities impact the businesses, strategies and finance of the Company (in short, medium, and long term)?	<p>Based on the TCFD framework, PLANET has identified and assessed climate change risks and response measures across the different units in the Company, and has uncovered potential risks and opportunities. PLANET constantly identifies its transition risks, physical risks, and opportunities raised by climate change to its value chain regarding its policies, regulations, markets, technologies, reputation, and physical risks in consideration of changes in internal and external environments, and formulates effective response measures accordingly.</p>

Item	Implementation																																
	<p><b>High</b> ↑</p> <p>The Extent of Impact on PLANET</p> <p>↓ <b>Low</b></p> <p><b>Short term 1-3 years</b>      <b>Medium term 3-10 years</b>      <b>Long term over 10 years</b></p> <p><b>Opportunities</b>      <b>Transition risks</b>      <b>Physical risks</b></p> <p>1. Improving functionality and efficiency in customer products 2. Developing low-carbon products and services 3. Improving energy efficiency 4. Participating in carbon trading market 5. Participating in renewable energy program 6. Driving low carbon and green manufacturing 7. Enhancing corporate reputation and brand awareness</p> <p>1. Carbon fee, carbon tariff and related regulations 2. Net zero emissions 3. Uncertainty in the low-carbon transition 4. Customer changes supplier selection criteria 5. Supply chain disruption 6. Impact on corporate reputation</p> <p>7. The severity of extreme weather incidents 8. Flood in the area 9. Rising temperature</p>																																
	<b>Assessment of the Financial Impacts of Climate-related Opportunities</b>																																
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Item	Implementation				
	<b>Assessment of the Financial Impacts of Climate-related Risks</b>				
	Risk Type	Climate-related Risk	Level	Potential Financial Impact	Response Measures
	Transition Risks	Carbon fee, carbon tariff and related regulations	L	Increase in operating cost	Set aggressive carbon reduction target to achieve zero GHG emissions from operations
Net zero emissions		M	Higher costs for buying renewable energy and carbon credits	Make PLANET's net zero carbon emission roadmap, research and develop net zero strategy, and implement related measures	
Uncertainty in the low-carbon transition		M	The cost of converting product technology to low carbon technology	Uphold the principles for green products development, control costs reasonably, ensure revenue and profitability	
Customer changes supplier selection criteria		H	Changes in the market result in lower demand for goods and services	Understand customer market demand, expand market penetration	
Supply chain disruption		H	Supply chain disruption, resulting in increased raw material costs	Increase inventory of key products components and ensure logistics access	
Impact on corporate reputation		L	Unable to meet the expectations of stakeholders, resulting in corporate reputation damage	Uphold the principles for green products development, enhance the image of the Company through transparency disclosure	
	Physical Risks	The severity of extreme weather incidents	M	Production is affected, resulting in financial losses and revenue decline	Develop a "Business Continuity Plan" and establish emergency response procedures
Increase in premiums for natural disasters		L	Increase in operating expenses	Assess warehouse flood risk and develop measures to implement risk mitigation measures.	
Rising temperature		M	Rising electricity consumption, costs and carbon emissions	Implement innovative carbon reduction programs and carry out GHG reduction actions led by senior managers	
	※H : Risk with high concern M : Risk with medium concern L : Risk with low concern				
3. Describe how extreme climate incidents and transition actions impact the finance of the Company	<p>The potential financial impacts of climate change on the Company are classified into transition risks, physical risks and derived climate opportunities. PLANET's transition risks are mainly comprised of carbon reduction costs during the process of achieving Net Zero Emissions by 2050, for example, the costs of energy-saving and carbon reduction equipment, cost of green electricity consumption or fee for renewable energy certificate, cost of purchasing carbon credits, the estimated carbon fee for the future planned by Taiwan government and the cost of converting product technology to low carbon technology. Physical risks primarily consist of the increasing electricity costs due to rising global temperatures and the cost of responding measures to cope with extreme climate incidents.</p> <p>The financial impacts of climate-related opportunities include the reduction of water and electricity costs in operations due to improved energy efficiency, the increase in revenue resulted from developing low-carbon products and services such as renewable energy products, POE power saving patents, and EEE energy saving wafers, as well as the enhancement of corporate reputation and brand awareness, which also leads to increase in sales and revenue.</p>				

Item	Implementation
<p>4. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management</p>	<p>PLANET, through its Sustainability Office and the Environmental Sustainability Team, collects information on domestic and international climate legislation on an irregular basis, while the Sustainable Development Promotion Team identifies relevant risks and opportunities. The Company holds two meetings a year to report on management of climate-related risks and opportunities in its operations as well as the response measures to the Sustainable Development Committee and the Board of Directors. At the same time, the Company has integrated its climate-related risk management processes into a functional committee under the Board of Directors, the Risk Management Committee, and has established "Risk Management Policies and Procedures" to ensure that the risk management mechanism can adequately address the risks faced by the Company. PLANET's climate-related risk management processes have also been integrated into its daily operations to extend the Company's risk and opportunity detection and management, thus to strengthen the Company's capability of responding to climate change and its low-carbon competitiveness.</p>
<p>5. If scenario analysis is adopted to assess the Company's resilience to climate change risks, it should describe the scenario, parameters, assumptions, analytical factors and key financial impacts.</p>	<p>Based on TCFD recommendations, PLANET has assessed the impact of various GHG emission controls on the Company's operations and the supply chain by adopting the "Worst-case Scenario" for the transition and physical risks. The assessment results have been taken into consideration by the Company for determining the resiliency of its strategies. At the same time, PLANET has assessed the maximum impacts of transition and physical risks respectively based on the SSP1-1.9 and RCP 8.5 emission scenarios in the Intergovernmental Panel on Climate Change (IPCC)'s assessment report. Furthermore, PLANET has also included the potential increase in carbon emissions due to future business growth and the ongoing carbon reduction actions (including carbon offsets) in the assessment to analyze the possible financial impact of climate-related risks.</p> <p>For transition risks, PLANET has considered the reduction target for each phase of the net zero emissions commitment, and has taken innovative carbon reduction actions with the use of renewable energy and adoption of carbon offsets to achieve its goal of net zero emissions. With stricter carbon reduction requirement and the potentially tight supply of renewable energy and carbon credits in market, the transition cost of the Company's net zero commitment will also increase year by year. While achieving its goal of net zero emissions, the Company's financial expenditure will account for about 0.1~1% of the revenue of the year.</p> <p>In terms of physical risks, Taiwan has experienced massive drought under the influence of climate change, while severe typhoons have caused severe floods. To better understand the risk of extreme climate incidents, PLANET has also referred to the key indicators of climate change in Taiwan published by the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP). It has been noticed by the Company that the annual maximum continuous days without rainfall in New Taipei City is showing an increasing tendency, and in the worst scenario (SSP5-8.5), the average increase rate at the middle and end of the 21st century is about 3.11% and 3.14% respectively. In terms of typhoon indicators for Taiwan, in the worst scenario (RCP8.5), the proportion of strong typhoon will increase by about 100% and 50% at the middle and end of the 21st century respectively. In the face of more extreme</p>

Item	Implementation																	
	climate events in the future, PLANET has developed a “Business Continuity Plan” and emergency response procedures to minimize the impact of extreme weather and avoid the loss caused by disruption to operations.																	
6. If there is a transition plan for managing climate-related risks, please describe the content of the plan and the metrics and targets to be used to identify and manage physical and transition risks.	<p>Taking into account the “2050 Net Zero Carbon Emission” target and domestic and international carbon reduction trends and requirements, PLANET has formulated its carbon reduction strategies based on the results of risk and opportunity identification. The Company will continue to improve its TCFD operation procedures to cope with the risks of climate change.</p> <p>PLANET has referred to the GRI302, GRI305 and other indicators to establish performance tracking indicators. Meanwhile, it has introduced disclosure indicators of Sustainability Accounting Standards, which mainly include electricity and energy consumption.</p> <p>PLANET has established its short-, medium- and long-term objectives of climate change mitigation and adaptation to demonstrate its improvement on management of climate change, and to drive the transition to a low-carbon economy and reduce the impact of physical disasters. With the goal of keeping the global temperature rise below 2°C, the Company has set the carbon reduction percentage at each stage and established challenging and ambitious short, medium and long term goals from the perspective of climate change mitigation and adaptation. Compared with 2022, the Company’s GHG emissions in Scope 1 and 2 will be reduced by 30% in the short term (2025), 50% in the medium term (2030) and 60% in the long term (2040).</p>																	
<b>PLANET’s Climate-related Risks and Core Strategies</b>																		
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Item	Implementation																
7.If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	PLANET has not yet implemented internal carbon pricing and will monitor the issue closely as appropriate.																
8. If climate-related targets have been set, information should be provided on the activities covered, the scope of GHG emissions, the planning period and the yearly progress in achieving the targets. If carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon reduction to be offset and the number of RECs should be stated.	<p>PLANET will conduct GHG inventory and assurance in 2023, which will be carried out by the Environmental Sustainability Team under the Sustainable Development Promotion Team to comprehensively manage carbon risk issues in the Company's business operations. PLANET's GHG emissions for 2021 and 2022 are shown in the table below.</p> <p>In 2022, Scope 1 direct GHG emissions were 24.39 tons of CO<sub>2</sub>e, up 286% from 2021. The main reason is that in 2022, the Company fully identified emission sources and conducted inventory in accordance with the requirements of ISO 140641-1, resulting in an increase in inventory items.</p> <p>The Company purchased 15 T-REC renewable energy certificates in 2022. The certificates were issued in 2022, with 15,000 KWH of electricity.</p> <p style="text-align: center;"><b>GHG Emissions</b></p> <p style="text-align: right;">Unit : Tons of CO<sub>2</sub>e</p> <table border="1" data-bbox="427 1352 1370 1576"> <thead> <tr> <th>GHG Scope</th> <th>2021</th> <th>2022</th> <th>YoYComparison</th> </tr> </thead> <tbody> <tr> <td>Scope 1 (Category 1)</td> <td>6.31</td> <td>24.39</td> <td>286% ↑</td> </tr> <tr> <td>Scope 2 (Category 2)</td> <td>350.40</td> <td>342.88</td> <td>2.1% ↓</td> </tr> <tr> <td>Scope 3 (Category 3-6)</td> <td>-</td> <td>136.41</td> <td>-</td> </tr> </tbody> </table>	GHG Scope	2021	2022	YoYComparison	Scope 1 (Category 1)	6.31	24.39	286% ↑	Scope 2 (Category 2)	350.40	342.88	2.1% ↓	Scope 3 (Category 3-6)	-	136.41	-
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Scope 3 (Category 3-6)	-	136.41	-														
9. GHG inventory and assurance (completed in 1-1)																	

#### 1-1 Greenhouse gas inventory and confirmed situation

Instructions for filling out the form:

1、Information in Category 1 and Category 2 of this form shall be processed according to the schedule stipulated in Item 2 of Article 10 of this Code, and information enterprises in Category 3 may disclose it voluntarily.

2、Companies can conduct greenhouse gas inventory according to the following standards：

(1) Greenhouse Gas Protocol, GHG Protocol。

(2) International Organization for Standardization, ISO ) Published ISO 14064-1。

3、Confident institutions should comply with the relevant requirements of the perpetual report confirmation stipulated by the Taiwan Stock Exchange Co., Ltd. and the OTC Securities Exchange Center of the Republic of China。

4、Subsidiaries can be reported individually, collectively (for example: by country and region), or combined (Note 1)。

5、The intensity of greenhouse gas emissions can be calculated per unit of product/service or turnover, but at least the data calculated by turnover (NT\$ million) should be disclosed (Note 2)。

6、The proportion of operating bases or subsidiaries not included in the inventory calculation shall not exceed 5% of the total emissions. The total emissions disclosed above refer to the emissions calculated according to the form filling instructions 1. The scope of the mandatory inventory.

7、The confirmation statement shall summarize the content of the confirmation report of the confirmation institution and attach the complete confirmation statement to the annual report (Note 3).

1-1GHG inventory and assurance

<p>Basic Information of the Company</p> <p><input type="checkbox"/> Paid-in Capital &gt;\$10 bn +Iron + Cement</p> <p><input type="checkbox"/> Paid-in Capital \$5 bn ~\$10 bn</p> <p><input checked="" type="checkbox"/> Paid-in Capital &lt; \$5 bn</p>	<p>The following information should at least be disclosed according to the Sustainable Development Roadmap for TWSE/TPEX Listed Companies.</p> <p><input type="checkbox"/> Parent Company individual inventory</p> <p><input type="checkbox"/> Inventory of subsidiary in the consolidated financial reporting</p> <p><input type="checkbox"/> Parent Company individual assurance</p> <p><input type="checkbox"/> Assurance of subsidiary in the consolidated financial reporting</p>
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Scope 1	Total emission (tons of CO2e)	Intensity (tons of CO2e/NTD1million) (Note 2)	Assurance organization	Assurance Status (Note 3)
Parent Company	24.3944	0.0142	BSI Taiwan	The Certificate of Assurance is expected to be obtained by the end of April 2023.
Subsidiary	0	0		
...(Note 1)				
Total	24.3944	0.0142		
Scope 2	Total emission (tons of CO2e)	Intensity (tons of CO2e/NTD1million) (Note 2)	Assurance organization	Assurance Status (Note 3)
Parent Company	342.8811	6.1993	BSI Taiwan	The Certificate of Assurance is expected to be obtained by the end of April 2023.
Subsidiary	0	0		
...(Note 1)				
Total				
Scope 3	Total emission 76.9967(tons of CO2e)			

(6) Performance of ethical corporate management and deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons

Since its establishment, PLANET has put efficiency, innovation, quality, integrity into the Company's quality policy. To ensure the implementation of the Company’s ethical corporate management policy, the Board of Directors approved the formulation of the “Ethical Corporate Management Best Practice Principles” on Dec. 24, 2010, and the principles were reported to the shareholders at the regular shareholders’ meeting in 2011. On Apr. 21, 2015, the Board of Directors approved the amendments made to the “Ethical Corporate Management Best Practice Principles” and formulated the “Procedures for Ethical Management and Guidelines for Conduct” based on the newly amended “Ethical Corporate Management Best Practice Principles” in 2015. On April 25, 2016, the Board of Directors designated the Finance Department as the responsible unit, subordinate to the Board of Directors, for handling the revision, implementation, interpretation, consultation services, reporting and registration and filing of the contents of the “Procedures for Ethical Management and Guidelines for Conduct” and supervising its implementation. The Finance Department is required to report the Company’s ethical corporate management status to the Board of Directors every year on a regular basis. On December 21, 2022, the Finance Department reported to the Board of directors on the implementation of the Company’s ethical corporate management measures.

On November 4, 2021, the Board of Directors approved the formulation of the internal control system and internal audit implementation rules for the “Procedures for Ethical Corporate Management”, and included the “Procedures for Ethical Corporate Management” into the annual audit plan to ensure the inspection on the implementation situation. On February 23, 2023, the audit unit reported to the Board on the auditing of the “Procedures for Ethical Corporate Management”.

**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	
I. Establish ethical business policies and programs (I) Has the Company established a set of board-approved business integrity	√		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	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>policy, and stated in its Memorandum or external correspondence about the policies and practices it implements to maintain business integrity? Are the board of directors and the senior management committed to fulfilling this commitment?</p>			<p>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"> <li>1. Forbid bribery and corruption.</li> <li>2. Forbid providing illegal political contributions.</li> <li>3. Forbid improper charitable donation or sponsors.</li> <li>4. Forbid offer or accept improper gifts, entertainments or other illegal interests.</li> <li>5. Forbid infringement to business secrets, trademark rights, patents, copyrights, or other rights of intellectual properties.</li> <li>6. Forbid engagement in unfair competition.</li> <li>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 &amp; D, procurement, manufacturing, offering or sale.</li> </ol> <p>All employees who joined the Company before 2020 have completed the training on ethical business operation and signed the “Employee’s Declaration for Compliance with the Regulations Governing Ethical Business Operations”, declaring that they would abide by the Company’s “Ethical Corporate Management Best Practice Principles” and the “Procedures for Ethical Management and Guidelines for Conduct” during their employment. Starting from 2020, all new employees will receive training on ethical business operation and sign the</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>employment contract upon arrival, which will make employees understand the importance and necessity of observing the “Ethical Corporate Management Best Practice Principles” and the “Procedures for Ethical Management and Guidelines for Conduct”. Existing employees are required to sign the “Employee’s Declaration for Compliance with the Regulations Governing Ethical Business Operations” when they take up their new positions. At the same time, the Company will provide education and training to these employees on ethical business operation, including relevant norms and codes of conduct for ethical business operation, work rules, code of conduct for confidentiality and work standards for relevant business operations.</p> <p>The Finance Department reported the Company’s ethical corporate management status in 2022 to the Board of Directors on December 21, 2022. On the same day, board directors and managers, a total of 11 persons, attended a 30-minute lecture on the guidance of the “Ethical Corporate Management Best Practice Principles” and “prevention of insider trading”. In 2022, the Company provided training to all new employees on ethical business operation, with a total of 18 sessions and 29 participants.</p> <p>The relevant rules and regulations are disclosed in the "Corporate Governance Regulations" section of the Company's website and on the Market Observation Post System. For information, please visit: (<a href="http://www.planet.com.tw/tw/ir/corporate-governance">http://www.planet.com.tw/tw/ir/corporate-governance</a>)</p>	
(II) Has the Company developed systematic practices for assessing integrity risks? Does the Company perform regular analyses and assessments on	√		(II) The Company has established Risk Assessment System and prevention measures. The Company regularly analyzes and evaluates business activity with possible unethical risks. To respond Article 7, 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	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	
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>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 external business activities.</p> <p>Inquiry: the information is disclosed in the “Stakeholder Section” at the Company’s website (<a href="http://www.planet.com.tw/tw/ir/corporate-governance">http://www.planet.com.tw/tw/ir/corporate-governance</a>) and the MOPS website.</p>	
(三) Has the Company defined and enforced operating	√		(3) To implement the policy of ethical business operation and prevent dishonest conduct, PLANET has established regulations such as the “Ethical Corporate Management Best Practice Principles”, the “Procedures for Ethical Management and Guidelines	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	
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?			<p>for Conduct”, the “Procedures for Handling Political Donation Related Matters”, the “Procedures for Handling Charitable Donations and Sponsorship”, and the Rules for the Implementation of Awards and Punishments”, and will carry out regular reviews on these regulations and make changes as appropriate. The Company’s “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct” require directors and senior managers to sign the “Employee’s Declaration for Compliance with the Regulations Governing Ethical Business Operations”, and the term and conditions in employment contract also require these employees to comply with the ethical business management policy. Article 20, “Accounting and Internal Control”, of the Company’s “Ethical Corporate Management Best Practice Principles” stipulates that the internal auditing unit shall, based on the results of assessment on dishonest behavior risks, prepare relevant audit plans, including audit objects, scope, items, frequency, etc., and accordingly check the effective implementation of the prevention measures. On November 4, 2021, the Board of Directors approved the formulation of the internal control system and internal audit implementation rules for the “Procedures for Ethical Corporate Management”, and on February 23, 2023, the Audit Committee reported to the Board on the auditing of the implementation of the newly established regulations to fulfill the commitment of the ethical management policy. The Company has established the “Operational Procedures to Prevent Insider Trading”, and every year, the Company holds educational sessions on prevention of insider trading and ethical business management for employees. The Finance Department reported the Company’s ethical corporate management status in 2022 to the Board of Directors on December 21, 2022. On the same day, directors and managers, a total of 11 persons, attended a 30-minute lecture on “prevention of insider trading”. The Company also conducts education and training on "Business Ethics and Moral Code", "Ethical Corporate Management Best Practice Principles" and "Employee</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	
			Work Rules" for all new employees, and has formulated behavior standards and handling procedures for employee rewards and punishments, so as to strengthen employees' compliance with professional ethics and ethical management principles. In addition, the Company has established a complete whistleblowing, complaint and disciplinary system to facilitate the implementation of ethical business management.	
<p>Implementation of ethical business practices</p> <p>(I) Does the Company evaluate the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?</p>	√		<p>(I) 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, 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>	N/A
<p>(II) Does the Company have a unit that enforces business integrity directly under the board of</p>	√		<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</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	
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?			Directors and managers for total ten people, to enable the supervision of the Board of Directors.	
(III) Does the Company have developed policies to prevent conflicts of interest, provided adequate channel for communication, and substantiated the policies?	√		(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 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.	N/A
(IV) Has the Company implemented effective	√		(IV) On November 4, 2021, the Board included “Ethical Operation and Management” into the yearly audit plan by preparing “Ethical Operation and Management”	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	
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>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> <p>On February 23, 2023, the Audit Committee reported to the Board on the auditing of the implementation of the "Procedures for Ethical Corporate Management".</p>	
(V) Does the Company organize internal or external training on a regular basis to maintain ethical	√		(5) PLANET's new employee training programs include the education on ethical corporate management. In 2022, a total of 18 training sessions were held for 29 participants. In March 2023, the Company held a lecture on "ethical corporate management" for insiders. In fact, the Company holds insider training activities every year. On December 21, 2022, directors and managers, a total of 11 persons,	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	
management?			attended a 30-minute lecture on the guidance of the “Ethical Corporate Management Best Practice Principles” and “prevention of insider trading”.	
II. 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?	√		(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?	√		(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	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	
			investigation are documented for retaining. The Company also has various confidentiality mechanisms, specified in the “Rules of Management “, the “Managerial Regulations of Business Secrets”, and “Labor Contract”.	
(III) Has the Company provided proper whistle blower protection?	√		(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 handled in manner of absolute confidentiality, names of whistle-blowers and any identifiable information are strictly prohibited from leaking.	N/A
4. Enhancement of information disclosure. Has the Company disclosed the content of its “Rules Governing Ethical Business Management” and the implementation situation on its website and the Market Observation Post System?	√		<p>PLANET’s “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct” are disclosed in the “Stakeholders” section and “Corporate Governance” section on the Company’s website. Information on the Company’s ethical business management and implementation performance is also disclosed in the “Corporate Governance” section. At the same time, the Company’s “Ethical Corporate Management Best Practice Principles” is disclosed on the Market Observation Post System.</p> <p>For information, please visit the “Corporate Governance” section on the Company’s website:  <a href="https://www.planet.com.tw/tw/sustainability/governance">https://www.planet.com.tw/tw/sustainability/governance</a>  “About Us/Overview/Ethical Management”  <a href="https://planet.com.tw/tw/about/manage">https://planet.com.tw/tw/about/manage</a>  MOPS “Corporate Governance Section”  <a href="http://mops.twse.com.tw">http://mops.twse.com.tw</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>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”, 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”. 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, managers and all employees actively implement the regulations and review the implementations in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies ".</p>				
<p>VI. 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. On February 23, 2023, the Audit Committee reported to the Board on the auditing of the implementation of the “Procedures for Ethical Corporate Management”. PLANET’s new employee training programs include the education on ethical corporate management. In 2022, a total of 18 training sessions were held for 29 participants. In March 2023, the Company held a lecture on “ethical corporate management” for insiders. In fact, the Company holds insider training activities every year. On December 21, 2022, directors and managers, a total of 11 persons, attended a 30-minute lecture on the guidance of the “Ethical Corporate Management Best Practice Principles” and “prevention of insider trading”.</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

(36) Risk Management Policies and Procedures

2. Enquiry: Disclosed in the “Corporate Governance Regulations” section in the Company’s website (<https://www.planet.com.tw/tw/ir/corporate-governance>)

Market Observation Post System “Corporate Governance” section (<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, CSR Committee was renamed as Sustainable Development Committee in 2021, which consists of 3 independent directors and 2 directors. 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) TCFD 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 2022:
- (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. 23, 2023. In 2022, the Company entrusted Taiwan Association of Board Governance, an independent external professional organization, to carry out the external performance evaluation, and the evaluation results were reported to the Board and disclosed on the website.
  - (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 and "CFD REPORT" was checked by the third-party.
  - (11) Since 2017, shareholder meeting has adopted electronic voting.
  - (12) Since 2014, the manual is reported in 30 days before and annual report of the shareholder meeting is reported in sixteen days before.
  - (13) The voting on motions of the shareholder meeting should be reported after the meeting.
  - (14) At least 2 illustration meetings for legal person should be held in each year.
  - (15) Annual financial report is declared 2 months after the end of the current year, so as to make information as transparent as possible.
  - (16) 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

Meeting Date	Type of Meeting	Major Issues	Result	Execution Status
111.05.27	Offline shareholders' meeting	1.To acknowledge the 2021 Business Report and financial statements.	Voting result-The voting rights of the shareholders present at the time of the voting were 32,491,542. Votes in favor: 32,366,669 (31,313,281 votes were exercised electronically), accounting for 99.61% of the total votes cast. Votes against: 546 (546 votes were exercised electronically). Invalid votes: 0. Abstention votes: 124,327 (124,327 votes were exercised electronically) Passed as proposed by the Board of Directors.	Financial statements and minutes of the shareholders' meeting have been released to shareholders.
		2.To acknowledge the allocation of profits for 2021	Voting result- The voting rights of shareholders present at the time of voting were 32,491,542. Votes in favor: 32,434,669 (31,382,281 votes were exercised electronically), accounting for 99.82% of the total votes cast. Votes against: 546 (546 votes were exercised electronically). Invalid votes: 0. Abstention votes: 56,327 (56,327 votes were exercised electronically) Passed as proposed by the Board of Directors.	August 4, 2022 was determined to be the Ex-Dividend Date. On August 26, 2022, cash dividends of NTD 293,754,531 were paid.

Meeting Date	Type of Meeting	Major Issues	Result	Execution Status
111.05.27	Offline shareholders' meeting	3.Discussion on the amendment to the "Operation Procedures on Acquisition and Disposal of Assets"	<p>Voting result-The voting rights of the shareholders present at the time of the voting were 32,491,542.</p> <p>Votes in favor: 32,416,599 (31,363,211 votes were exercised electronically), accounting for 99.76% of the total votes cast.</p> <p>Votes against: 13,616 (13,616 votes were exercised electronically).</p> <p>Invalid votes: 0.</p> <p>Abstention votes: 61,327 (61,327 votes were exercised electronically)</p> <p>Passed as proposed by the Board of Directors.</p>	Operating in accordance with the amended "Operation Procedures on Acquisition and Disposal of Assets"
		4.Discussion on the amendment to the Company's Articles of Association	<p>Voting result-The voting rights of the shareholders present at the time of the voting were 32,491,542.</p> <p>Votes in favor: 32,429,599 (31,376,211 votes were exercised electronically), accounting for 99.80% of the total votes cast.</p> <p>Votes against: 616 (616 votes were exercised electronically).</p> <p>Invalid votes: 0.</p> <p>Abstention votes: 61,327 (61,327 votes were exercised electronically)</p> <p>Passed as proposed by the Board of Directors.</p>	The change has been registered. On June 15, 2022, the amendment to the Company's Articles of Association was registered. The Company has been operating under the amended version since then.
		5.Discussion on the amendment to the "Rules of Procedure for Shareholders' Meetings"	<p>Voting result-The voting rights of the shareholders present at the time of the voting were 32,491,542.</p> <p>Votes in favor: 32,429,669 (31,376,281 votes were exercised electronically), accounting for 99.80% of the total votes cast.</p> <p>Votes against: 546 (546 votes were exercised electronically).</p> <p>Invalid votes: 0.</p>	The Company has been operating under the amended version of the "Rules of Procedure for Shareholders' Meetings"

Meeting Date	Type of Meeting	Major Issues	Result	Execution Status
			Abstention votes: 61,327 (61,327 votes were exercised electronically) Passed as proposed by the Board of Directors.	since then.

## 2. Board of Directors

Meeting Date	Type of Meeting	Important Resolutions
2022.02.24	Board of Directors	<ol style="list-style-type: none"> <li>1. Proposal for employee and director compensation in 2021</li> <li>2. 2021 “Declaration of Internal Control System”</li> <li>3. 2021 consolidated financial statements and individual financial statements</li> <li>4. Amendment to the "Operation Procedures on Acquisition and Disposal of Assets"</li> <li>5. Revision of internal control system and rules for implementation of internal audit</li> <li>6. The amendment and renaming of the “Corporate Social Responsibility Best-Practice Principles”</li> <li>7. The amendment of “Regulations of CSR Committee” and renaming of “CSR Committee”</li> <li>8. Amendment to the "Corporate Social Responsibility System and Policy"</li> <li>9. Matters related to the convention of the regular shareholder’s meeting in 2022, acceptance of proposals from shareholders with 1% shareholding</li> <li>10. Matters related to performance evaluation for Board of Directors in 2021</li> <li>11. Matters related to performance evaluation for functional committees in 2021</li> <li>12. Matters related to assessment on independence and suitability of certified accountants in 2021</li> <li>13. Matters related to appointment and remuneration of certified accountants in 2021</li> <li>14. Matters related to managers’ performance evaluation and auditors’ assessment in 2021</li> </ol>
2022.04.15	Board of Directors	<ol style="list-style-type: none"> <li>1. Business report for 2021</li> <li>2. Earnings distribution plan for 2021</li> <li>3. Amendment to some articles in the Articles of Association</li> <li>4. Amendment to the “Rules of Procedures for Shareholders’ Meeting”</li> <li>5. Amendment to the “Corporate Governance Best-Practice Principles”</li> <li>6. Supplement to matters related to the convention of the regular shareholders’ meeting in 2021, acceptance of proposals from</li> </ol>

Meeting Date	Type of Meeting	Important Resolutions
		shareholders with 1% shareholding
2022.04.28	Board of Directors	1. Discussion on “GHG Inventory and Verification Schedule”
2022.08.08	Board of Directors	1. Consolidated financial statement for the first half of 2022 2. Application for renewal of credit line by Shanghai Commercial Bank 3. Amendment to “Measures for Performance Appraisal of Auditors” 4. Amendment to “Regulations Governing Performance Evaluation of Board of Directors” 5. 2021 remuneration distribution plan for directors and managers
2022.11.04	Board of Directors	1. The consolidated financial statements for the first three quarters of 2022 2. The 2023 Audit Plan 3. Amendment to “Rules of Procedure for Board of Directors Meetings”
2022.12.21	Board of Directors	1. 2023 Operating Plan and Budget. 2. Amendment to the “Corporate Governance Best-Practice Principles” 3. Amendment to “Measures for the Administration of Major Information Processing” 4. Amendment to the “Procedures for Preventing Insider Trading” 5. Renaming and amendment to the “Regulations of Risk Management Committee” 6. Supplement to the “Risk Management Policies and Procedures” 7. Year-end bonus for managers in 2022 and fixed salary adjustment proposal for 2023
2022.02.23	Board of Directors	1. Proposal for employee and director compensation in 2022 2. 2022 “Declaration of Internal Control System” 3. 2021 consolidated financial statements and individual financial statements 4. Re-election of Board of Directors 5. Matters related to the convention of the regular shareholder’s meeting in 2023, acceptance of proposals from shareholders with 1% shareholding 6. Matters related to performance evaluation for Board of Directors in 2022 7. Matters related to performance evaluation for functional committees in 2022 8. Matters related to assessment on independence and suitability of certified accountants in 2022 9. Matters related to appointment and remuneration of certified accountants in 2022 10. Matters related to managers’ performance evaluation and auditors’ assessment in 2023
2022.04.12	Board of Directors	1. Business report for 2022 2. Earnings distribution plan for 2022 3. Amendment to the “Procedures for Preventing Insider Trading” 4. Amendment to “Measures for the Administration of Major Information Processing” 5. Reviewing of the list of candidates for the 12th term of directors and independent directors and their qualifications

Meeting Date	Type of Meeting	Important Resolutions
		6. Lifting the non-competition restrictions on new directors

- (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.
- (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.

#### 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	2022	2,060	398	2,458	

Note 1: The audit period of the accountants covered the complete fiscal year, and the year of audit is 2022.

Note 2: Non - audit fees refer to tax attestation fee of NTD 360,000 and consultant fee for annual report review of NTD 30,000, and application fee of NTD 8,000 for registration of changes of the articles of association.

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	2022		2023, up till Mar. 26	
		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	(9,000)	—	—	—
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. 26, 2023

Name	Own shareholding		Current Shares Held by Spouse and Children of Minor Age		Total shareholding Under the Name of A Third Party		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  Puyang Investment Co., Ltd	Spouse  Chen, Ching-Kang is a director of Puyang Investment	--
Chen, Ching-Kang	4,211,978	6.74%	3,030,241	4.85%	--	--	Chen, Ching-Kang  Puyang Investment Co., Ltd	Spouse  Hsu, Hwa-Lin is the Chairman of Puyang Investment	--
Hsu, Hwa-Lin	3,030,241	4.85%	4,211,978	6.74%	--	--	Hsu, Hwa-Lin  Puyang Investment Co., Ltd	Spouse  Chen, Ching-Kang is a director of Puyang Investment	--
PLANET fund dedicate trust account, Bank of Taiwan	1,506,293	2.41%	--	--	--	--	--	--	--
Fengteng Investment Co., Ltd	550,000	0.88%	--	--	--	--	--	--	--

Chou, Hsiao-Chuan	483,917	0.77%	--	--	--	--	--	--	--
Huang, Wei-Jen	482,511	0.77%	--	--	--	--	--	--	--
Chiu, Jung-Lang	456,000	0.73%	--	--	--	--	--	--	--
Lin, Man-Chu	323,555	0.52%	--	--	--	--	--	--	--
Wu, Hsueh-Ju	301,057	0.48%	--	--	--	--	--	--	--

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, 2023

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	Shares	Ratio of shareholding	Shares
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, 2023

Year/ Month	Issuance price	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
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

2003.08	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
2004.04	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
2004.08	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
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
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	1,000,000,000	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  
Note 26: Jun. 15, 2022, Jing-Shou-Zhong-Zhi No.11101102360

Unit: shares  
Mar. 31, 2023

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.

- 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.26, 2023

Composition of shareholders	Government agencies	Financial institution	Other juristic persons	Individual	Foreign institutions and foreigners	Total
Quantity						
Number of person	—	1	86	7,741	42	7,870
Shares held	—	1,506,293	18,342,358	41,051,442	1,600,871	62,500,964
Ratio of shareholding	—	2.41%	29.35%	65.68%	2.56%	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 shareholdingUnit: shareholder; share  
Mar. 26, 2023

Range of Shares	Number of Shareholders	Shares held	Ratio of shareholding
1 to 999	2,457	414,257	0.66%
1,000 to 5,000	4,242	8,240,899	13.19%
5,001 to 10,000	556	4,150,810	6.64%
10,001 to 15,000	218	2,680,095	4.29%
15,001 to 20,000	110	1,970,006	3.15%
20,001 to 30,000	94	2,336,788	3.74%
30,001 to 40,000	49	1,745,695	2.79%
40,001 to 50,000	28	1,260,234	2.02%
50,001 to 100,000	66	4,379,138	7.01%
100,001 to 200,000	27	3,741,604	5.99%
200,001 to 400,000	15	4,004,261	6.41%
400,001 to 600,000	4	1,972,428	3.16%
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	7,870	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. 26, 2023

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		550,000	0.88%
Chou, Hsiao-Chuan		483,917	0.77%
Huang, Wei-Jen		482,511	0.77%
Chiu, Jung-Lang		456,000	0.73%
Lin, Man-Chu		323,555	0.52%
Wu, Hsueh-Ju		301,057	0.48%



## (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	2021	2022	2023 up to Apr 21 (Note 8)
Market price per share (Note 1)	The Highest		69.70	96.00	133.00
	The Lowest		60.90	68.40	85.60
	Average		65.43	76.12	99.51
Net value per share (Note 2)	Before distribution		22.48	24.82	-
	After distribution		17.78	18.42	-
EPS	Weighted average shares		62,500,964	62,500,964	62,500,964
	EPS (Note 3)	Before adjustment	5.14	7.01	
		After adjustment	-	-	-
Dividend per share	Cash dividend		4.7	6.4 (註 9)	-
	Free-Gratis dividends	From earnings	-	-	-
		Capital surplus shares distribution	-	-	-
	Cumulative unpaid dividends (Note 4)		-	-	-
Return on investment analysis	Price-Earnings Ratio (Note 5)		12.73	10.86	-
	Price-Dividend Ratio (Note 6)		13.92	11.89	-
	Cash dividend yield (Note 7)		7.18%	8.41%	-

\* 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. 12, 2023

(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 2022 earning distribution has been resolved by the Board of Directors on Apr. 12, 2023, to distribute cash dividend NTD 6.4 per share. It is intended that the Board of Directors authorize the Chairman to decide 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**  
**Earnings Distribution Statement for 2022**

<b>Item</b>	<b>Amount (NTD)</b>
<b>Undistributed balance at the beginning of the period</b>	40,647,331
Add: net profit after tax	438,262,988
Add: adjustment for the actual difference from the employee benefit actuarial plan of the year	1,473,664
<b>Distributable net profit</b>	<b>480,383,983</b>
Less: Provision of 10% legal reserve	43,973,665
Distributable items:	
Shareholder bonus - stock 0	0
Shareholder bonus - cash 6.4	400,006,170
<b>Unappropriated retained earnings</b>	<b>36,404,148</b>
<b>Note:</b> The distribution is made based on the after-tax net profits of the current year in priority. <b>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.</b>	

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 estimated employee remuneration and director remuneration for 2022 are NTD 34,820 thousand and NTD 8,705 thousand respectively. The base amount was calculated by deducting the claims that are paid before the payment for employee and director remuneration from the pre-tax income, and then, employee remuneration and director remuneration were estimated as 6% and 1.5% of the base amount 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 34,820,165 in cash
    - B. Director remuneration : NTD 8,705,041 in cash
    - C. There is no discrepancy from these expenses are recognize in 2022 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 2022:
    - A. Employee remuneration : NTD 25,469,030 in cash
    - B. Director remuneration : NTD 6,367,258 in cash
    - C. There is no discrepancy from these expenses are recognize in 2021 financial report.
  - (2) The earnings distribution plan for 2021 was reported at the regular shareholders' meeting on May 27, 2022. After approval by the Board of Directors, distribution of the earnings was completed on August 26, 2022.

(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

(II) 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 Equipment and Materials Manufacturing
  - E. CC01110 Computers and Computing Peripheral equipment Manufacturing
  - F. E605010 Computing equipment Installation Construction
  - G. E701010 Telecommunications Construction
  - H. E701030 Restrained Telecom Radio Frequency equipment 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 equipment 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. 2022 Sales Revenue Classified by Product Category

Unit: NTD thousands

Product categories	Sales Revenue	Business Proportion (%)
LAN Ethernet Switch	169,414	9.85%
Fiber-optic Network	229,830	13.36%
Power over Ethernet	447,725	26.03%
Industrial Ethernet Network	746,183	43.38%
Wireless LAN Network	28,276	1.65%
VoIP	15,570	0.91%
IP Surveillance	2,645	0.15%
Broadband Communication	53,207	3.09%
Others	27,181	1.58%
<b>Total</b>	<b>1,720,031</b>	<b>100.00%</b>

## 3. Current Products of the Company:

### (1) LAN Ethernet Switch:

The Company provides Ethernet switches of different bandwidth, including switches for Fast Ethernet, Gigabit Ethernet, 10G/40G/100G Metro Ethernet Network, etc. The switch functions include Layer 2 network management, Layer 3 IPv4/IPv6 routing network management, stackable network switching, touch screen management switching, Ethernet backbone switching, etc., which are suitable for multi-domain network construction and applications.

### (2) PoE , Power over Ethernet :

Commercial and Industrial network equipment that uses network routes to transmit data and power, including:

- A. The second layer of Ethernet power supply, the second layer stack, the third layer network management switch, touch screen management switch, Industrial switch compatible with IEEE 802.3at PoE+, 802.3bt Poe+ + standards, Single port can provide data and power over UTP cables, with power supply capacities ranging from 15 watts and 36 watts to up to 95 watts of controllable safe power.
- B. Network – manageable Ethernet power supply, diverter and extender of Ethernet power supply, compatible with IEEE 802.3at PoE+, 802.3bt Poe+ + standards.
- C. Long - distance Ethernet or coaxial cable power supply (Coaxial Cable; Long Reach PoE), telephone line power exchanger, extender, providing a variety of Ethernet data and power supply modes.

### (3) Fiber-optic Network :

Fast Ethernet, Gigabit Ethernet, 10 gigabit 10 GBPS fiber network Converter, manageable fiber converter multi-slot rack Media Converter Chassis and other product categories

- 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, network manageable, 7 to 16 slot fiber optic converter chassis, which can be built on a standard rack to provide stable and centralized management of power and equipment protection
- 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, information security routers, etc.

(4) Industrial Ethernet Network devices:

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, 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. Network manageable switch, with G.8032 ERPS network backup high-speed ring, IEEE 1588 network timing, Modbus TCP switch, IP67 M12 waterproof riot, EN50155 car class PoE exchanger
- B. Renewable energy sources (such as solar, wind, or hydro) power PoE switches and renewable energy power supply network management controller
- C. Fiber Bypass Switch
- D. Media Converter
- E. Ethernet Extender, PoE over Coaxial with Industry Grade,
- F. vehicle wireless Wi-Fi, 4G LTE, 5G NR, fiber and other interface switches, routers with central monitoring management support capability
- G. Industrial PSUs.

(5) Industrial Automation devices:

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.
- D. Low power wide area Network (LPWAN)LoRaWAN gate, controller, indoor and external sensor and control management platform

(6) Wireless LAN Network :

Compatible with 802.11a/b/g/n to high-speed 802.11ac/ax wireless transmission standard, 2.4GHz, 5GHz or dual-band/multi-band communication. Products include:

- 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) 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. AHD camera, support 1080 HD pixel camera
- C. NVR (Network Video Recorder), AI NVR, HDVR (Hybrid DVR) and Ethernet power supply switch NVR.
- D. C. Central management software, smart recognition, license plate recognition, phone monitoring APP.
- E. D. Accessories for monitoring devices, such as joysticks, lightning arresters, brackets, etc.

(8) 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 enables remote monitoring and door opening.
- C. 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 supports fax, PSTN, BRI/PRI, and GSM central office terminal serial port.
- F. Unified Office Gateway : Integrated office equipment with Ethernet network switch, wireless AP, firewall, network storage, IP PBX, FXO voice interface

(9) Network Security :

Firewalls for information network, virtual passage routers (VPNS), Anti-Virus, Anti-Spam and other high level information security devices

- A. Enterprise network security, packet monitoring, bandwidth control equipment: In addition to multiple WAN ports, firewall, VPN and other functions, the equipment also provides anti-virus, packet monitoring, point-to-point software monitoring,

bandwidth control, wireless AP control and other enterprise information security protection functions.

- B. Enterprise routers and multi-route devices: with functions such as Secured Service Layer/Virtual Private Network (SSL VPN), IP Security (IPSEC) VPN, firewall, and intrusion prevention.
- C. Home routers: including single port & multi-port router, wireless router, fiber router, integrated voice router, broadband router

(10) 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. UNI-NMS Lite is an intelligent central network management platform that supports a basic management platform of up to 10,000 nodes.
- B. UNI-NMS is convenient to use and supports the management of up to 1000 nodes. The touch-controlled UNI-NMS supports the management of up to 1000 nodes, which is conducive to real-time network management applications in factories or computer rooms.
- C. The UNC-NMS manages the UNI-NMS device in a centralized manner for integrated cross-domain management.
- D. Cloud mobile device management App, Android/iOS platform device monitoring and management App

(11) Home Automation, Network Peripheral devices:

- 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, IP KVM switch 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 HD screen extender/layer extender, network storage devices.

#### 4. New Products Planned for Development

- (1) The popularization of Industry 4.0 is bringing demands for various applications, and the market is also more stringent for the timeliness of data information. Therefore, the Company will develop a series of switches and power supply switches based on TSN (Time-Sensitive Network) application layer, access layer and connection layer, to provide nano-second precise data connectivity for smart factories, 5G enterprise networks, traffic control, etc.
- (2) Following the first renewable energy Ethernet Power exchanger (BSP-360) and renewable energy management platform (NMS-360), the Company will continue to develop a number of renewable energy equipment, including single station PoE power supply, 802.3bt 90W PoE power supply, managed renewable energy charging equipment, thus to offer more products that combine network infrastructure and energy conservation.

- (3) The Company will develop IoT/AIoT networking devices for the Internet of Things. Related LoRa products include low power wide area network (LPWAN) wireless sensor (LoRa Sensors, Controller), such as end-use temperature, humidity, water level, air quality, equipment status sensors, etc., solar power LoRa Nodes data receiver (Solar power LoRa Nodes), all kinds of LPWAN gateways, etc., to meet the needs of various fields, such as smart farms, factories, buildings, and water, power and gas supply, for terminal cloud connection, and data collection, application and analysis. Based on the central/cloud management platform, these devices will be able to provide data connection, transmission, equipment management, big data collection and other services.
- (4) For large number of connected devices, the Company has, in addition to UNI-NMS and CloudViewer, newly launched UNC-NMS cross-domain centralized management platform, which will continue to develop more management functions to help the network to provide high efficiency, low management cost, intelligent analysis and other value-added services during large scale network construction. In terms of cloud management, the Company will launch the advanced version of CloudViewer Pro to enable complex network management to work on a user-friendly mobile interface.

## (2) Overview of the Industry

### 1. Current situation and development of network communication industry in Taiwan

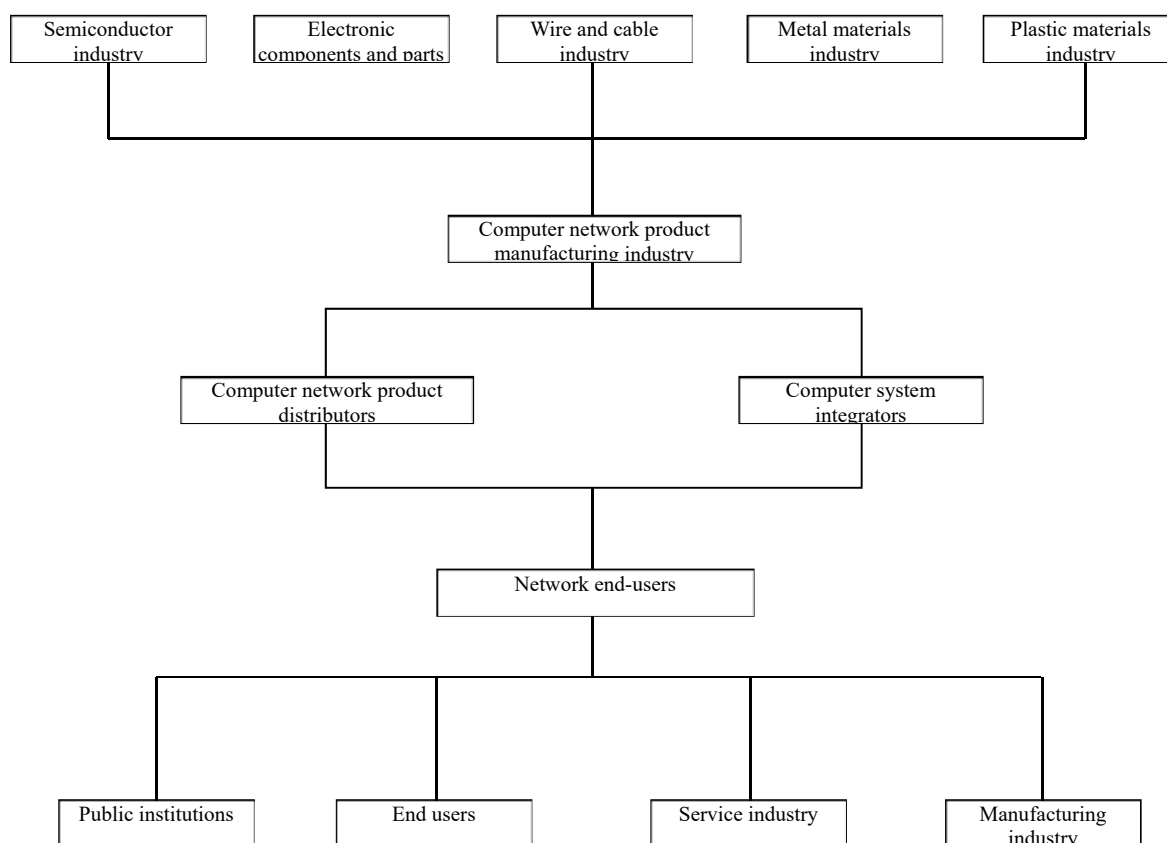
According to research completed by the Industrial Economics and Knowledge Center (IEK) of the Industrial Technology Research Institute, the output value of Taiwan's telecommunications industry reached NTD 1.282.5 trillion in 2022, up 1.9% from 2021. In recent years, the development of high frequency broadband networks in Taiwan has accelerated due to the emerging remote applications, the digital transformation of enterprises and the need to upgrade data centers. With the relief of the COVID-19 epidemic, the United States and European countries have successively launched plans to upgrade network infrastructure nationwide or in rural areas, resulting in the continuous expansion of remote networks and smart networking applications, which is expected to drive the upgrade of 10G fiber FTTH, 5G and Wi-Fi 6 wireless high-speed transmission, and lead the steady growth of the industry.

### 2. The Cooperations between Upper, Middle and Downstream Industries

PLANET is engaged in R&D, production and marketing of network communication equipment. The main products of the Company include switches, PoE, industrial Ethernet equipment, optical fiber network switching equipment, wireless networks, IP Surveillance, IP Telephony, broadband network communication, network information security, central network management platform, home automation, network peripherals, etc. The upstream industries of the Company mainly include semiconductor (wafer group) and electronic components industry (PCB, power supply/adaptor, etc.), wire and cable industry, metal materials industry, plastic materials industry, etc. Over the years, manufacturers in Taiwan have developed rich production experience and technical capability, so a complete upstream supply system has been established. The Company's downstream industries are mainly computer/network system integrators and computer network product distributors, whose ultimate utility lies in information transmission and resource sharing through network communication. Based on the business philosophy of integrity, the Company has established good business relations with upstream and downstream suppliers and customers over the years. The Company has reached a consensus with its business partners in quality

requirements, price rationalization, delivery confirmation and other aspects, In the future, the Company will continue to closely cooperate with its business partners in the way of strategic alliance to strengthen the sustainable supply chain, and to constantly improve its 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 he 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

Wireless transmission is mainly based on 5G and Wi-Fi technology. The establishment of wireless accessor, including 802.11ax Wi-Fi 6, LTE and other related devices, is rapidly increasing, which is an important channel for IoT and mobile network communication and has a potential market growth. PLANET's full series of wireless AP centrally managed PoE switches enable managers to monitor, control and manage wireless network devices remotely and instantaneously. Coupled with the Company's 802.11ax and 802.11ac compatible indoor and outdoor 2.4/5GHz dual-band wireless routers and accessor, it facilitates the establishment and management of a wide range of wireless networks, thus driving the use of telecommunications networks, mobile commerce, home networking, and multimedia wireless applications and providing users with ultra-high-speed wireless broadband digital life experience. In the IoT segment, the Company follows the wireless development trend by providing low power WAN equipment based on the LoRa protocol with wireless access to the big data of the Internet of Things.

## (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 160 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	2022
R&D expenditures	87,513
Ratio of operating revenue	5.09%

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

- (1) Ethernet power supply product line: The Company offers a full range of Multi-Gigabit/10GT power supply products, including 10G fully Gigabit three-layer switch, 10G optical fiber media switch, 95W 10G Ethernet power supply/diverter, industrial/commercial 2.5G network management and standard power supply switches. These products provide high-speed interfaces to meet the

requirement for data connection and stability of high-speed wireless base stations with Wi-Fi 5/6/7 or above, 5G NR or above base stations.

- (2) Wireless product line: The Company has launched a number of wireless Wi-Fi base stations, including ceiling type and wall type, providing 5GHz maximum connection rate of 2400Mbps, with WPA3 wireless encryption, MESH and fiber interface, and supporting UNI-NMS central management capabilities, which can be built in large numbers in enterprises, hotels, factories and other fields which provide safe and high-speed wireless connection. The Company also provides high-speed wireless bridge base stations for outdoor use, low power WAN LoRa Controller, etc.
- (3) Industry Grade product line: The Company has launched a number of OT (Operation Technology) field EtherCAT products, which can provide more applications of OT networking equipment, including long distance converter with fiber interface, multi-port Junction Box and connector with fiber interface, etc., which are highly efficient and low-cost network control products suitable for intelligent manufacturing and intelligent factories.
- (4) Network management platform: The Company has upgraded the CloudViewer Pro App network management platform to provide a full range of user-friendly product management functions, including: real time information of network switches, PoE switches, information security routers, wireless AP/ routers, etc. The Company has also added other functions such as wireless AP device settings, monitoring, users' instant notification. In addition, the Company continues to upgrade and increase the management and control equipment, and plans to launch the paid version with settings, which will extend the product line and expand the product value.

#### (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

By expanding the establishment of intelligent networking infrastructure, 5G network, cloud connected equipment development and differentiating product design, PLANET is able to enhance its brand competitiveness.

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

PLANET has been actively implementing ESG practices, maintaining sound financial operations, and optimizing enterprise value and customer satisfaction, which will, at the same time, drive the Company to achieve its financial targets.

##### 2. Long-term Development Plan

###### (1) Brand marketing and market development strategy

Master 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

PLANET has established its independent platform to meet the needs of 5G/6G, all kinds of intelligent networking, big data, artificial intelligence, edge computing for information security and high-speed data applications. The Company is proactively expanding its revenue niche with differentiated products and complete product lines, accumulating IP technology patent assets, and improving quality and cost control efficiency.

## (3) Business management

With the corporate philosophies of integrity, quality, innovation and efficiency, keep pursuing quality supreme and customer satisfaction, improve ESG practice performance 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	2021		2022	
Europe	647,410	45.37%	766,130	44.54%
America	351,463	24.63%	415,029	24.13%
Asia	256,818	17.99%	313,288	18.21%
Other	171,406	12.01%	225,584	13.12%
Total	1,427,097	100.00%	1,720,031	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 increases 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 expand PLANET's global brand market.

#### 3. Future supply & demand and growth of market

##### (1) LAN Ethernet Switches /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 USD 3.77 billion in 2025.

PLANET Technology has launched the 100G managed, Layer 3 IPv4/IPv6 routing switch, Layer 3 managed stackable, industrial managed, multi-port fiber-optic managed switches, lead the industry to introduce touch LCD smart PoE managed switches, and continue 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, or the applications of 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 communication market is expected to reach USD 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 Communication Equipment

The popularization of Industry 4.0 and the Industrial Internet of Things is increasing productivity and automation in various industrial sectors, including transportation, energy, aviation and defense, and driving the growth of the industrial network market. According to a research report from Global Market Insights, the global industrial Ethernet market exceeded US\$50 billion in 2022 and is expected to grow at a compound annual growth rate of over 15% from 2023 to 2032. 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 WiFi 6, and improvement of action Internet convenience and the remote communications demand stimulated by the COVID 19 pandemic situation 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 USD 141.1 billion by 2025. PLANET has launched the dual frequency ultra-high speed wireless accessor supporting 802.11ax and 802.11ac, which meets various environment setup wireless networks and provides 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-dwelling 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 helps 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 lies in the continuous innovation of digital network transmission technology and equipment and lineage with future wisdom and friendly and sustainable new ere 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 distributor channel resources of global more than 160 countries and improve brand professionalism 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, has operated stably for a long term, cared for social growth, and created the sustainable operation values.

#### (2) Adverse Factors and Countermeasures

##### Adverse Factors :

In the post-COVID-19 era, the development of the international market faces many risks and challenges, including the unstable supply of materials in the supply chain, the sharp rise in the costs of international raw materials and goods transport, the appreciation of New Taiwan Dollar against the US Dollar, and geopolitics.

##### Countermeasures :

- A. Controlling the supply of materials, increasing the proportion of alternative material sources to ensure the normal production and supply of products.
  - B. Strengthening the technical advantages, improving the remote management and cloud management functions of PLANET's network communication equipment, and providing stable and secure transmission for the network infrastructure construction for remote working, remote medical treatment and remote video, so as to strengthen the added value of products.
  - C. Upholding the principle of innovation and sustainable development, enhancing brand competitive advantage, maintaining steady management, so as to create growth and sustainable value of the enterprise
- (II) Important purpose and manufacturing processes of main products

#### 1. Important purpose of main products:

**(1) LAN Ethernet Switches:** active LAN components include Ethernet switches, network adaptors, 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.
- (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 and cost-efficiency.

- (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, APP, network connection and management are more convenient. The digital IP KVM (Keyboard, VGA and Mouse) can control a large amount 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 control the room temperature and humidity.
- (11) 5G/AIoT connection devices:** With the development of the Internet of Everything, all visible and invisible digital information or devices can be connected to the cloud. Therefore, IoT related connection devices, data collection devices and sensing devices that are used in different industries, such as smart agriculture, smart factories, smart buildings, water and gas metering, environmental monitoring tools, etc., will shoulder the mission of securely uploading information to the cloud or management platform. To deal with the large volume of IoT data transfer, 5G related equipment, including 5G routers, 5G connection, 5G edge computing, and low-power WAN equipment, is important medium to ensure secure data transfer.
- (12) Network equipment management platform:** To adapt to the future multi-point setup or mass construction of the network, PLANET has developed the network central management platform, which is designed to enable network administrators to quickly understand the status of all the built devices on the network and further manage them in a single platform or interface. The cloud APP management platform provides a mobile management interface so that connected devices can be monitored anytime and anywhere.
- (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

		2021			2022			
Item	Name	Amount	Annual net purchase ratio [%]	Relationship with the issuer	Name	Amount	Annual net purchase ratio [%]	Relationship with the issuer
1	B Company	106,632	14.04%	N/A	B Company	99,345	10.99%	N/A
2	N/A	-	-		E Company	95,372	10.56%	
3	N/A	-	-		D Company	91,559	10.13%	
4	Others	652,624	85.96%		Others	617,379	68.32%	
	Net procurement	759,256	100.00%		Net procurement	903,655	100.00%	

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

Reasons for the changes :

Company E's purchases in 2021 accounted for 8.03%, so it was not listed in the customers from whom PLANET generated 10 % or more of its total sales, and there is little difference compared with the 10.56% in 2022.

Company D's purchases in 2021 accounted for 6.56%, so it was not listed in the customers from whom PLANET generated 10 % or more of its total sales. The reason was that they changed their buying 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

		2021			2022			
Item	Name	Amount	Annual net sales ratio [%]	Relationship with the issuer	Name	Amount	Annual net sales ratio [%]	Relationship with the issuer
1	N/A	-	-	N/A	N/A	-	-	N/A
2	Others	1,427,097	100.00%		Others	1,720,031	100.00%	
	Net sales	1,427,097	100.00%		Net sales	1,720,031	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	2021			2022		
		Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Switch		—	977,150	82,674	—	1,111,920	111,997
Fiber-optic Network		—	430,279	117,149	—	425,495	121,928
Power over Ethernet		—	1,464,037	252,417	—	1,569,961	287,880
Industrial Ethernet Network		—	1,217,123	329,387	—	1,436,962	426,960
Wireless LAN Network		—	26,796	12,929	—	44,539	19,007
Voice		—	21,993	12,597	—	24,159	11,180
Monitoring		—	4,302	1,912	—	1,147	1,582
Broadband Network		—	38,196	24,794	—	37,256	29,189
Others		—	25,020	12,141	—	16,018	15,419
Total		—	4,204,896	846,000	—	4,667,457	1,025,142

## (VI) Sales value over the last two years

Unit: pcs (port); NTD thousands

Main products	Year Sale volume and value	2021				2022			
		Domestic market		Export		Domestic market		Export	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
LAN Ethernet Switch		20,065	4,264	954,016	128,059	21,562	4,415	1,070,876	164,999
Fiber-optic Network		9,928	5,576	410,015	198,703	13,631	8,360	410,864	221,470
Power over Ethernet		32,373	10,417	1,426,951	380,858	37,701	12,283	1,464,311	435,442
Industrial Ethernet Network		47,057	21,973	1,202,869	577,055	43,605	20,491	1,364,217	725,692
Wireless LAN Network		2,416	1,507	29,092	17,393	2,725	2,009	38,949	26,267
VoIP		4,197	2,205	17,388	13,342	4,190	2,499	18,414	13,071
IP Surveillance		665	418	4,473	3,327	195	121	3,198	2,524

Broadband Communication	2,221	3,357	34,376	35,845	2,858	3,157	35,292	50,050
Others	19,100	1,119	36,094	21,679	22,524	1,088	96,895	26,093
Total	138,022	50,836	4,115,274	1,376,261	148,991	54,423	4,503,016	1,665,608

### 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	2023 As of Apr. 21th
Number of employees	Manager or above	22	24	26
	R&D units	38	38	40
	Sales marketing units	23	22	23
	Production management units	52	53	55
	Administration management units	19	21	22
	Total	154	158	166
Average age		41.02	41.08	42.61
Average years of service		8.47	8.71	8.80
Qualification	Doctoral degree	0.7%	0.6%	0.6%
	Master's degree	15.6%	15.8%	15.7%
	University/college	72.0%	72.8%	74.1%
	High school	11.7%	10.8%	9.6%
	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:

PLANET has not suffered losses as a result of environmental pollution, and it is expected that there will be no risks of such losses in the future.



PLANET will disclose the risks and opportunities arising from climate change based on the TCFD recommendations to demonstrate the Company's responsibilities and strategies. At the same time, the Company will allocate its capital more efficiently to achieve the vision of net zero carbon emissions.

PLANET's transition risks are mainly comprised of carbon reduction costs during the process of achieving Net Zero Emissions by 2050, for example, the costs of energy-saving and carbon reduction equipment, cost of green electricity consumption or fee for renewable energy certificate, cost of purchasing carbon credits, the estimated carbon fee for the future planned by Taiwan government and the cost of converting product technology to low carbon technology. Physical risks primarily consist of the increasing electricity costs due to rising global temperatures and the cost of responding measures to cope with extreme climate incidents. The financial impacts of climate-related opportunities include the reduction of water and electricity costs in operations due to improved energy efficiency, and the increase in revenue resulted from developing low-carbon products and services such as renewable energy products, PoE power saving patents, and EEE energy-saving wafers.

Risk/Opportunity Items	Revenue	Cost/Expense
Costs of carbon offset transactions		+
Use of renewable energy		+
Renewable energy certificate		+
Developing low-carbon products or services	+	+
Response measures to extreme climate incidents	-	+
Replacement of Energy-saving equipment		+

※+means increase 、 - means decrease

## 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
<b>[Be Happy] Protecting employees physical and mental environment</b>	Courses for mental health, counseling, stress management workshops, diagnosis, consultation, follow-up counseling are offered.
<b>[Be Cultured] Humanistic quality</b>	A staff welfare committee is set up to hold various art societies and activities.

<b>[Be Athletic] Exercises</b>	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.
<b>[Be Healthy] Health management</b>	Regularly employee health checkups, health seminars, and quarterly consultations are held by PLANET contracted family doctors and doctors of Traditional Chinese Medicine (TCM); and monthly on-site health care services are provided by specially appointed nurses.
<b>[Be Long-Lived!] Lifestyles of Health and Sustainability (LOHAS)</b>	<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"> <li>■ 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.</li> <li>■ 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.</li> <li>■ Fun exercises: professional fitness instructors are invited to the Company to offer dance-along sessions, so that employees can stretch and release stress.</li> <li>■ 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.</li> </ul>

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 Mar. 2023, NTD\$13,302,000 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
<b>Core competency-based trainings</b>	Developing staff solidarity, and building the core culture of the enterprise	Teamwork, strength of execution, and innovative courses
<b>Managerial competency-based training</b>	Building supervisor's management skills	Team leadership, performance management, risk management

<b>Professional competency-based trainings</b>	Professional knowledge and skill-based trainings	R & D project management, sales skills
<b>General knowledge trainings</b>	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. a. 2021 Education and training courses are as follows:

b. 2021 Online e-Learning Platform

Work Skills and Knowledge Training		General Training	
1	New product training_ Controller with LCD & 6 10/100/1000T LAN Ports (1024 x 10	1	New recruits departmental training
2	New product training _ ICG-2515F-NR/ICG-2515FW-NR	2	Pre-service training for new recruits
3	New product training _ LCG-300-N	3	Training on information security
4	New product training _ LRE-101	4	Workplace safety and health training
5	New product training _ LRE-101C	5	Occupational safety and health training
6	New product training _ TSN-6325-8T4S4X	6	Training on sexual harassment prevention in the second half of 2022
7	New product training _ XGS-6320-8X8TR / XGS-6320-12X4TR	7	Fire drill in the second half of 2022
8	New product training _ IGS-5225-8P4S-12V	8	"Infiltration and intrusion, supply chain information security threats"
9	New product training _ IGS-6325-5X1T	9	"Sustainability Meeting" corporate carbon reduction campaign
10	New product training _ MGS-6320-2T6S2X	10	CBAM Carbon border adjustment mechanism
11	New product training _ VR-300FW-NR	11	ESG · Sustainable development of enterprises
12	2022 Taiwan green supply chain online forum	12	Legal issues – Training on trade secrets
13	2022 GHG inventory and disclosure online seminar	13	Legal issues 2: Personal information regulations and use of emails

Work Skills and Knowledge Training		General Training	
14	Cybersec Now Solution Days 2022	14	Legal issues 3: Intellectual property protection
15	Sustainability accounting standards online seminar	15	Keywords in relation to net zero emissions
16	Information security versus epidemic prevention, what should the CEO do?	16	Net zero emission concept and international trends
17	Seminar on carbon inventory and carbon footprint in manufacturing sector	17	Update of labor laws and regulations
18	Introduction to Filmmaking, 10 lessons - Photography, editing, scripting	18	Strategies for enterprises to cope with carbon risks
19	“2022 Middle executives inheritance team building program” Brainstorming	19	Training on hazards information
20	“2022 Middle executives inheritance team building program” - 2 lessons - (Sustainable inheritance – Products/projects)	20	What is carbon credit?
21	“Middle executives inheritance team building program” (Sustainable inheritance – Strategy/vision and brand)	21	On-the-job training for supervisors responsible for occupational safety and health
22	2022 Senior executives’ inheritance team building program -Brainstorming	22	On-the-job training for managers responsible for occupational safety and health
23	FMEA Failure Model Effectiveness Analysis	23	Corporate culture and sustainable governance
24	Hahow online course: My designs are beautiful -C4D visual code	24	National Net Zero Carbon Reduction Conference
25	How to achieve customer satisfaction?	25	Renewable Energy Green Market ~ North District
26	How to encourage customer carry alternative models when the original requested m	26	Training on safety and health for organic solvent operation supervisors
27	How to find the right alternative model from other brands for the customer		
28	IEC-60068 Introduction		
29	IEC62443-4-1 Basic courses		
30	IFGS-1822TF(V2)/LRE-101/LRE-101C Training before trial production		
31	ISO 27001 Internal auditor training		
32	ISO 14064-1 Introduction to GHG		

Work Skills and Knowledge Training		General Training	
	inventory		
33	ISO 27001 Internal auditing		
34	Microsoft Windows 11 New functions and operation		
35	Microsoft Windows Server 2022 New functions and operation		
36	NMS server training		
37	Introduction to the “Responsible Business Alliance Code of Conduct”		
38	SFIS Practical operation and execution key points		
39	TCFD Climate-related financial disclosure		
40	UL standards		
41	Assessment on man-made damage + Use of volt-ohm-milliammeter		
42	Work instruction and guidance		
43	Introduction to internal control and internal audit		
44	Introduction to export operation process		
45	Regulations governing visits paid by factories and suppliers		
46	Foreign goods import operations		
47	Cost closing process		
48	Use and management of organic solvent		
49	Commission expenditure and MFD audit focus		
50	Introduction to the process of fixed assets		
51	Risk management mechanism		
52	Sea transport customs declaration practice		
53	Senior executives’ inheritance team building program _Sustainable inheritance -Business operation, innovation and transition		
54	Senior executives’ inheritance team building program _Sustainable inheritance -Vision, strategy and organization		
55	Course experience sharing of first-line supervisors		
56	Project communication management		

Work Skills and Knowledge Training		General Training	
57	Product training _ IE & IA		
58	Product training _ LAN,POE & MC		
59	Product training _ VOIP,HA,Network Security		
60	Currency exchange procedures		
61	New product training _ GT-805A-PD		
62	New product training _ IAP-1800AX/2400AX		
63	New product training _ IVR-300,IVR-300W		
64	New product training _ LN501 LN1152		
65	New product training _ WDAP-W1800AXU		
66	New product training _ FGSD-2621P		
67	New product training _ IGS-6325-4T2X		
68	New product training _ IGT-900-1T1S , IGT-900-2T2S		
69	New product training _ LCG-300,LCG-300W		
70	New product training _ XST-705A		
71	Briefing on GHG inventory and voluntary reduction and offset mechanism		
72	Information security training _ Understanding and preventing social engineering attacks		
73	Electronic circuit Design - Track/vehicle safety design		
74	Power supply safety rules		
75	Introduction to prevention of money laundering in relation to countries where there are significant deficiencies in anti-money laundering operations		
76	Green requirements		
77	Online training film recording and shelving process		
78	Switchboard operation - Instructions for external call transfer		
79	Google Analytics basic knowledge		
80	Google Analytics website analysis at the		

Work Skills and Knowledge Training		General Training	
	beginning stage		
81	ISO 14001 : 2015 environmental management system provisions and internal auditor course		
82	Continuing education for corporate governance executives		
83	How to do marketing on LinkedIn- A hands-on lesson		
84	Sustainable development and carbon management certification training course _ Analyst, planner, manager		
85	Recruitment strategy to cope with job hopping		
86	Net Zero Summit: Build green supply chain and create sustainable new value		
87	Continuing education for accounting officers of issuers, securities firms, and stock exchanges		
88	The secret of planting trees for carbon credits		
89	Zero distance Q&A with BSI expert - Net zero emission solution online Q&A		
90	Continuing education for auditors' agents who are new entrants		
91	Continuing education for auditors on-the-job		
92	Online lecture/ Make good use of job transfer to reduce the stress of labor shortage		
93	Online lecture/ Rules for decision-making in employee remuneration		
94	IEC 62443-4-1training		

b. 2022 online learning platform, e-Learning(E-College)

The total annual e-Learning training hours of all employees: 236.2 hours. Course classification and course hours are as follows:

I . College of Accounting & Finance: total 14 courses, total course hours: 36.9 hours

- II. College of Comprehensive Knowledge: total 53 courses, total course hours: 81.8 hours
- III. College of Information Technology: total 49 courses, total course hours: 65.1hours
- IV. College of Marketing and Sales: total 27 courses, total course hours: 21.5hours
- V. College of Human Resources: total 15 courses, total course hours: 21.4 hours

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 2022, total staff training time was 3,123.22 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"> <li>• Sexual harassment prevention and disciplinary measures</li> <li>• Measures for gender equality in employment</li> </ul>	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"> <li>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.</li> <li>2. Standards and disciplinary measures are stipulated against staff rewards and antisocial behaviors.</li> <li>3. All employees are required to abide by the following rules:               <ol style="list-style-type: none"> <li>a. Maintain Company reputation,</li> </ol> </li> </ol>



Item No.	Protection measures	Implementation/policies	Note
	I. Code of ethics		<p>and abide by Company rules and regulations.</p> <p>b. Behaviors that tarnish the reputations of individuals or the Company, such as bullying, unwarranted personal gains and absenteeism, will not be tolerated.</p> <p>c. Receipt of personal gifts and invitations through work relations is not acceptable.</p> <p>d. Except conducting work related tasks, any unauthorized activities on behalf of the Company are not permitted.</p> <p>e. Regardless of job scope or tasks performed, every employee is responsible for maintaining absolute confidentiality; R&amp;D technology, finance &amp; 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</p>

Item No.	Protection measures	Implementation/policies	Note
			<p>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	<p>To ensure our employees comply with virtues and code of ethics, through internal campaigns, each department sets out and implement its own code of ethics. The Company implemented this policy to ensure all employees share our</p>

Item No.	Protection measures	Implementation/policies	Note
			business social responsibilities.
6	II. Honesty and code of integrity	<p>Honesty and code of Integrity are the cores of our business</p> <p>Integrity business operating procedures and behavioral guidelines</p>	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		Office rules	<p>Set out office confidentiality principles:</p> <ol style="list-style-type: none"> <li>1. Revealing business classified data during conversations is strictly prohibited.</li> <li>2. Handle, store and destroy confidential documents with extreme care.</li> </ol>
8	III. Code of conduct for confidentiality	<p>Labor contract</p> <p>Trade Secret Act and measures</p>	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> </ol> <ol style="list-style-type: none"> <li>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.</li> <li>2. These measures are devised in accordance with the relevant</li> </ol>

Item No.	Protection measures	Implementation/policies	Note
			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 established 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 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:

Since its establishment, PLANET deeply understands that employees and suppliers are the most important partners in the Company's sustainable development process. Therefore, in addition to complying with occupational safety and health regulations and other relevant requirements, PLANET has been constantly improving its safety and health condition to avoid unsafe actions, environment and equipment, thus to prevent occupational disasters and ensure the safety and health of employees.

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 7 years (from 2016 to 2022). The combined damage index is 0 in 2022.
- C. Organize safety and health education training and practice: In 2022, 2 "fire prevention practice" were made with 304 employees participated. And online courses and tests were added so as to make employees to command escaping skills.
- 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 2022.
- 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. Well-established employee maternal care measures: PLANET provides pregnant colleagues with pregnancy care pack, taxi fare subsidy, exclusive childcare service and a special nursing (gathering) room.

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.

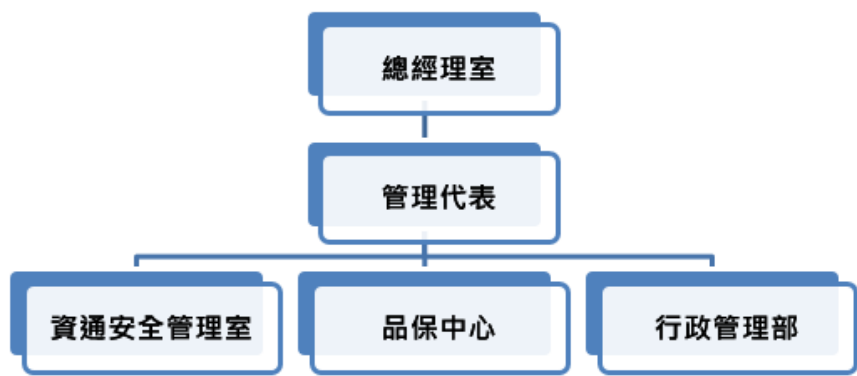
## VI Information and Communication Security Management

### 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.

The Company successfully obtained the ISO 27001:2013 certification in 2022.



總經理室	General Managers Office
管理代表	Management Representative
資通安全管理室	Information and Communication Management Office
品保中心	Quality Assurance Center
行政崗管理部	Administrative Management Department

## 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



維持各資訊系統持續運作	Maintain the constant running of various information and communication systems
防止駭客、各種病毒入侵及破壞	Prevent intrusion and destruction of hacker and viruses
資訊安全政策	Policies on information and communication securities
防止人為意圖不當及不法使用	Prevent improper intentions and illegal use
避免人為疏失意外	Avoid artificial negligence
維護實體環境安全	Maintain the security of physical environment
防止機敏資料外洩	Prevent disclosure of confidential data

## 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.

##### Summary of 2022 Employee Training on Information Security:

No.	Course Name	Mode of Learning	Participant	Course Completion Rate
1	Training on Information Security	Online Course	All Employees	100%
2	Introduction to ISO 27001 Information Security System	Online Course	All Employees	100%
3	Training on Information Security-Understanding and preventing social engineering attacks	Online Course	All Employees	100%

- PLANET evaluates its information security management system at least once a year, and re-evaluates it when there is a major change in the Company. The evaluation results are presented at the management review meetings and revised as appropriate to control and mitigate risks related to

information security.

- The Company attaches great importance to information security management. On December 21, 2022, the implementation status of information security management was reported to the Board of Directors, and in December 2022, the Company participated in the "Information Security Liability Insurance" with an insurance period from January 1, 2024 to January 1, 2025, with the aim to obtain an overall information security protection for the Company.
  - The protection of confidential information is PLANET's commitment to its customers, shareholders, suppliers and employees. The Company fully understands that the protection of confidential information is vital to the competitiveness of the Company, and has established protection mechanisms for different types of confidential information.
4. 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. 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				
		2018	2019	2020	2021	2022
Current assets		1,564,886	1,595,398	1,587,772	1,720,045	1,956,216
Property, Plant and Equipment		8,923	7,562	7,598	8,029	10,255
Intangible assets		2,241	2,378	3,226	2,791	2,327
Other assets		11,749	46,538	61,860	43,737	26,117
Total assets		1,587,799	1,651,876	1,660,456	1,774,602	1,994,915
Current liabilities	Before distribution	280,010	282,595	289,221	350,814	437,367
	After distribution	548,764	563,849	539,225	(註 2) 644,569	(註 2) 837,373
No-current liabilities			24,207	37,345	18,724	6,502
Total liabilities	Before distribution	286,607	306,802	326,566	369,538	443,869
	After distribution	555,361	588,056	576,570	(註 2) 663,293	(註 2) 843,875
Equity attributable to shareholders of the parent		1,301,192	1,345,074	1,333,890	1,405,064	1,551,046
Capital stock		625,010	625,010	625,010	625,010	625,010
Capital surplus		11,202	11,202	11,202	11,202	11,202
Retained earnings	Before distribution	664,980	708,862	697,678	768,852	914,834
	After distribution	396,226	427,608	447,674	(註 2) 475,097	(註 2) 514,828
Other equity interest		-	-	-	-	-
Treasury stock		-	-	-	-	-
Non-controlling interests		-	-	-	-	-
Total equity	Before distribution	1,301,192	1,345,074	1,333,890	1,405,064	1,551,046
	After distribution	1,032,438	1,063,820	1,083,886	(註 2) 1,111,309	(註 2) 1,151,040

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 cash dividends distribution plan was approved by the Board of Directors on April 12, 2023.

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

Unit: NTD thousands

Item \ Year	Financial Summary for The Last Five Years				
	2018	2019	2020	2021	2022
Operating revenue	1,367,538	1,348,032	1,227,105	1,427,097	1,720,031
Gross profit	533,278	550,090	493,477	569,290	725,578
Income from operations	349,707	364,840	322,079	382,809	513,554
Non-operating income	17,283	16,488	6,258	9,839	23,257
Income before tax	366,990	381,328	328,337	392,648	536,811
Income from Continued Operations	301,040	312,852	270,319	321,150	438,263
Loss from Discontinued Operations	-	-	-	-	-
Net income (Loss)	301,040	312,852	270,319	321,150	438,263
Other comprehensive income (income after tax)	218	(208)	(249)	28	1,474
Total comprehensive income	301,258	312,644	270,070	321,178	439,737
Net income attributable to Shareholders of the parent	301,040	312,852	270,319	321,150	438,263
Net income attributable to non-controlling interest	-	-	-	-	-
Total comprehensive income attributable to Shareholders of the parent	301,258	312,644	270,070	321,178	439,737
Total comprehensive income attributable to non-controlling interests	-	-	-	-	-
Earnings per share	4.82	5.01	4.33	5.14	7.01

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

Item		Year	Financial Summary for The Last Five Years				
			2018	2019	2020	2021	2022
Current assets			1,561,669	1,592,306	1,584,727	1,717,117	1,952,970
Property, Plant and Equipment			8,923	7,562	7,598	8,029	10,255
Intangible assets			2,241	2,378	3,226	2,791	2,327
All other assets			14,963	49,752	64,905	46,665	29,363
Total assets			1,587,796	1,651,998	1,660,456	1,774,602	1,994,915
Current liabilities	Before distribution		280,007	282,717	289,221	350,814	437,367
	After distribution		548,761	563,971	539,225	(註 2) 644,569	(註 2) 837,373
Non-current liabilities			6,597	24,207	37,345	18,724	6,502
Total liabilities	Before distribution		286,604	306,924	326,566	369,538	443,869
	After distribution		555,358	588,178	576,570	(註 2) 663,293	(註 2) 843,875
Equity attributable to shareholders of the parent			1,301,192	1,345,074	1,333,890	1,405,064	1,551,046
Capital stock			625,010	625,010	625,010	625,010	625,010
Capital surplus			11,202	11,202	11,202	11,202	11,202
Retained earnings	Before distribution		664,980	708,862	697,678	768,852	914,834
	After distribution		396,226	427,608	447,674	(註 2) 475,097	(註 2) 514,828
Other equity assets			-	-	-	-	-
Treasury stock			-	-	-	-	-
Non-controlling interests			-	-	-	-	-
Total equity	Before distribution		1,301,192	1,345,074	1,333,890	1,405,064	1,551,046
	After distribution		1,032,438	1,063,820	1,083,886	(註 2) 1,111,309	(註 2) 1,151,040

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 cash dividends distribution plan was approved by the Board of Directors on April 12, 2023.

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

Unit: NTD thousands

Item \ Year	Financial Summary for The Last Five Years				
	2018	2019	2020	2021	2022
Operating revenue	1,367,538	1,348,032	1,227,105	1,427,097	1,720,031
Gross profit	533,372	550,090	493,477	569,290	725,578
Income from operations	349,858	364,880	322,115	382,847	513,587
Non-operating income	17,132	16,448	6,222	9,801	23,224
Income before tax	366,990	381,328	328,337	392,648	536,811
Income from Continued Operations	301,040	312,852	270,319	321,150	438,263
Loss from Discontinued Operations	-	-	-	-	-
Net income (Loss)	301,040	312,852	270,319	321,150	438,263
Other comprehensive income (income after tax)	218	(208)	(249)	28	1,474
Total comprehensive income	301,258	312,644	270,070	321,178	439,737
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	4.82	5.01	4.33	5.14	7.01

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: Earning per share is calculated based on the number of shares in the current year.

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

Year	CPA	Check opinions
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
2022	Lai, Yung-Chi; Wu, Hsin-Liang	An Unmodified Opinion

## II. Financial Analysis of Recent Five Years

### (i) Financial analysis:

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

Year		Financial Summary for The Last Five Years				
		2018	2019	2020	2021	2022
Items for Analysis						
Financial Structure (%)	Debt-asset ratio	18.05	18.57	19.67	20.82	22.25
	Ratio of long-term capital to property, plant and equipment	14,656.38	18,107.39	18,047.32	17,733.07	15,188.18
Solvency (%)	Current ratio	558.87	564.55	548.98	490.30	447.27
	Quick ratio	470.51	482.45	480.18	429.48	388.12
	Interest coverage ratio	-	580.53	593.67	609.76	1,409.95
Operating Ability	Receivables turnover rate (times)	14.97	15.02	14.45	14.50	15.93
	Average collection days for receivables	24.38	24.30	25.25	25.17	22.91
	Inventory turnover rate (times)	3.59	3.41	3.50	4.29	4.35
	Payables turnover rate (times)	5.53	5.26	5.38	6.20	6.03
	Average days for sale	101.67	107.03	104.28	85.08	83.90
	Property, plant and equipment turnover rate (times)	137.50	163.55	161.89	182.65	188.14
	Total asset turnover rate (times)	0.88	0.83	0.74	0.83	0.91
Profitability	Return on assets (%)	19.29	19.35	16.35	18.73	23.26
	Return on equity (%)	23.43	23.64	20.18	23.45	29.65
	Ratio of income before tax to paid-in capital (%)	58.72	61.01	52.53	62.82	85.88
	Profit margin before tax (%)	22.01	23.21	22.03	22.50	25.47
	Earnings per share (NTD)	4.82	5.01	4.33	5.14	7.01
Cash Flow	Cash flow ratio (%)	102.93	124.12	108.77	105.51	113.43
	Cash flow adequacy ratio (%)	109.06	114.56	113.61	116.28	124.45
	Cash flow reinvestment ratio (%)	1.46	5.90	2.39	8.27	12.71
Leveraging	Operating leverage	1.49	1.48	1.51	1.47	1.39
	Financial leverage	1.00	1.00	1.00	1.00	1.00

Please explain the reasons for the changes in financial ratios in the last two years (if the increase or decrease is less than 20%, analysis is exempted):

Increase in interest coverage ratio and ratio of pre-tax net profit to paid-in capital: This was due to the increase in pre-tax profit and loss in 2022 compared with that in 2021.

Increase in return on assets, return on equity and earnings per share: This was due to the increase in after-tax profit and loss in 2022 compared with that in 2021

Increase in cash reinvestment ratio: This was due to an increase in net cash flow from operating activities in 2022 compared with that in 2021.

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

Items for Analysis \ Year		Financial Analysis for the Most Recent Five Years				
		2018	2019	2020	2021	2022
Financial Structure (%)	Debt-asset ratio	18.05	18.58	19.67	20.82	22.25
	Ratio of long-term capital to property, plant and equipment	14,656.38	18,107.39	18,047.32	17,733.07	15,188.18
Debt-paying capacity %	Current ratio	557.72	563.22	547.93	489.47	446.52
	Quick ratio	469.37	481.15	479.13	428.65	387.38
	Interest coverage ratio	-	580.53	593.67	609.76	1,409.95
Operational ability	Receivables turnover rate (times)	14.97	15.02	14.45	14.50	15.93
	Average collection days for receivables	24.38	24.30	25.25	25.17	22.91
	Inventory turnover rate (times)	3.59	3.41	3.50	4.29	4.35
	Payables turnover rate (times)	5.53	5.26	5.38	6.20	6.03
	Average days for sale	101.67	107.03	104.28	85.08	83.90
	Property, plant and equipment turnover rate (times)	137.50	163.55	161.89	182.65	188.14
	Total asset turnover rate (times)	0.88	0.83	0.74	0.83	0.91
Profitability	Return on assets (%)	19.29	19.35	16.35	18.73	23.26
	Return on equity (%)	23.43	23.64	20.18	23.45	29.65
	Ratio of income before tax to paid-in capital (%)	58.72	61.01	52.53	62.82	85.88
	Profit margin before tax (%)	22.01	23.21	22.03	22.50	25.47
	Earnings per share (NTD)	4.82	5.01	4.33	5.14	7.01
Cash Flow	Cash flow ratio (%)	103.00	124.14	108.79	105.54	113.36
	Cash flow adequacy ratio (%)	108.77	114.06	113.16	116.24	124.47
	Cash flow reinvestment ratio (%)	1.48	5.91	2.39	8.28	12.69
Leveraging	Operating leverage	1.49	1.48	1.51	1.47	1.39
	Financial leverage	1.00	1.00	1.00	1.00	1.00



Please explain the reasons for the changes in financial ratios in the last two years (if the increase or decrease is less than 20%, analysis is exempted):

Increase in interest coverage ratio and ratio of pre-tax net profit to paid-in capital: This was due to the increase in pre-tax profit and loss in 2022 compared with that in 2021.

Increase in return on assets, return on equity and earnings per share: This was due to the increase in after-tax profit and loss in 2022 compared with that in 2021

Increase in cash reinvestment ratio: This was due to an increase in net cash flow from operating activities in 2022 compared with that in 2021.

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 turnover 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 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

2023 Annual Meeting of Shareholders of Planet Technology Corporation

Chairman of the Audit Committee:

February 23, 2023

# **Planet Technology Corporation**

## **Audit Committee's Report**

The Board of Directors has prepared the Company's 2022 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

2023 Annual Meeting of Shareholders of Planet Technology Corporation

Chairman of the Audit Committee:

April 12, 2023

IV. Financial statements in the most recent year

**PLANET TECHNOLOGY CORPORATION  
AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
AND INDEPENDENT AUDITORS' REPORT**

**Address: 8F, No. 96, Minquan Rd., Xindian Dist., New Taipei City,**

**Taiwan, R.O.C.**

**Phone : (886-2) 2219-9518**

## **REPRESENTATION LETTER**

The Companies that are required to be included in the consolidated financial statements of affiliates of Planet Technology Corporation as of and for the year ended December 31, 2022, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standards No. 10, “Consolidated Financial Statements.” In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, Planet Technology Corporation and Subsidiaries do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

PLANET TECHNOLOGY CORPORATION

By CHING-KANG, CHEN

Chairman

February 23 , 2023

## INDEPENDENT AUDITORS' REPORT

NO.10711110CEA

To PLANET Technology Corporation

**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, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, 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, 2022 and 2021, 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 the Standards on Auditing of 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, 2022. 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 97% 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 matters.

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, 2022 and 2021 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 on Auditing of 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 Standards on Auditing of 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, 2022 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 23 , 2023

### 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, 2022 AND 2021  
(Expressed in thousands of New Taiwan Dollars)

ASSETS	NOTES	December 31,2022		December 31,2021	
		Amount	%	Amount	%
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	4,6	\$ 1,567,809	78	\$ 1,382,085	78
Current financial assets at fair value through profit or loss	4,7	10,811	1	10,758	1
Accounts receivable, net	4,5,8	109,390	5	106,436	6
Other receivables		9,490	1	7,365	—
Inventories	4,5,9	250,257	13	206,581	12
Prepayments		8,412	—	6,777	—
Other current assets		47	—	43	—
Total current assets		1,956,216	98	1,720,045	97
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	4,10	10,255	1	8,029	1
Right-of-use assets	4,11	17,139	1	30,891	2
Intangible assets	4,12	2,327	—	2,791	—
Deferred tax assets	4,21	2,606	—	5,877	—
Prepayments for business facilities		64	—	833	—
Guarantee deposits paid		6,308	—	6,136	—
Total non-current assets		38,699	2	54,557	3
<b>TOTAL</b>		<b>\$ 1,994,915</b>	<b>100</b>	<b>\$ 1,774,602</b>	<b>100</b>

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

PLANET TECHNOLOGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	NOTES	December 31,2022		December 31,2021	
		Amount	%	Amount	%
<b>CURRENT LIABILITIES</b>					
Current contract liabilities	17	\$ 53,648	3	\$ 33,899	2
Notes payable	13	71,367	4	60,330	3
Accounts payable	13	106,841	5	91,079	5
Other payables	14	84,507	4	67,554	4
Current tax liabilities	4	104,547	5	78,123	5
Current lease liabilities	4,11	14,366	1	18,256	1
Other current liabilities		2,091	—	1,573	—
Total current liabilities		437,367	22	350,814	20
<b>NON-CURRENT LIABILITIES</b>					
Deferred tax liabilities	4,21	87	—	64	—
Non-current lease liabilities	4,11	2,640	—	12,717	1
Non-current net defined benefit liability	4,15	3,775	—	5,943	—
Total non-current liabilities		6,502	—	18,724	1
Total liabilities		443,869	22	369,538	21
<b>EQUITY ATTRIBUTABLE TO OWNERS OF PARENT</b>					
Share capital	16	625,010	31	625,010	35
Ordinary share		625,010	31	625,010	35
Capital surplus	16	11,202	1	11,202	1
Retained earnings	16	914,834	46	768,852	43
Legal reserve		434,450	22	402,332	23
Unappropriated retained earnings		480,384	24	366,520	20
Total equity attributable to owners of parent		1,551,046	78	1,405,064	79
Total equity		1,551,046	78	1,405,064	79
<b>TOTAL</b>		<b>\$ 1,994,915</b>	<b>100</b>	<b>\$ 1,774,602</b>	<b>100</b>

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, 2022 AND 2021

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

Items	NOTES	2022		2021	
		Amount	%	Amount	%
OPERATING REVENUE	4,17	\$ 1,720,031	100	\$ 1,427,097	100
OPERATING COSTS	9	(994,453)	(58)	(857,807)	(60)
GROSS PROFIT		725,578	42	569,290	40
OPERATING EXPENSES					
Selling expenses		(73,929)	(4)	(64,901)	(4)
Administrative expenses		(50,582)	(3)	(41,951)	(3)
Research and development expenses		(87,513)	(5)	(79,629)	(6)
Total operating expenses		(212,024)	(12)	(186,481)	(13)
NET OPERATING INCOME		513,554	30	382,809	27
NON-OPERATING INCOME AND EXPENSES					
Interest income	18	10,594	1	5,405	—
Other income	19	6,540	—	8,180	1
Other gains and losses	20	6,504	—	(3,101)	—
Finance costs		(381)	—	(645)	—
Total non-operating income and expenses		23,257	1	9,839	1
PROFIT BEFORE TAX		536,811	31	392,648	28
TAX EXPENSE	4,21	(98,548)	(5)	(71,498)	(5)
PFOFIT		438,263	26	321,150	23
OTHER COMPREHENSIVE INCOME					
Components of other comprehensive income that will not be reclassified to profit or loss					
Gains on remeasurement of defined benefit plans	15	1,842	—	35	—
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	21	(368)	—	(7)	—
Other comprehensive income, net		1,474	—	28	—
TOTAL COMPREHENSIVE INCOME		\$ 439,737	26	\$ 321,178	23
PROFIT ATTRIBUTABLE TO :					
Owners of parent		\$ 438,263	26	\$ 321,150	23
Non-controlling interests		—	—	—	—
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO :					
Owners of parent		\$ 439,737	26	\$ 321,178	23
Non-controlling interests		—	—	—	—
EARNINGS PER SHARE (in dollars)					
Basic earnings per share	22	\$ 7.01		\$ 5.14	
Diluted earnings per share	22	\$ 6.96		\$ 5.10	

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, 2022 AND 2021  
(Expressed in thousands of New Taiwan Dollars)

DESCRIPTION	Equity attributable to owners of parent						Non-controlling interests	Total equity
	Capital Stock	Capital surplus	Retained earnings		Subtotal			
			Legal reserve	Unappropriated earnings				
BALANCE, JANUARY 1, 2021	\$ 625,010	\$ 11,202	\$ 375,325	\$ 322,353	\$ 1,333,890	\$	\$ 1,333,890	
Appropriations of prior year's earnings	—	—	27,007	(27,007)	—	—	—	
Legal reserve	—	—	—	(250,004)	(250,004)	—	(250,004)	
Cash dividends	—	—	—	321,150	321,150	—	321,150	
Profit	—	—	—	28	28	—	28	
Other comprehensive income	—	—	—	—	—	—	—	
Total comprehensive income	—	—	—	321,178	321,178	—	321,178	
BALANCE, JANUARY 1, 2022	625,010	11,202	402,332	366,520	1,405,064	—	1,405,064	
Appropriations of prior year's earnings	—	—	32,118	(32,118)	—	—	—	
Legal reserve	—	—	—	(293,755)	(293,755)	—	(293,755)	
Cash dividends	—	—	—	438,263	438,263	—	438,263	
Profit	—	—	—	1,474	1,474	—	1,474	
Other comprehensive income	—	—	—	—	—	—	—	
Total comprehensive income	—	—	—	439,737	439,737	—	439,737	
BALANCE, DECEMBER 31, 2022	\$ 625,010	\$ 11,202	\$ 434,450	\$ 480,384	\$ 1,551,046	\$	\$ 1,551,046	

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, 2022 AND 2021  
(Expressed in thousands of New Taiwan Dollars)

Items	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	\$ 536,811	\$ 392,648
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	24,480	23,201
Amortization expense	1,459	1,636
Expected credit losses	12	—
Net gain on financial assets at fair value through profit or loss	(53)	(18)
Interest income	(10,594)	(5,405)
Interest expense	381	645
Gain on disposal of property, plant and equipment	(401)	(388)
Changes in operating assets and liabilities		
Notes receivable	—	46
Accounts receivable	(2,966)	(16,135)
Other receivables	(1,832)	(1,333)
Inventories	(43,676)	(13,442)
Prepayments	(1,635)	(934)
Other current assets	(4)	—
Contract liabilities	19,749	11,915
Notes payable	11,037	14,442
Accounts payable	15,762	11,514
Other payables	16,986	9,842
Other current liabilities	518	210
Net defined benefit liabilities	(326)	(357)
Cash inflow generated from operations	565,708	428,087
Interest paid	(381)	(645)
Income taxes paid	(69,198)	(57,308)
Net cash flows from operating activities	496,129	370,134
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(8,188)	(4,873)
Acquisition of Intangible Assets	(995)	(1,201)
Proceeds from disposal of property, plant and equipment	520	441
Decrease (Increase) in prepayments for business facilities	769	(824)
Increase in refundable deposits	(172)	(37)
Interest received	10,301	5,381
Net cash flows from (used in) investing activities	2,235	(1,113)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash dividends paid	(293,755)	(250,004)
Payment of lease liabilities	(18,885)	(18,584)
Net cash used in financing activities	(312,640)	(268,588)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	185,724	100,433
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	1,382,085	1,281,652
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	\$ 1,567,809	\$ 1,382,085

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, 2022 AND 2021  
(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 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 23 , 2023.

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 2023 are as follows:

New, Revised or Amended Standards, and Interpretations	Effective Date Issued by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023

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.

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

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

New, Revised or Amended Standards, and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 16 “Leases Liability in a Sale and leaseback”	January 1, 2024
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, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024

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.

(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 31,2022	December 31,2021
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 Non-current 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 guarantee deposits paid), 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; 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 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 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 the current 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, 2022</u>	<u>December 31, 2021</u>
Cash on hand	\$ 182	\$ 192
Cash in banks	1,567,627	1,381,893
Total	<u>\$ 1,567,809</u>	<u>\$ 1,382,085</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Financial assets mandatorily measured at fair value		
Non-derivative financial assets-Funds	<u>\$ 10,811</u>	<u>\$ 10,758</u>

#### 8. ACCOUNTS RECEIVABLE- NET

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable	\$ 109,498	\$ 106,532
Loss allowance	(108)	(96)
Net	<u>\$ 109,390</u>	<u>\$ 106,436</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 accounts receivable

	December 31, 2022	December 31, 2021
Neither past due nor impaired	\$ 109,390	\$ 106,436
Past due but not impaired		
Less than 30 days	—	—
31 to 180 days	—	—
over 181 days	—	—
Subtotal	—	—
Total	\$ 109,390	\$ 106,436

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

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ 96	\$ 96
Provision	12	—
Amount written off	—	—
Balance at December 31	\$ 108	\$ 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, 2022	December 31, 2021
Raw materials	\$ 72,118	\$ 63,858
Work in process	49,307	47,044
Finished goods	128,832	95,679
Total	\$ 250,257	\$ 206,581

(1) The allowance for inventory devaluation losses (including idle products) was \$3,679 thousand as of December 31, 2022 and 2021.

(2) The cost of inventories recognized as cost of sales for the years ended December 31, 2022 and 2021 were as follows:

	For the Year Ended December 31	
	2022	2021
The cost of goods sold	\$ 994,528	\$ 857,841
Gain on physical inventory	(75)	(34)
Operating costs	\$ 994,453	\$ 857,807

#### 10. PROPERTY, PLANT AND EQUIPMENT

Item	For the Year Ended December 31, 2022			
	Balance, Beginning of year	Additions	Disposals	Balance, End of year
<u>Cost</u>				
Machinery and equipment	\$ 19,218	\$ 2,893	\$ (7)	\$ 22,104
Furniture and fixtures	5,852	1,502	(54)	7,300
Other facilities	14,838	3,760	(1,077)	17,521
Subtotal	39,908	8,155	(1,138)	46,925
<u>Accumulated depreciation and impairment</u>				
Machinery and equipment	16,621	1,545	(7)	18,159
Furniture and fixtures	4,167	871	(54)	4,984
Other facilities	11,091	3,394	(958)	13,527
Subtotal	31,879	\$ 5,810	\$ (1,019)	36,670
Net	\$ 8,029			\$ 10,255

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	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

## 11. Lease Agreement

### (1) Right-of-use assets

For the Year Ended December 31, 2022				
Item	Balance, Beginning of year	Additions	Disposals	Balance, End of year
<u>Cost</u>				
Buildings	\$ 67,786	\$ 34	\$ —	\$ 67,820
Transportation equipment	4,443	4,929	(4,443)	4,929
Subtotal	72,229	4,963	(4,443)	72,749
<u>Accumulated depreciation and impairment</u>				
Buildings	37,759	17,166	—	54,925
Transportation equipment	3,579	1,504	(4,398)	685
Subtotal	41,338	\$ 18,670	\$ (4,398)	55,610
Net	\$ 30,891			\$ 17,139

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

### (2) Lease liabilities

	December 31, 2022	December 31, 2021
Current	\$ 14,366	\$ 18,256
Non-current	\$ 2,640	\$ 12,717

Discount rate for lease liabilities was 1.6%~2.1%.

### (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 2022 to 2025. The Group does not have bargain purchase options to acquire the buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

### (4) Other lease information

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Expenses relating to short-term leases	\$ 8	\$ 8
Expenses relating to low-value asset leases	\$ 114	\$ 114
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ —	\$ —
Total cash outflow for leases	\$ (19,007)	\$ (18,706)

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, 2022 and 2021 are \$117 thousand and \$231 thousand, respectively.

## 12. INTANGIBLE ASSETS

Item	For the Year Ended December 31, 2022			
	Balance, Beginning of year	Additions	Disposals	Balance, End of year
<u>Cost</u>				
Trademarks	\$ 315	\$ 364	\$ —	\$ 679
Patents	1,583	151	—	1,734
Computer software	11,559	480	(545)	11,494
Subtotal	13,457	995	(545)	13,907
<u>Accumulated amortization and impairment</u>				
Trademarks	24	52	—	76
Patents	670	234	—	904
Computer software	9,972	1,173	(545)	10,600
Subtotal	10,666	\$ 1,459	\$ (545)	11,580
Net	\$ 2,791			\$ 2,327

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	<u>12,289</u>	<u>1,201</u>	<u>(33)</u>	<u>13,457</u>
<u>Accumulated amortization and impairment</u>				
Trademarks	6	18	—	24
Patents	491	179	—	670
Computer software	8,566	1,439	(33)	9,972
Subtotal	<u>9,063</u>	<u>\$ 1,636</u>	<u>\$ (33)</u>	<u>10,666</u>
Net	<u>\$ 3,226</u>			<u>\$ 2,791</u>

13. NOTES PAYABLE AND ACCOUNTS PAYABLE

	December 31, 2022	December 31, 2021
Notes payable	\$ 71,367	\$ 60,330
Accounts payable	106,841	91,079
Total	<u>\$ 178,208</u>	<u>\$ 151,409</u>
Current	<u>\$ 178,208</u>	<u>\$ 151,409</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

	December 31, 2022	December 31, 2021
Salary and wages payable	\$ 23,887	\$ 18,148
Employee Bonus payable	34,820	25,469
Compensation due to directors	8,705	6,367
Advertising payable	4,047	3,937
Export fee payable	3,767	3,941
Other accrued expenses	6,842	6,087
Payable for annual leave	2,439	3,605
Total	<u>\$ 84,507</u>	<u>\$ 67,554</u>
Current	<u>\$ 84,507</u>	<u>\$ 67,554</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 \$5,569 thousand and \$5,235 thousand in the consolidated statements of comprehensive income for the years ended December 31, 2022 and 2021, 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, 2022</u>	<u>December 31, 2021</u>
Present value of defined benefit obligations	\$ 17,077	\$ 18,343
Fair value of plan assets	<u>(13,302)</u>	<u>(12,400)</u>
Net defined benefit liability	<u>\$ 3,775</u>	<u>\$ 5,943</u>

a. 2022

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liabilities
Balance at January 1	\$ 18,343	\$ (12,400)	\$ 5,943
Current service cost	—	—	—
Net interest expense(income)	126	(86)	40
Recognized in profit or loss	<u>126</u>	<u>(86)</u>	<u>40</u>
Remeasurement			
Experience adjustments	(130)	—	(130)
Changes in demographic assumptions	—	—	—
Changes in financial assumptions	(753)	—	(753)
Return on plan assets	—	(959)	(959)
Recognized in other comprehensive loss (income)	<u>(883)</u>	<u>(959)</u>	<u>(1,842)</u>
Contributions from the employer	—	(366)	(366)
Paid pension	(509)	509	—
Balance at December 31	<u>\$ 17,077</u>	<u>\$ (13,302)</u>	<u>\$ 3,775</u>

The Company's planned asset type is bank deposits.

b. 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.

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	
	2022	2021
Operating costs	\$ 7	\$ 3
Selling expenses	10	5
Administrative expenses	6	3
Research and development expenses	17	8
Total	\$ 40	\$ 19

(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	
	2022	2021
Discount rate	1.25%	0.70%
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	
	2022	2021
Discount rate		
0.25% increase	\$ (324)	\$ (395)
0.25% decrease	335	409
Expected rate of salary increase		
0.25% increase	329	399
0.25% decrease	(319)	(387)

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, 2023 are \$356 thousand.

(F) As of December 31, 2022, the weighted average duration of that retirement plan is 7 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$ 4,152
2 to 5 years	3,700
Over 6 years	10,963
	<u>\$ 18,815</u>

## 16. EQUITY

### (1) Capital stock

	<u>December 31, 2022</u>	<u>December 31, 2021</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 \$10 per share is entitled to vote and to receive dividends.

### (2) Capital surplus

	<u>December 31, 2022</u>	<u>December 31, 2021</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 earnings distribution is handled according to Article 20 of the Articles of Association. The shareholder dividends are based on the principle of balanced distribution between stock and cash dividends. The board of directors proposes to set aside from the distributable surplus the dividends to be distributed, with the amount of the distribution no less than 30% of the distributable surplus in the current year, and distributed according to the Company's Articles of Incorporation. Stock dividends have the priority in order to retain the required funds, and the remaining surplus is to be distributed in the form of cash dividends; however, the proportion of cash dividends shall not be less than 10% of the total dividends. In accordance with Article 241 of the Company Act, Company distributes its legal reserve and the following capital reserve, in whole or in part, by issuing new shares which shall be distributable as dividend shares to its original shareholders in proportion to the number of shares being held by each of them or by cash, after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

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

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

(E) The Company's 2022 surplus earnings 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 2021 and 2020, were approved in the regular meeting of shareholders on May 27, 2022 and August 5, 2021. The actual allocation of earnings 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\$)	
	2021	2020	2021	2020
Legal reserve	\$ 32,118	\$ 27,007		
Cash dividends	293,755	250,004	4.7	4
Total	<u>\$ 325,873</u>	<u>\$ 277,011</u>		

## 17. OPERATING REVENUE

	For the Year Ended December 31	
	2022	2021
Net revenue from sale of goods	<u>\$ 1,720,031</u>	<u>\$ 1,427,097</u>

### (1) Breakdown of revenue from contracts with customers

	For the Year Ended December 31	
	2022	2021
Europe	\$ 766,130	\$ 647,410
America	415,029	351,463
Asia	313,288	256,818
Others	225,584	171,406
Total	<u>\$ 1,720,031</u>	<u>\$ 1,427,097</u>

(2) Contract liabilities

	For the Year Ended December 31	
	2022	2021
Contract liabilities-current	\$ 53,648	\$ 33,899

For the year ended December 31, 2022 and 2021, the Company recognized \$25,891 thousand and \$14,121 thousand in revenue from the beginning balance of contract liability, respectively.

18. INTEREST INCOME

	For the Year Ended December 31	
	2022	2021
Interest income from bank deposits	\$ 10,594	\$ 5,405

19. OTHER INCOME

	For the Year Ended December 31	
	2022	2021
Rent income	\$ 86	\$ 86
Other income, others	6,454	8,094
Total	\$ 6,540	\$ 8,180

20. OTHER GAINS AND LOSSES

	For the Year Ended December 31	
	2022	2021
Gains on disposal of property, plant and equipment	\$ 401	\$ 388
Foreign exchange gains (losses)	6,050	(3,507)
Gains on financial assets at fair value through profit or loss	53	18
Total	\$ 6,504	\$ (3,101)

## 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	
	2022	2021
Tax calculated based on profit before tax and statutory tax rate	\$ 107,362	\$ 78,529
Effect from items disallowed by tax regulation	(374)	189
Change in deferred income tax	—	—
Effect from investment tax credits	(7,217)	(4,744)
Tax on undistributed earnings	—	—
Tax expenses	\$ 99,771	\$ 73,974

(B) Income tax expense consisted of the following:

	For the Year Ended December 31	
	2022	2021
Tax expenses	\$ 99,771	\$ 73,974
Net change in deferred income tax	2,926	364
Adjustments for prior year's income tax	(4,149)	(2,840)
Income tax expense recognized in profit or loss	\$ 98,548	\$ 71,498

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

#### Deferred tax

	For the Year Ended December 31	
	2022	2021
Remeasurements of defined benefit obligations	\$ (368)	\$ (7)



(3) Deferred tax

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Deferred tax assets		
Defined benefit liabilities	\$ 387	\$ 1,181
Advertisement expense	809	788
Unrealized investment loss	—	2,265
Unrealized impairment loss	186	186
Inventory valuation losses	736	736
Unrealized employee vacation payable	488	721
Total	<u>\$ 2,606</u>	<u>\$ 5,877</u>
Deferred tax liabilities		
Unrealized exchange gain	<u>\$ 87</u>	<u>\$ 64</u>

For the Year Ended December 31, 2022

	<u>Balance, Beginning of year</u>	<u>Recognized in Profit or Loss</u>	<u>Recognized in Other Comprehensive Income</u>	<u>Effect of exchange rate changes</u>	<u>Balance, End of year</u>
Deferred tax assets					
Defined benefit liabilities	\$ 1,181	\$ (433)	\$ (361)	\$ —	\$ 387
Advertisement expense	788	21	—	—	809
Unrealized investment loss	2,265	(2,265)	—	—	—
Unrealized impairment loss	186	—	—	—	186
Inventory valuation losses	736	—	—	—	736
Unrealized employee vacation payable	721	(233)	—	—	488
Total	<u>\$ 5,877</u>	<u>\$ (2,910)</u>	<u>\$ (361)</u>	<u>\$ —</u>	<u>\$ 2,606</u>
Deferred tax liabilities					
Unrealized exchange gain	<u>\$ (64)</u>	<u>\$ (23)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (87)</u>

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)

(B) Items for which deferred tax assets haven't been recognized: None.

(4) Unappropriated retained earnings:

	December 31, 2022	December 31, 2021
1998 to 2009	\$ 32,002	\$ 32,002
after 2010	448,382	334,518
Total	<u>\$ 480,384</u>	<u>\$ 366,520</u>

(5) Income tax assessments

The Company's income tax returns through 2020 have been assessed by the tax authorities.

22. EARNINGS PER SHARE

	For the Year Ended December 31	
	2022	2021
Basic EPS(NT\$)	\$ 7.01	\$ 5.14
Diluted EPS(NT\$)	<u>\$ 6.96</u>	<u>\$ 5.10</u>

(1) Basic earnings per share

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

	For the Year Ended December 31	
	2022	2021
Profit attributable to ordinary shareholders of the parent (in thousand)	\$ 438,263	\$ 321,150
Weighted average number of ordinary shares outstanding (in thousand shares)	62,501	62,501
Basic EPS(NT\$)	\$ 7.01	\$ 5.14

(2) Diluted earnings per share

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

	For the Year Ended December 31	
	2022	2021
Profit attributable to ordinary shareholders of the parent (in thousand)	\$ 438,263	\$ 321,150
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)	440	437
Weighted average number of dilutive ordinary shares outstanding (in thousand shares)	62,941	62,938
Diluted EPS(NT\$)	\$ 6.96	\$ 5.10

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, 2022 and 2021:

	For the Year Ended December 31, 2022			For the Year Ended December 31, 2021		
	Classified as operating cost	Classified as operating expenses	Total	Classified as operating cost	Classified as operating expenses	Total
Employee benefits	\$ 31,388	\$ 144,562	\$ 175,950	\$ 27,668	\$ 127,024	\$ 154,692
Payroll expense	26,625	126,534	153,159	23,148	110,332	133,480
Insurance expense	2,461	9,489	11,950	2,296	8,700	10,996
Pension	1,093	4,516	5,609	1,057	4,197	5,254
Others	1,209	4,023	5,232	1,167	3,795	4,962
Depreciation	5,306	19,174	24,480	5,031	18,170	23,201
Amortization	—	1,459	1,459	—	1,636	1,636

(1) As of December 31, 2022 and 2021, the Group had 160 and 155 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 and directors of each period. 6% is applied to employees' compensation, and 1.5% is applied to director's remuneration that were expensed under operating costs or operating expenses during 2022 and 2021.

The estimated amounts are as follows:

	For the Year Ended December 31	
	2022	2021
Employees' compensation	\$ 34,820	\$ 25,469
Remuneration to directors	8,705	6,367

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 2021 and 2020 employee's compensation and director's remuneration were respectively resolved in the board meeting on February 24, 2022 and March 11, 2021 as follows:

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

There is no difference between the 2021 and 2020 employee's compensation and director's remuneration and the Company's 2021 and 2020 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, 2022</u>	<u>December 31, 2021</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	\$ 10,811	\$ 10,758
Amortized cost		
Cash and cash equivalents	1,567,809	1,382,085
Notes and accounts receivable	109,390	106,436
Other receivables	9,490	7,365
Guarantee deposits paid	6,308	6,136
Total	<u>\$ 1,703,808</u>	<u>\$ 1,512,780</u>
<u>Financial liabilities</u>		
Amortized cost		
Notes and accounts payable	\$ 178,208	\$ 151,409
Other payables	84,507	67,554
Lease liabilities	17,006	30,973
Total	<u>\$ 279,721</u>	<u>\$ 249,936</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, 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 31,2022			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Funds	\$ 10,811	\$ —	\$ —	\$ 10,811
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	\$ —	\$ —	\$ —	\$ —
	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	\$ —	\$ —	\$ —	\$ —

For the years ended December 31, 2022 and 2021, 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, 2022 and 2021, 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, 2022				
	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	\$ 3,999	30.71	\$ 122,962	\$ 1,230
EUR	200	32.72	6,536	65
<u>Non-monetary items</u>	—	—	—	—
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	2,201	30.71	68,497	685
<u>Non-monetary items</u>	—	—	—	—
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>	—	—	—	—

## (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, 2022 and 2021 would increase or decrease \$3,835 thousand and \$3,385 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, 2022 and 2021, the income would have increased or decreased by \$541 thousand and \$538 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, 2022 and 2021, the Group's top ten customers accounted for 38.29% and 51.11% 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, 2022			
	Less Than 1 year	1-5 year	Over 5 year	Total
<u>Non-derivative financial liabilities</u>				
Notes and accounts payable	\$ 178,202	\$ —	\$ 6	\$ 178,208
Other payables	84,507	—	—	84,507
Lease liabilities	14,503	2,682	—	17,185
Subtotal	277,212	2,682	6	279,900
<u>Derivative financial liabilities</u>				
Total	\$ 277,212	\$ 2,682	\$ 6	\$ 279,900

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

## 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	
	2022	2021
Short-term benefits	\$ 16,192	\$ 12,877
Post-employment benefits	86	112
Total	<u>\$ 16,278</u>	<u>\$ 12,989</u>

(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 2022 surplus earnings 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	
	2022	2021
Purchase of property ,plant and equipment	\$ 8,155	\$ 5,045
Add : Beginning balance of payable for equipment	232	60
Less : Ending balance of payable for equipment	(199)	(232)
Cash paid during the period	<u>\$ 8,188</u>	<u>\$ 4,873</u>

## 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, 2022				Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	
Planet Technology Corporation	Money market fund	—	Current financial assets at fair value through profit or loss	218,437.60	\$ 3,195	—	\$ 3,195	Note 1
	" Yuanta Wan Tai Money Market Fund	—	"	210,029.60	3,228	—	3,228	"
	" Eastspring Investments Well Pool Money Market Fund	—	"	317,883.00	4,388	—	4,388	"
	Stock ESSENCE TECHNOLOGY SOLUTION INC.	—	Non-current financial assets at fair value through profit or loss	42,000.00	—	1.56	—	

Note 1: The market price is the net value of December 31, 2022.

TABLE 2

INFORMATION ON INVESTEES

Amount in Thousands of New Taiwan Dollars, United States Dollars

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment		Balance as of December 31, 2022			Net Income (Losses) of the Investee	Shares of Profits/Losses of Investee	Notes
				December 31, 2022	December 31, 2021	Shares	Percentage of ownership	Carrying value			
Planet Technology Corporation	PLANET INTERNATIONAL INC.	Samoa	International trade business	US\$ 100,000	US\$ 100,000	100,000	100%	\$ 3,246	\$ 318	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, 2022.
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, 2022		
	Single Operating Department	Adjustment and Elimination	Total
Net revenue from external customers	\$ 1,720,031	\$ —	\$ 1,720,031
Revenue from other departments within the company	—	—	—
Segment profit(Income before income tax)	536,811	—	536,811
Segment assets	1,994,915	—	1,994,915
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

## (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 non-current assets. Excluding financial assets and deferred tax assets.

	Net Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31, 2022	December 31, 2021
	2022	2021		
Europe	\$ 766,130	\$ 647,410	\$ —	\$ —
America	415,029	351,463	—	—
Asia	313,288	256,818	29,721	41,711
Others	225,584	171,406	—	—
Total	\$ 1,720,031	\$ 1,427,097	\$ 29,721	\$ 41,711

## (3) Major Customers information

No single customer contributed 10% or more to the Group's revenue for both 2022 and 2021.

V. Parent company's financial statements in the most recent year

**PLANET TECHNOLOGY CORPORATION**  
**PARENT COMPANY ONLY FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**AND INDEPENDENT AUDITORS' REPORT**

**Address: 8F, No. 96, Minquan Rd., Xindian Dist., New Taipei City,**

**Taiwan, R.O.C.**

**Phone : (886-2) 2219-9518**

## INDEPENDENT AUDITORS' REPORT

NO.10711110EA

To 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, 2022 and 2021, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, 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, 2022 and 2021, 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 the Standards on Auditing of 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, 2022. 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 97% 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 matters.

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 on Auditing of 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 Standards on Auditing of 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, 2022 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 23 , 2023

### 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, 2022 AND 2021  
(Expressed in thousands of New Taiwan Dollars)

ASSETS	NOTES	December 31,2022		December 31,2021	
		Amount	%	Amount	%
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	4,6	\$ 1,564,570	78	\$ 1,379,158	78
Current financial assets at fair value through profit or loss	4,7	10,811	1	10,758	1
Accounts receivable, net	4,5,8	109,390	5	106,436	6
Other receivables		9,483	1	7,364	—
Inventories	4,5,9	250,257	13	206,581	12
Prepayments		8,412	—	6,777	—
Other current assets		47	—	43	—
Total current assets		1,952,970	98	1,717,117	97
<b>NON-CURRENT ASSETS</b>					
Investments accounted for using equity method	4,10	3,246	—	2,928	—
Property, plant and equipment	4,11	10,255	1	8,029	1
Right-of-use assets	4,12	17,139	1	30,891	2
Intangible assets	4,13	2,327	—	2,791	—
Deferred tax assets	4,22	2,606	—	5,877	—
Prepayments for business facilities		64	—	833	—
Guarantee deposits paid		6,308	—	6,136	—
Total non-current assets		41,945	2	57,485	3
<b>TOTAL</b>		<b>\$ 1,994,915</b>	<b>100</b>	<b>\$ 1,774,602</b>	<b>100</b>

The accompanying notes are an integral part of the parent company only financial statements.

PLANET TECHNOLOGY CORPORATION  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	NOTES	December 31,2022		December 31,2021	
		Amount	%	Amount	%
<b>CURRENT LIABILITIES</b>					
Current contract liabilities	18	\$ 53,648	3	\$ 33,899	2
Notes payable	14	71,367	4	60,330	3
Accounts payable	14	106,841	5	91,079	5
Other payables	15	84,507	4	67,554	4
Current tax liabilities	4	104,547	5	78,123	5
Current lease liabilities	4,12	14,366	1	18,256	1
Other current liabilities		2,091	—	1,573	—
Total current liabilities		437,367	22	350,814	20
<b>NON-CURRENT LIABILITIES</b>					
Deferred tax liabilities	4,22	87	—	64	—
Non-current lease liabilities	4,12	2,640	—	12,717	1
Non-current net defined benefit liability	4,16	3,775	—	5,943	—
Total non-current liabilities		6,502	—	18,724	1
Total liabilities		443,869	22	369,538	21
<b>EQUITY ATTRIBUTABLE TO OWNERS OF PARENT</b>					
Share capital	17	625,010	31	625,010	35
Ordinary share		625,010	31	625,010	35
Capital surplus	17	11,202	1	11,202	1
Retained earnings	17	914,834	46	768,852	43
Legal reserve		434,450	22	402,332	23
Unappropriated retained earnings		480,384	24	366,520	20
Total equity		1,551,046	78	1,405,064	79
<b>TOTAL</b>		<b>\$ 1,994,915</b>	<b>100</b>	<b>\$ 1,774,602</b>	<b>100</b>

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, 2022 AND 2021  
(Expressed in thousands of New Taiwan Dollars, Except Earnings Per Share)

Items	NOTES	2022		2021	
		Amount	%	Amount	%
OPERATING REVENUE	4,18	\$ 1,720,031	100	\$ 1,427,097	100
OPERATING COSTS	9	(994,453)	(58)	(857,807)	(60)
GROSS PROFIT		725,578	42	569,290	40
OPERATING EXPENSES					
Selling expenses		(73,929)	(4)	(64,901)	(5)
Administrative expenses		(50,549)	(3)	(41,913)	(3)
Research and development expenses		(87,513)	(5)	(79,629)	(6)
Total operating expenses		(211,991)	(12)	(186,443)	(14)
NET OPERATING INCOME		513,587	30	382,847	26
NON-OPERATING INCOME AND EXPENSES					
Interest income	19	10,564	1	5,398	—
Other income	20	6,540	—	8,180	1
Other gains and losses	21	6,501	—	(3,132)	—
Finance costs		(381)	—	(645)	—
Total non-operating income and expenses		23,224	1	9,801	1
PROFIT BEFORE TAX		536,811	31	392,648	27
TAX EXPENSE	4,22	(98,548)	(5)	(71,498)	(5)
PFOFIT		438,263	26	321,150	22
OTHER COMPREHENSIVE INCOME					
Components of other comprehensive income that will not be reclassified to profit or loss					
Gains on remeasurement of defined benefit plans	16	1,842	—	35	—
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	22	(368)	—	(7)	—
Other comprehensive income, net		1,474	—	28	—
TOTAL COMPREHENSIVE INCOME		\$ 439,737	26	\$ 321,178	22
EARNINGS PER SHARE (in dollars)					
Basic earnings per share	23	\$ 7.01		\$ 5.14	
Diluted earnings per share	23	\$ 6.96		\$ 5.10	

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, 2022 AND 2021  
(Expressed in thousands of New Taiwan Dollars)

DESCRIPTION	Capital Stock	Capital surplus	Retained earnings		Total equity
			Legal reserve	Unappropriated earnings	
BALANCE AT 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)
Profit	—	—	—	321,150	321,150
Other comprehensive income	—	—	—	28	28
Total comprehensive income	—	—	—	321,178	321,178
BALANCE AT JANUARY 1, 2022	625,010	11,202	402,332	366,520	1,405,064
Appropriations of prior year's earnings					
Legal reserve	—	—	32,118	(32,118)	—
Cash dividends	—	—	—	(293,755)	(293,755)
Profit	—	—	—	438,263	438,263
Other comprehensive income	—	—	—	1,474	1,474
Total comprehensive income	—	—	—	439,737	439,737
BALANCE AT DECEMBER 31, 2022	\$ 625,010	\$ 11,202	\$ 434,450	\$ 480,384	\$ 1,551,046

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, 2022 AND 2021  
(Expressed in thousands of New Taiwan Dollars)

Items	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	\$ 536,811	\$ 392,648
Adjustments :		
Adjustments to reconcile profit (loss)		
Depreciation expense	24,480	23,201
Amortization expense	1,459	1,636
Expected credit losses	12	—
Net gain on financial assets at fair value through profit or loss	(53)	(18)
Interest income	(10,564)	(5,398)
Interest expense	381	645
Share of loss (profit) of associates and joint ventures accounted for using equity method	(318)	117
Gain on disposal of property, plant and equipment	(401)	(388)
Changes in operating assets and liabilities		
Notes receivable	—	46
Accounts receivable	(2,966)	(16,135)
Other receivables	(1,832)	(1,333)
Inventories	(43,676)	(13,442)
Prepayments	(1,635)	(934)
Other current assets	(4)	—
Contract liabilities	19,749	11,915
Notes payable	11,037	14,442
Accounts payable	15,762	11,514
Other payables	16,986	9,842
Other current liabilities	518	210
Net defined benefit liabilities	(326)	(357)
Cash inflow generated from operations	565,420	428,211
Interest paid	(381)	(645)
Income taxes paid	(69,198)	(57,308)
Net cash flows from operating activities	495,841	370,258
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(8,188)	(4,873)
Acquisition of Intangible Assets	(995)	(1,201)
Proceeds from disposal of property, plant and equipment	520	441
Decrease (Increase) in prepayments for business facilities	769	(824)
Increase in refundable deposits	(172)	(37)
Interest received	10,277	5,374
Net cash flows from (used in) investing activities	2,211	(1,120)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash dividends paid	(293,755)	(250,004)
Payment of lease liabilities	(18,885)	(18,584)
Net cash used in financing activities	(312,640)	(268,588)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>185,412</b>	<b>100,550</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>1,379,158</b>	<b>1,278,608</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>\$ 1,564,570</b>	<b>\$ 1,379,158</b>

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, 2022 AND 2021  
(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 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 23, 2023.

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 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

The IFRSs of new standards, interpretations and amendments endorsed by FSC effective from 2023 are as follows:

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023

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.

(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
Amendments to IFRS 16 “Leases Liability in a Sale and leaseback”	January 1, 2024
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, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024

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.



(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 Non-current 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 guarantee deposits paid ), 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; 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 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 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 company 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 the current 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, 2022</u>	<u>December 31, 2021</u>
Cash on hand	\$ 182	\$ 192
Cash in banks	1,564,388	1,378,966
Total	<u>\$ 1,564,570</u>	<u>\$ 1,379,158</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Financial assets mandatorily measured at fair value		
Non-derivative financial assets-Funds	<u>\$ 10,811</u>	<u>\$ 10,758</u>

**8. ACCOUNTS RECEIVABLE- NET**

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable	\$ 109,498	\$ 106,532
Loss allowance	(108)	(96)
Net	<u>\$ 109,390</u>	<u>\$ 106,436</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 accounts receivable

	December 31, 2022	December 31, 2021
Neither past due nor impaired	\$ 109,390	\$ 106,436
Past due but not impaired		
Less than 30 days	—	—
31 to 180 days	—	—
over 181 days	—	—
Subtotal	—	—
Total	\$ 109,390	\$ 106,436

(C) Movements of the loss allowance for accounts receivable were as follows:

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ 96	\$ 96
Provision	12	—
Amount written off	—	—
Balance at December 31	\$ 108	\$ 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, 2022	December 31, 2021
Raw materials	\$ 72,118	\$ 63,858
Work in process	49,307	47,044
Finished goods	128,832	95,679
Total	\$ 250,257	\$ 206,581



(1) The allowance for inventory devaluation losses (including idle products) was \$3,679 thousand as of December 31, 2022 and 2021.

(2) The cost of inventories recognized as cost of sales for the years ended December 31, 2022 and 2021 were as follows:

	For the Year Ended December 31	
	2022	2021
The cost of goods sold	\$ 994,528	\$ 857,841
Gain on physical inventory	(75)	(34)
Operating costs	\$ 994,453	\$ 857,807

#### 10. INVESTMENT ACCOUNTED FOR USING EQUITY METHOD

Subsidiaries	Carrying Amount		% of Ownership and Voting Right Held by the Company	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
PLANET INTERNATIONAL INC.	\$ 3,246	\$ 2,928	100.00%	100.00%

(A) In 2022 and 2021, the recognized investment gains and loss in the audited financial statements of the invested company are \$318 thousand in profit and \$117 thousand in loss, respectively.

(B) The disclosure of relevant information is detailed in Note 33.

#### 11. PROPERTY, PLANT AND EQUIPMENT

Item	For the Year Ended December 31, 2022			
	Balance, Beginning of year	Additions	Disposals	Balance, End of year
<u>Cost</u>				
Machinery and equipment	\$ 19,218	\$ 2,893	\$ (7)	\$ 22,104
Furniture and fixtures	5,852	1,502	(54)	7,300
Other facilities	14,838	3,760	(1,077)	17,521
Subtotal	39,908	8,155	(1,138)	46,925
<u>Accumulated depreciation and impairment</u>				
Machinery and equipment	16,621	1,545	(7)	18,159
Furniture and fixtures	4,167	871	(54)	4,984
Other facilities	11,091	3,394	(958)	13,527
Subtotal	31,879	\$ 5,810	\$ (1,019)	36,670
Net	\$ 8,029			\$ 10,255

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	<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>

## 12. Lease Agreement

### (1) Right-of-use assets

For the Year Ended December 31, 2022

Item	Balance, Beginning of year	Additions	Disposals	Balance, End of year
<u>Cost</u>				
Buildings	\$ 67,786	\$ 34	\$ —	\$ 67,820
Transportation equipment	4,443	4,929	(4,443)	4,929
Subtotal	<u>72,229</u>	<u>4,963</u>	<u>(4,443)</u>	<u>72,749</u>
<u>Accumulated depreciation and impairment</u>				
Buildings	37,759	17,166	—	54,925
Transportation equipment	3,579	1,504	(4,398)	685
Subtotal	<u>41,338</u>	<u>\$ 18,670</u>	<u>\$ (4,398)</u>	<u>55,610</u>
Net	<u>\$ 30,891</u>			<u>\$ 17,139</u>

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	<u>72,229</u>	<u>—</u>	<u>—</u>	<u>72,229</u>
<u>Accumulated depreciation and impairment</u>				
Buildings	20,600	17,159	—	37,759
Transportation equipment	2,098	1,481	—	3,579
Subtotal	<u>22,698</u>	<u>\$ 18,640</u>	<u>\$ —</u>	<u>41,338</u>
Net	<u>\$ 49,531</u>			<u>\$ 30,891</u>

(2) Lease liabilities

	December 31, 2022	December 31, 2021
Current	\$ 14,366	\$ 18,256
Non-current	\$ 2,640	\$ 12,717

Discount rate for lease liabilities was 1.6%~2.1%.

(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 2022 to 2025. 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, 2022	For the Year Ended December 31, 2021
Expenses relating to short-term leases	\$ 8	\$ 8
Expenses relating to low-value asset leases	\$ 114	\$ 114
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ —	\$ —
Total cash outflow for leases	\$ (19,007)	\$ (18,706)

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, 2022 and 2021 is \$117 thousand and \$231 thousand, respectively.

### 13. INTANGIBLE ASSETS

Item	For the Year Ended December 31, 2022			
	Balance, Beginning of year	Additions	Disposals	Balance, End of year
<u>Cost</u>				
Trademarks	\$ 315	\$ 364	\$ —	\$ 679
Patents	1,583	151	—	1,734
Computer software	11,559	480	(545)	11,494
Subtotal	13,457	995	(545)	13,907
<u>Accumulated amortization and impairment</u>				
Trademarks	24	52	—	76
Patents	670	234	—	904
Computer software	9,972	1,173	(545)	10,600
Subtotal	10,666	\$ 1,459	\$ (545)	11,580
Net	\$ 2,791			\$ 2,327

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

### 14. NOTES PAYABLE AND ACCOUNTS PAYABLE

	December 31, 2022	December 31, 2021
Notes payable	\$ 71,367	\$ 60,330
Accounts payable	106,841	91,079
Total	\$ 178,208	\$ 151,409
Current	\$ 178,208	\$ 151,409

(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, 2022</u>	<u>December 31, 2021</u>
Salary and wages payable	\$ 23,887	\$ 18,148
Employee Bonus payable	34,820	25,469
Compensation due to directors	8,705	6,367
Advertising payable	4,047	3,937
Export fee payable	3,767	3,941
Other accrued expenses	6,842	6,087
Payable for annual leave	2,439	3,605
Total	<u>\$ 84,507</u>	<u>\$ 67,554</u>
Current	<u>\$ 84,507</u>	<u>\$ 67,554</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 \$5,569 thousand and \$5,235 thousand in the parent company only statements of comprehensive income for the years ended December 31, 2022 and 2021, 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:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	\$ 17,077	\$ 18,343
Fair value of plan assets	(13,302)	(12,400)
Net defined benefit liability	\$ 3,775	\$ 5,943

a. 2022

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liabilities
Balance at January 1,	\$ 18,343	\$ (12,400)	\$ 5,943
Current service cost	—	—	—
Net interest expense (income)	126	(86)	40
Recognized in profit or loss	126	(86)	40
Remeasurement			
Experience adjustments	(130)	—	(130)
Changes in demographic assumptions	—	—	—
Changes in financial assumptions	(753)	—	(753)
Return on plan assets	—	(959)	(959)
Recognized in other comprehensive loss (income)	(883)	(959)	(1,842)
Contributions from the employer	—	(366)	(366)
Paid pension	(509)	509	—
Balance at December 31	\$ 17,077	\$ (13,302)	\$ 3,775

The Company's planned asset type is bank deposits.

- 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	2022	Difference	
			Amount	%
Current asset	1,720,045	1,956,216	236,171	13.73%
Property, Plant and Equipment	8,029	10,255	2,226	27.72%
Intangible asset	2,791	2,327	(464)	(16.62%)
Other assets	43,737	26,117	(17,620)	(40.29%)
<b>Total assets</b>	1,774,602	1,994,915	220,313	12.41%
Current liabilities	350,814	437,367	86,553	24.67%
non-current liabilities	18,724	6,502	(12,222)	(65.27%)
<b>Total liabilities</b>	369,538	443,869	74,331	20.11%
Share capital	625,010	625,010	0	0.00%
Additional paid-in capital	11,202	11,202	0	0.00%
Retained earnings	768,852	914,834	145,982	18.99%
<b>Total shareholders' equity</b>	1,405,064	1,551,046	145,982	10.39%

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 in other Assets and non-current liabilities: As the current three-year lease contract expires in 2023, the leased assets and lease liabilities decrease simultaneously.

Increase in current liabilities: The increase in payables was due to the increased purchases in the current period. Meanwhile, the growth of operating revenue resulted in an increase in income tax payable.

b. 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	<u>\$ 18,343</u>	<u>\$ (12,400)</u>	<u>\$ 5,943</u>

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	
	2022	2021
Operating costs	\$ 7	\$ 3
Selling expenses	10	5
Administrative expenses	6	3
Research and development expenses	17	8
Total	<u>\$ 40</u>	<u>\$ 19</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	
	2022	2021
Discount rate	1.25%	0.70%
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	
	2022	2021
Discount rate		
0.25% increase	\$ (324)	\$ (395)
0.25% decrease	335	409
Expected rate of salary increase		
0.25% increase	329	399
0.25% decrease	(319)	(387)

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, 2023 are \$356 thousand.

(F) As of December 31, 2022, the weighted average duration of that retirement plan is 7 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$	4,152
2 to 5 years		3,700
Over 6 years		10,963
	\$	<u>18,815</u>

## 17. EQUITY

### (1) Capital stock

	<u>December 31, 2022</u>	<u>December 31, 2021</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 \$10 per share is entitled to vote and to receive dividends.

### (2) Capital surplus

	<u>December 31, 2022</u>	<u>December 31, 2021</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 earnings distribution is handled according to Article 20 of the Articles of Association. The shareholder dividends are based on the principle of balanced distribution between stock and cash dividends. The board of directors proposes to set aside from the distributable surplus the dividends to be distributed, with the amount of the distribution no less than 30% of the distributable surplus in the current year, and distributed according to the Company's Articles of Incorporation. Stock dividends have the priority in order to retain the required funds, and the remaining surplus is to be distributed in the form of cash dividends; however, the proportion of cash dividends shall not be less than 10% of the total dividends. In accordance with Article 241 of the Company Act, Company distributes its legal reserve and the following capital reserve, in whole or in part, by issuing new shares which shall be distributable as dividend shares to its original shareholders in proportion to the number of shares being held by each of them or by cash, after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

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

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

(E) The Company's 2022 surplus earnings 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 2021 and 2020, were approved in the regular meeting of shareholders on May 27, 2022 and August 5, 2021. The actual allocation of earnings 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\$)	
	2021	2020	2021	2020
Legal reserve	\$ 32,118	\$ 27,007		
Cash dividends	293,755	250,004	4.7	4
Total	\$ 325,873	\$ 277,011		

## 18. OPERATING REVENUE

	For the Year Ended December 31	
	2022	2021
Net revenue from sale of goods	\$ 1,720,031	\$ 1,427,097

### (1) Breakdown of revenue from contracts with customers

	For the Year Ended December 31	
	2022	2021
Europe	\$ 766,130	\$ 647,410
America	415,029	351,463
Asia	313,288	256,818
Others	225,584	171,406
Total	\$ 1,720,031	\$ 1,427,097

### (2) Contract liabilities

	For the Year Ended December 31	
	2022	2021
Contract liabilities-advance sales receipts	\$ 53,648	\$ 33,899

For the year ended December 31, 2022 and 2021, the Company recognized \$25,891 thousand and \$14,121 thousand in revenue from the beginning balance of contract liability, respectively.

## 19. INTEREST INCOME

	For the Year Ended December 31	
	2022	2021
Interest income from bank deposits	\$ 10,564	\$ 5,398

## 20. OTHER INCOME

	For the Year Ended December 31	
	2022	2021
Rent income	\$ 86	\$ 86
Other income, others	6,454	8,094
Total	\$ 6,540	\$ 8,180

## 21. OTHER GAINS AND LOSSES

	For the Year Ended December 31	
	2022	2021
Gains on disposal of property, plant and equipment	\$ 401	\$ 388
Foreign exchange gains (losses)	5,729	(3,421)
Gains on financial assets at fair value through profit or loss	53	18
Share of loss (profit) of associates and joint ventures accounted for using equity method	318	(117)
Total	<u>\$ 6,501</u>	<u>\$ (3,132)</u>

## 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	
	2022	2021
Tax calculated based on profit before tax and statutory tax rate	\$ 107,362	\$ 78,529
Effect from items disallowed by tax regulation	(374)	189
Change in deferred income tax	—	—
Effect from investment tax credits	(7,217)	(4,744)
Tax on undistributed earnings	—	—
Tax expenses	<u>\$ 99,771</u>	<u>\$ 73,974</u>

(B) Income tax expense consisted of the following:

	For the Year Ended December 31	
	2022	2021
Tax expenses	\$ 99,771	\$ 73,974
Net change in deferred income tax	2,926	364
Adjustments of prior year to income tax	(4,149)	(2,840)
Income tax expense recognized in profit or loss	<u>\$ 98,548</u>	<u>\$ 71,498</u>

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

Deferred tax

	For the Year Ended December 31	
	2022	2021
Remeasurements of defined benefit obligations	\$ (368)	\$ (7)

(3) Deferred tax

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

	December 31, 2022	December 31, 2021
Deferred tax assets		
Defined benefit liabilities	\$ 387	\$ 1,181
Advertisement expense	809	788
Unrealized investment loss	—	2,265
Unrealized impairment loss	186	186
Inventory valuation losses	736	736
Unrealized employee vacation payable	488	721
Total	\$ 2,606	\$ 5,877
Deferred tax liabilities		
Unrealized exchange gain	\$ 87	\$ 64

For the Year Ended December 31, 2022

	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	\$ 1,181	\$ (433)	\$ (361)	\$ —	\$ 387
Advertisement expense	788	21	—	—	809
Unrealized investment loss	2,265	(2,265)	—	—	—
Unrealized impairment loss	186	—	—	—	186
Inventory valuation losses	736	—	—	—	736
Unrealized employee vacation payable	721	(233)	—	—	488
Total	\$ 5,877	\$ (2,910)	\$ (361)	\$ —	\$ 2,606
Deferred tax liabilities					
Unrealized exchange gain	\$ (64)	\$ (23)	\$ —	\$ —	\$ (87)

	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	\$ 6,221	\$ (337)	\$ (7)	\$ —	\$ 5,877
Deferred tax liabilities					
Unrealized exchange gain	\$ (37)	\$ (27)	\$ —	\$ —	\$ (64)

(B) Items for which deferred tax assets haven't been recognized: None.

(4) Unappropriated retained earnings:

	December 31, 2022	December 31, 2021
1998 to 2009	\$ 32,002	\$ 32,002
after 2010	448,382	334,518
Total	\$ 480,384	\$ 366,520

(5) Income tax assessments

The Company's income tax returns through 2020 have been assessed by the tax authorities.

## 23. EARNINGS PER SHARE

	For the Year Ended December 31	
	2022	2021
Basic EPS(NT\$)	\$ 7.01	\$ 5.14
Diluted EPS(NT\$)	\$ 6.96	\$ 5.10



(1) Basic earnings per share

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

	For the Year Ended December 31	
	2022	2021
Profit attributable to ordinary shareholders of the parent (in thousand)	\$ 438,263	\$ 321,150
Weighted average number of ordinary shares outstanding (in thousand shares)	62,501	62,501
Basic EPS (NT\$)	\$ 7.01	\$ 5.14

(2) Diluted earnings per share

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

	For the Year Ended December 31	
	2022	2021
Profit attributable to ordinary shareholders of the parent (in thousand)	\$ 438,263	\$ 321,150
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)	440	437
Weighted average number of dilutive ordinary shares outstanding (in thousand shares)	62,941	62,938
Diluted EPS(NT\$)	\$ 6.96	\$ 5.10

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, 2022 and 2021:

	For the Year Ended December 31, 2022			For the Year Ended December 31, 2021		
	Classified as operating cost	Classified as operating expenses	Total	Classified as operating cost	Classified as operating expenses	Total
Employee benefits	\$ 31,388	\$ 144,562	\$ 175,950	\$ 27,668	\$ 127,024	\$ 154,692
Payroll expense	26,625	117,729	144,354	23,148	103,893	127,041
Insurance expense	2,461	9,489	11,950	2,296	8,700	10,996
Pension	1,093	4,516	5,609	1,057	4,197	5,254
Board compensation	—	8,805	8,805	—	6,439	6,439
Others	1,209	4,023	5,232	1,167	3,795	4,962
Depreciation	5,306	19,174	24,480	5,031	18,170	23,201
Amortization	—	1,459	1,459	—	1,636	1,636

(1) As of December 31, 2022 and 2021, the Company had 160 and 155 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 2022 and 2021, the allowance for average employee benefits were \$1,071 thousand and \$982 thousand, respectively.

B. In 2022 and 2021, the allowance for average employee payroll expense were \$925 thousand and \$841 thousand, respectively.

C. The change in the average employee's payroll was 10%.

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, 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 and directors of each period. 6% is applied to employee's compensation, and 1.5% is applied to director's remuneration that were expensed under operating costs or operating expenses during 2022 and 2021.

The estimated amounts are as follows:

	For the Year Ended December 31	
	2022	2021
Employees' compensation	\$ 34,820	\$ 25,469
Remuneration to directors	8,705	6,367

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 2021 and 2020 employee's compensation and director's remuneration were respectively resolved in the board meeting on February 24, 2022 and March 11, 2021 as follows:

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

There is no difference between the 2021 and 2020 employee's compensation and director's remuneration and the Company's 2021 and 2020 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, 2022</u>	<u>December 31, 2021</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	\$ 10,811	\$ 10,758
Amortised cost		
Cash and cash equivalents	1,564,570	1,379,158
Notes and accounts receivable	109,390	106,436
Other receivables	9,483	7,364
Guarantee deposits paid	6,308	6,136
Total	<u>\$ 1,700,562</u>	<u>\$ 1,509,852</u>
<u>Financial liabilities</u>		
Amortized cost		
Notes and accounts payable	\$ 178,208	\$ 151,409
Other payables	84,507	67,554
Lease liabilities	17,006	30,973
Total	<u>\$ 279,721</u>	<u>\$ 249,936</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, 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, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Funds	\$ 10,811	\$ —	\$ —	\$ 10,811
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	\$ —	\$ —	\$ —	\$ —
	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	\$ —	\$ —	\$ —	\$ —

For the years ended December 31, 2022 and 2021, 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, 2022 and 2021, 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, 2022				
	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	\$ 3,893	30.71	\$ 119,716	\$ 1,197
EUR	200	32.72	6,536	65
<u>Non-monetary items</u>				
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	2,201	30.71	68,497	685
<u>Non-monetary items</u>				
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>				

(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, 2022 and 2021 would increase or decrease \$3,828 thousand and \$3,379 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, 2022 and 2021, the income would have increased /decreased by \$541 thousand and \$538 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, 2022 and 2021, the Company's top ten customers accounted for 38.29% and 51.11% 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, 2022			
	Less Than 1 year	1-5 year	Over 5 year	Total
<u>Non-derivative financial liabilities</u>				
Notes and accounts payable	\$ 178,202	\$ —	\$ 6	\$ 178,208
Other payables	84,507	—	—	84,507
Lease liabilities	14,503	2,682	—	17,185
Subtotal	277,212	2,682	6	279,900
<u>Derivative financial liabilities</u>				
	—	—	—	—
Total	\$ 277,212	\$ 2,682	\$ 6	\$ 279,900

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

## 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	
	2022	2021
Short-term benefits	\$ 16,192	\$ 12,877
Post-employment benefits	86	112
Total	<u>\$ 16,278</u>	<u>\$ 12,989</u>

(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 2022 surplus earnings 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	
	2022	2021
Purchase of property ,plant and equipment	\$ 8,155	\$ 5,045
Add : Beginning balance of payable for equipment	232	60
Less : Ending balance of payable for equipment	(199)	(232)
Cash paid during the period	<u>\$ 8,188</u>	<u>\$ 4,873</u>

### 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

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Amount in Thousands of New Taiwan Dollars				Note
				December 31, 2022	December 31, 2022	December 31, 2022	December 31, 2022	
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	
Planet Technology Corporation	Money market fund	—	Current financial assets at fair value through profit or loss	218,437.60	\$ 3,195	—	\$ 3,195	Note 1
	" Yuanta Wan Tai Money Market Fund	—	"	210,029.60	3,228	—	3,228	"
	" Eastspring Investments Well Pool Money Market Fund	—	"	317,883.00	4,388	—	4,388	"
	Stock PLANET INTERNATIONAL INC.	Invested companies evaluated by equity method	Investments accounted for using equity method	100,000.00	3,246	100.00	3,246	
	" ESSENCE TECHNOLOGY SOLUTION INC.	—	Non-current financial assets at fair value through profit or loss	42,000.00	—	1.56	—	

Note 1: The market price is the net value of December 31, 2022.

TABLE 2

INFORMATION ON INVESTEES

Amount in Thousands of New Taiwan Dollars, United States Dollars

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment		Balance as of December 31, 2022			Net Income (Losses) of the Investee	Shares of Profits/Losses of Investee	Notes
				December 31, 2022	December 31, 2021	Shares	Percentage of ownership	Carrying value			
Planet Technology Corporation	PLANET INTERNATIONAL INC.	Samoa	International trade business	US\$ 100,000	US\$ 100,000	100,000	100%	\$ 3,246	\$ 318	318 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, 2022.

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, 2022

Item	Description	Amount
Cash on hand		\$ 182
Savings accounts	Included USD 358,741.82	33,388
	EUR 199,723.77	
	CNY 13,343.07	
Time deposits		1,531,000
Total		\$ 1,564,570

Exchange rate : USD \$1 = NT\$ 30.71

EUR\$1 = NT\$ 32.72

CNY\$1 = NT\$ 4.408

STATEMENT OF CURRENT FINANCIAL ASSETS AT FAIR VALUE  
THROUGH PROFIT OR LOSS

DECEMBER 31, 2022

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	14.6273	\$ 3,195	
Yuanta Wan Tai Money Market Fund	"	210,029.6	—	3,000	—	3,000	15.3695	3,228	
Eastspring Investments Well Pool Money Market Fund	"	317,883	—	4,093	—	4,093	13.8039	4,388	
Subtotal		746,350.2		\$ 10,087	—	\$ 10,087		\$ 10,811	
Add: valuation adjustment						724			
Total						\$ 10,811			

STATEMENT OF ACCOUNTS RECEIVABLE

DECEMBER 31, 2022

Client Name	Description	Amount	Note
Client A		\$ 12,763	
Client B		7,683	
Client C		6,851	
Client D		5,753	
Others	The amount of individual item in others does not exceed 5% of the account balance	76,448	
Total		109,498	
Less: Loss allowance		(108)	
Net		\$ 109,390	

STATEMENT OF OTHER RECEIVABLES

DECEMBER 31, 2022

Item	Description	Amount	Note
Tax refund receivable		\$ 8,997	
Interest receivable		486	
Total		\$ 9,483	

STATEMENT OF INVENTORIES

DECEMBER 31, 2022

Item	Description	Cost	Net Realizable Value	Note
Raw material		\$ 72,884	\$ 72,617	
Work in process		49,425	85,799	
Finished goods		131,627	228,496	
Total		253,936	\$ 386,912	
Less: The allowance for inventory devaluation losses		(3,679)		
Net		\$ 250,257		

STATEMENT OF PREPAYMENTS

DECEMBER 31, 2022

Item	Description	Amount	Note
Prepaid rents		\$ 669	
Prepaid insurance premiums		2,070	
Others		5,673	
Total		\$ 8,412	

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

FOR THE YEAR ENDED DECEMBER 31, 2022

Name of Securities	As of January 1, 2022		Additions		Decrease		As of December 31, 2022		Fair value / Net assets value		Collateral	Note
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Unit Price (NT\$)	Amount		
PLANET INTERNATIONAL INC.	100,000	\$ 2,928	—	\$ 318	—	—	100,000	3,246	—	3,246	—	Note

Note : Including investment gain recognized under equity method amount to \$318 thousand .

STATEMENT OF CONTRACT LIABILITIES

DECEMBER 31, 2022

Item	Description	Amount	Note
ClientM		\$ 7,017	
ClientN		6,575	
Client O		5,801	
Client P		3,262	
Client Q		2,968	
Client R		2,843	
Others	The amount of individual item in others does not exceed 5% of the account balance	25,182	
Total		\$ 53,648	

STATEMENT OF NOTES PAYABLE

DECEMBER 31, 2022

Item	Description	Amount	Note
Vendor E		\$ 5,835	
Vendor F		4,389	
Vendor G		4,080	
Vendor H		4,025	
Vendor I		3,831	
Others	The amount of individual item in others does not exceed 5% of the account balance	49,207	
Total		\$ 71,367	

STATEMENT OF ACCOUNTS PAYABLE

DECEMBER 31, 2022

Item	Description	Amount	Note
Third Parties			
Vendor J		\$ 16,618	
Vendor K		11,822	
Vendor L		9,029	
Others	The amount of individual item in others does not exceed 5% of the account balance	69,372	
Total		\$ 106,841	

STATEMENT OF CURRENT LIABILITIES

DECEMBER 31, 2022

Item	Description	Amount	Note
Temporary credits		\$ 328	
Receipts under custody	Employees' payroll taxes, labor insurance and health insurance	1,763	
Total		\$ 2,091	

STATEMENT OF NET OPERATING REVENUE

FOR THE YEAR ENDED DECEMBER 31, 2022

Item	Amount	Note
Sales revenue	\$ 1,720,940	
Less: Sales returns	(850)	
Sales discounts and allowances	(59)	
Net operating revenue	\$ 1,720,031	



STATEMENT OF OPERATING COSTS

FOR THE YEAR ENDED DECEMBER 31, 2022

Item	Amount	
	Subtotal	Total
Raw material		\$ 890,752
Balance, beginning of year	\$ 64,625	
Add: raw material purchased	903,655	
Gain on physical inventory	75	
Less: transferred to manufacturing operating expenses	(2,179)	
Cost of goods sold-by-product	(2,540)	
Raw material, end of year	(72,884)	
Direct labor		18,588
Manufacturing expenses		118,065
Manufacturing cost		1,027,405
Add: work in process, beginning of year		47,162
Less: work in process, end of year		(49,425)
Cost of finished goods		1,025,142
Add: finished goods, beginning of year		98,473
Less: finished goods, end of year		(131,627)
Add: Cost of goods sold-by-product		2,540
Less: other		(75)
Total		\$ 994,453

STATEMENT OF MANUFACTURING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2022

Item	Description	Amount	Note
Wages and salaries		\$ 9,837	
Depreciation		5,306	
Processing cost		97,023	
Others expense	The amount of individual item in others does not exceed 5% of the account balance	5,899	
Total		\$ 118,065	

STATEMENT OF SELLING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2022

Item	Description	Amount	Note
Wages and salaries		\$ 35,702	
Advertisement expense		7,729	
Insurance expense		5,580	
Depreciation		7,754	
Export expense		6,718	
Others expense	The amount of individual item in others does not exceed 5% of the account balance	10,446	
Total		\$ 73,929	

STATEMENT OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2022

Item	Description	Amount	Note
Wages and salaries		\$ 33,614	
Depreciation		4,063	
Professional service		5,238	
Others expense	The amount of individual item in others does not exceed 5% of the account balance	7,634	
Total		\$ 50,549	

STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2022

Item	Description	Amount	Note
Wages and salaries		\$ 62,209	
Depreciation		7,357	
Insurance expense		4,783	
Others expense	The amount of individual item in others does not exceed 5% of the account balance	13,164	
Total		\$ 87,513	

- 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	2022	Difference	
			Amount	%
Current asset	1,720,045	1,956,216	236,171	13.73%
Property, Plant and Equipment	8,029	10,255	2,226	27.72%
Intangible asset	2,791	2,327	(464)	(16.62%)
Other assets	43,737	26,117	(17,620)	(40.29%)
<b>Total assets</b>	1,774,602	1,994,915	220,313	12.41%
Current liabilities	350,814	437,367	86,553	24.67%
non-current liabilities	18,724	6,502	(12,222)	(65.27%)
<b>Total liabilities</b>	369,538	443,869	74,331	20.11%
Share capital	625,010	625,010	0	0.00%
Additional paid-in capital	11,202	11,202	0	0.00%
Retained earnings	768,852	914,834	145,982	18.99%
<b>Total shareholders' equity</b>	1,405,064	1,551,046	145,982	10.39%

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 in other Assets and non-current liabilities: As the current three-year lease contract expires in 2023, the leased assets and lease liabilities decrease simultaneously.

Increase in current liabilities: The increase in payables was due to the increased purchases in the current period. Meanwhile, the growth of operating revenue resulted in an increase in income tax payable.

## 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

Item \ Year	2021	2022	Amount changed	Change (%)
Net operating revenue	1,427,097	1,720,031	292,934	20.53%
Net operating profit	382,809	513,554	130,745	34.15%
Pre-tax net profit	392,648	536,811	144,163	36.72%
The Company's operating revenue in 2022 increased compared with that in 2021, so its net operating profit and pre-tax net profit 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:

Item \ Year	2021	2022	Increase and Decrease Ratio
Cash flow ratio	105.51%	113.43%	7.51%
Cash flow adequacy ratio	116.28%	124.45%	7.03%
Cash flow reinvestment ratio	8.27%	12.71%	53.69%
Analysis of increase and decrease in ratios: 1. Increase in cash flow ratio, cash flow adequacy ratio and cash reinvested ratio: Mainly due to the increase in net cash flow from operating activities resulted from the increase in revenue in 2022.			

(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: In order to reduce the serious impact of the epidemic on the economy, various countries have increased their financial spending and offering unprecedentedly easy monetary policy to promote the financial liquidity, which combine both the monetary and the financial policies and are adopted to stabilize the economic fundamentals of each country. Interest changes in our country are relatively stable compared with the others and the Company has no external borrowings, so the increase of interest rates will not affect the profit and loss of the Company. Interest rate risk mainly results from floating CD investment. In order to effectively reduce the risk of the interest decrease of each bank, the Company selects public banks and high-quality financial institutions to get along with, and maintains good and close relationships with the banks to obtain more favorable interest rates and higher return rate with low risks. 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 3,835,000 and NTD 3,835,000 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.

In 2022, the fluctuation in exchange rate is not drastic, the Company's exchange gain was NTD 6,050,000. The risk of exchange rate fluctuations was still under control, and response measures were 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 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 2022.
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 R&D Costs

Takes IP (Internet Protocol) as the core of its product development technology, PLANET has developed a full range of network equipment to meet the needs of network infrastructure at all levels. To adapt to the multiple applications of Internet of Things, industrial Internet of Things and Internet of vehicles, the Company's product R&D focuses on intelligent management, green energy saving, stable and safe communication transmission designs, which can improve the network communication efficiency for enterprises, telecommunications, home automation network, public digital network, and even intelligent transportation, intelligent manufacturing, intelligent factories and other harsh industrial environment. Every week, the Company's R&D personnel exchange product information and adjust the direction of product development at any time through the product development meetings.

The R&D plans are as follows:

1. To carry out comprehensive development of independent control system platform and management platform, and to build core structure of network management, with the aim to strengthen the flexibility of the Company's product development, reduce the impacts and risks of upstream and downstream industries or international trade on

- supply chain, thus to lay a solid foundation for the Company's sustainable growth.
2. To develop industrial and commercial high port 10G products and time sensitive network switching equipment, and to provide medium and large enterprises, telecommunications, cloud data centers or even smart transportation, smart city and other public constructions with infrastructure for future bandwidth expansion and next generation network construction.
  3. 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.
  4. To strengthen and implement information security capabilities by constructing relevant IT/OT network information security equipment based on IEC 62443 information security platform, and integrating a comprehensive protection system based on IEC 62443 structure.
  5. To adapt to the multiple applications of wireless networks above 5G, PLANET will develop related products such as 5G commercial, industrial, vehicle routers, wireless, Ethernet power supply, low power WAN Internet of Things and other devices to provide IoT terminal device connectivity, combined with edge computing and cloud management.
  6. In the face of the growing network connection devices, PLANET will continue to invest in the development of intelligent Central Management Platform featured with differentiation, friendly management interface, and mobile management design.

It is estimated that R&D expenses will account for 5.5%~7.5% of revenue in 2023.

- (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 impact of technological changes (including information and communication security risks) and industrial changes on the Company's finance and business operations, and the response measures:

PLANET constantly collects and analyzes the market information and technological changes related to its products in order to minimize the impact brought by technological changes. At the same time, the Company is actively engaged in the



development of new products to innovate digital network transmission technology and equipment continuously. With the principle of green R&D and its thorough understanding of the market needs for intelligent network applications, the Company is committed to the innovation and development of high-quality, high value-added network communication equipment and solutions. The main products include intelligent central network management platform, industrial network equipment, automation control equipment, Ethernet power supply (PoE), switches, fiber broadband network equipment, wireless network, network security monitoring equipment, network voice solutions, information security network equipment, home automation system, etc. These products help people build sustainable, energy efficient, and humanely-managed enterprise networks and IoT/IIoT/IOV smart network infrastructures to ensure stable revenues and profits. In the most recent year and up to the date of publication of the annual report, technological changes and industrial changes have not had a significant impact on the Company's finance and business operations. The Company has also established a complete information security management system to ensure the information security of its activities and services and to avoid relevant impacts on the Company. For information security risk management, please refer to 6.Information and Communication Security Management on page 191 ~ page193. In the most recent year and up to the publication date of the annual report, the Company has had no major information security incidents.

(VI) The impact of corporate image change on corporate crisis management, and the response measures:

The Company takes "altruism" as the starting point and upholds the principles of integrity and excellence, mutual benefits, innovation and sustainability, which are also the important DNA of the Company's corporate culture.

In 2022, the consolidated revenue of the Company exceeded NTD 1.7 billion, the gross profit rate was 42%, and the after-tax EPS was NTD 7.01, all of which set the best performance in the Company's 20-year OTC listing. In 2022, the Company was once again ranked No. 1 among the mittelstand companies in the "Excellence in Corporate Social Responsibility Award", being listed in the top 100 for the award for 16 consecutive years. In the same year, the Company also received a number of other honors, such as being ranked among the top 5% of TPEX-listed companies in the 8th (2022) "Corporate Governance Evaluation" for the 5<sup>th</sup> time, the "2022 Taiwan Corporate Sustainability Award", with a "Golden Award" for the Sustainability Report, and the "Taiwan i Sports 2022 Certification". These honors and achievements have

further enhanced PLANET's brand value and laid a solid foundation for the Company's sustainable development.

- (VII) Estimated benefits, potential risks and response measures for M & A: The Company has no M & A plans.
- (VIII) Expected benefits and possible risks of plant building expansion, and countermeasures: The current plant building has been leased for 26 years, and the Company has established a long-term partnership with the landlord, so there is no concern about the plant building.
- (IX) Risk of concentration in purchasing or selling of goods, and countermeasures: The Company actively diversifies the suppliers and customers. The top ten suppliers and customers only account for less than 40% of the Company's purchasing and selling. Therefore, the Company has fully diversified the risks, so the Company does not have risk of concentration.
- (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 impacts of the change of management right on the Company, the risks and countermeasures: The Company's ownership structure is stable, and all the senior executives have been in service for more than ten years, so there is no risk of change in management right. In addition, the shareholding status of directors, managers and major shareholders are reviewed by the Company on a monthly basis and reported on the Market Observation Post System.
- (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 key risks and countermeasures:  
Information security risk assessment and countermeasures:  
1. PLANET's Information and Communication Security Management Office has five staff, responsible for hardware and software development and monitoring of information security. The Company's information security policy includes prevention of computer virus intrusion, prevention of hacker intrusion, prevention of information

leakage, internal audit operations, etc. At the end of each year, the Information and Communication Security Management Office will assess the information security risks and propose the information management plan for the next year to meet the needs of operation and information security.

2. PLANET evaluates its information security management system at least once a year, and re-evaluates it when there is a major change in the Company. The evaluation results are presented at the management review meetings and revised as appropriate to control and mitigate risks related to information security.
3. PLANET attaches great importance to information security management. On December 21, 2022, the implementation status of information security management was reported to the Board of Directors, and in December 2022, the Company participated in the "Information Security Liability Insurance" with an insurance period from January 1, 2024 to January 1, 2025, with the aim to obtain an overall information security protection for the Company
4. The information security policy and management measures are as follows:
  - 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 determines 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 determines 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.

- In December 2021, the Company introduced the ISO 27001. In accordance with the ISO 27001 international standards, the Company has established information security objectives to avoid the improper use, leakage, tampering and destruction of information caused by human negligence, natural disasters and other factors, which may bring various potential risks and hazards to the Company. The Company obtained the ISO 27001:2013 Information Security Management System certification in May 2022.

In 2022, the Company did not have any major incidents affecting the operations of the Company and infringing on the privacy of customers.

- Internal audit: to strictly implement the measures related to the information security, the internal audit includes 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 2022, no abnormality has been found. The outcome has been reported to the Board of Directors.

## 2. Organization and Operation of Risk Management

On December 22, 2020, the Company set up its Risk Management Committee, a functional committee under the Board, in order to reduce its operational risks and implement corporate governance. The Risk Management Committee, responsible for implementing risk management, has three members, including two independent directors and the Chief Operating Officer, among whom the convenor of the committee, Huang, Hsin Hsien, has legal expertise and possesses the professional competence required by the committee. To implement Corporate Governance 3.0, the Company compiled its 2022 TCFD report to disclose the financial impacts posed by climate-related risks and opportunities. The Company holds at least two Risk

Management Committee meetings every year to review various policies and implementation status and submit them to the Board of Directors. At the same time, risk monitoring is carried out by the Audit Office to ensure the effectiveness of risk management. The term of office of the members of the Risk Management Committee is the same with the term of office of the Board of Directors, which appoints the Risk Management Committee.

On December 21, 2022, in accordance with the "Risk Management Best-Practice Principles for TWSE/TPEX Listed Companies", PLANET renamed the "Regulations of Risk Management Committee" into "Organizational Procedures of Risk Management Committee" and revised the regulations and added the "Risk Management Policies and Procedures" to strengthen the Company's risk management and improve its crisis response ability, so as to achieve the goal of risk control and lay a solid foundation for the sustainable operation of the Company.

The Company has established the "Internal Control System", the "Implementation Rules for Internal Audit", the "Organizational Procedures of Risk Management Committee" and the "Risk Management Policies and Procedures", and the amendments of these regulations are subject to the approval of the Board of Directors. The Company also has an Audit Office, which is directly responsible for the Board of Directors and assists the Board and management to supervise various internal systems and procedures. The Audit Office implements annual audit plans to ensure the effectiveness of internal control systems, the reliability of financial reporting and compliance with relevant laws and regulations, and provides recommendations for improvement when appropriate.

#### 1. Risk Management Policies and Procedures

The Company has established its risk management policies and procedures appropriately after considering the overall size, business characteristics, risk nature and operational activities of the Company and its subsidiaries. The policies and procedures cover the following aspects:

- Risk management objectives
- Risk governance and culture
- Risk management organizational structure and responsibilities
- Risk management procedures
- Risk reporting and disclosure

#### 2. Risk Management Organizational Structure and Responsibilities

Responsible Unit	Responsibilities
Board of Directors	<ul style="list-style-type: none"> <li>● Approve risk management policies, procedures and structures</li> <li>● Ensure that operational strategies are consistent with risk management policy</li> <li>● Ensure that appropriate risk management mechanisms and risk management culture are in place</li> <li>● Monitor and ensure the effective operation of the overall risk management mechanism</li> </ul>
Risk Management Committee	<ul style="list-style-type: none"> <li>● Review risk management policies, procedures and structures, and periodically review their applicability and effectiveness of implementation</li> <li>● Verify risk appetite (risk tolerance) and guide resource allocation</li> <li>● Ensure that the risk management mechanism adequately addresses the risks faced by the Company and is integrated into the daily operational processes.</li> <li>● Verify the priority of risk control and risk levels</li> <li>● Review the implementation of risk management, make necessary recommendations for improvement, and report to the Board regularly (at least once a year)</li> <li>● Execute risk management decisions of the Board</li> </ul>
Operating Unit	<ul style="list-style-type: none"> <li>● Responsible for the risk identification, analysis, evaluation and response of the unit, and establish the relevant crisis management mechanism when necessary</li> <li>● Develop risk appetite (risk tolerance) and establish qualitative and quantitative measurement standards</li> <li>● Regularly compile and submit the Company's risk management performance report</li> <li>● Ensure that the risk management and related control procedures are implemented effectively in accordance with the risk management policy</li> </ul>

### 3. Risk Management Process

The Company's risk management process includes risk identification, risk analysis, risk assessment, risk response, risk monitoring and review, and is carried out through PDCA circle management approach.

### Risk Identification

PLANET conducts comprehensive risk analysis based on Company size, industry, business characteristics, operational activities and in consideration of the critical points in the aspects of the Company's sustainable development (including climate change). The Company analyzes and identifies the sources and categories of risks related to the Company itself, defines the its own risk categories, carries out detailed risk identification for each risk category, and regularly reviews its applicability.

Each operating unit, in accordance with the Company's strategic objectives and risk management policies and procedures approved by the Board of Directors, conducts risk identification to the short-, medium- and long-term objectives and business operations of the unit.

PLANET may adopt various analytical tools and methods for risk identification. The Company may take into account past experience and information, internal and external risk factors, stakeholder concerns, etc., and then carry out "bottom-up" and "top-down" analysis and discussion, combined with strategic risks and operational risks of the Company, to fully identify the potential risk that may lead to the failure of achieving the Company's objectives, loss or other adverse effects.

Major categories of risks: Strategic risk, operational risk, financial risk, information risk, compliance risk, integrity risk, other emerging risks (e.g., climate change or infectious disease related risks), etc.

### Risk Analysis

Risk analysis is mainly concerned with understanding the nature and characteristics of the identified risks, analyzing their probability of occurrence and degree of impact, and calculating the risk values accordingly.

Based on the completeness of the relevant existing control measures, past experience and peer cases, each operating unit should analyze the probability of occurrence and degree of impact of the identified risks, and calculate the risk values. Each operating unit should set appropriate quantitative or qualitative measurement standards as the basis for risk analysis. Qualitative measurement refers to expressing the probability of occurrence and degree of impact of the risks through written descriptions, while quantitative measurement refers to expressing the probability of occurrence and degree of impact of the risks through calculable numerical indicators.

### Risk Assessment

The Company compare the results of risk analysis with the risk appetite to decide the risks that need to be dealt with first, and use it as the basis for the subsequent selection of response measures. Each operating unit should compare the results of risk analysis with the risk appetite approved by the Risk Management Committee, and plan and implement the subsequent response measures in accordance with the level of risks.

The results of relevant risk analysis and assessment should be accurately recorded and submitted to the Risk Management Committee.

### Risk Response

The Company should formulate relevant action plans for implementing risk response measures, while ensuring that relevant personnel fully understand and implement them, and continuously monitor the implementation of relevant action plans.

PLANET considers its strategic objectives, internal and external stakeholders' views, risk appetite and available resources to determine the risk response measures, so that the risk response measures are formulated with the balance between achievement of the objectives and cost effectiveness.

### Risk Monitoring and Review

Each operating unit of the Company should monitor and review the risks in relation to its business operation, propose response measures, and report the risks and response measures to the Risk Management Committee. Relevant risk management procedures and implementation status should be recorded and reported to the Board of Directors on a regular basis.

#### 4. Risk Management Operation

The Risk Management Committee should have at least two meetings a year. In 2022, the Risk Management Committee held two meetings, on November 4 and December 19 respectively.

<b>Date of Board Meeting</b>	<b>Issues</b>	<b>Feedback of the Board</b>
November 4	Report on risk management in terms of information security	The operating team has established information & communication security policy and risk management measures in accordance with the “Guideline to Control of Information and Communication Security for TWSE/TPEX Listed Companies”, and obtained the ISO 27001



Date of Board Meeting	Issues	Feedback of the Board
		certification to ensure smooth business operations.
December 19	<ul style="list-style-type: none"> <li>• Annual risk management performance report</li> <li>• Renaming and revision of the “Regulations of Risk Management Committee”</li> <li>• Adding the “Risk Management Policies and Procedures” as supplement to the existing regulations.</li> </ul>	With adequate risk awareness, the operating team renamed the existing regulations into “Organizational Procedures of Risk Management Committee” and added the “Risk Management Policies and Procedures” as supplement in accordance with the "Risk Management Best-Practice Principles for TWSE/TPEX Listed Companies" to implement risk management.

VII. Other important disclosures: N/A.

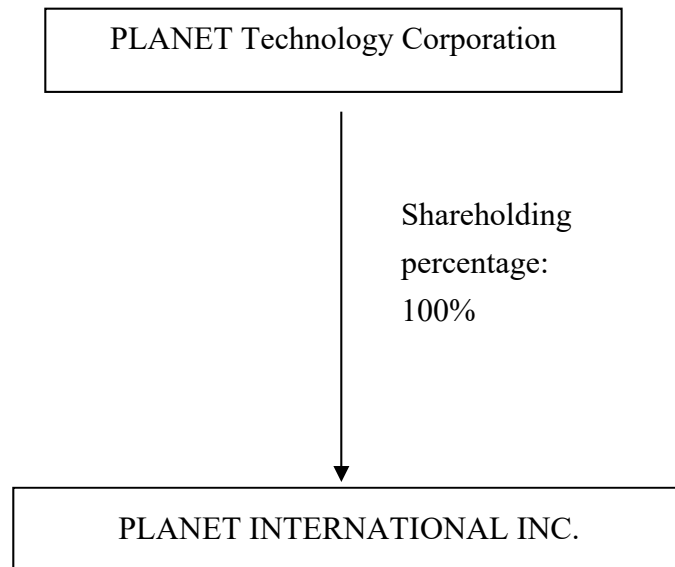
## Eight. Special notes

### I. Information on affiliate enterprises:

#### (I) Consolidated Business Report of Affiliates

##### 1. Organizational chart of affiliates

Dec. 31, 2022



##### 2. Profile of affiliated enterprises

Unit: thousand NTD Dec. 31, 2022

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.

3. Common shareholders in controlling and controlled companies: None.

4. Businesses covered by affiliated enterprises

The major business of Planet International Inc. is international trading.

Directors, supervisors, and CEO of affiliated enterprises

Dec. 31, 2022

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, 2022

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	3,246	0	3,246	0	318	318	3.18

Note: Audited and attested by CPAs

(I) Consolidated financial statements of affiliates: please refer to the consolidated financial reports of the parent Company and subsidiaries (P205~P341)

## Statement

The companies to be included by the Company in the consolidated financial statement of affiliated enterprises in 2022 (from Jan. 1, 2022 to Dec. 31, 2022) 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

February 23, 2023

- 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.