



Stock code:5263

Brogent Technologies Inc.

2024 Annual Meeting of Shareholders

Proceedings Manual

Date: Monday, May 27, 2024

Location: No. 9, Fuxing 4th Rd., Qianzhen District, Kaohsiung City, Taiwan  
(Assembly Hall, Building A, Brogent Technologies)

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**Brogent Technologies Inc.**  
**Proceedings of the 2024 Annual Meeting of Shareholders**

1) Call to Order

2) Chairperson's Remarks

3) Reports

4) Ratifications

5) Extempore Motions

6) Meeting Adjourned

# Brogent Technologies Inc.

## Agenda of the 2024 Annual Meeting of Shareholders

Meeting Type: Physical Shareholders' Meeting

Time: 9:00AM, Monday, May 27, 2024

Venue: No. 9, Fuxing 4th Road, Qianzhen District, Kaohsiung City (Assembly Hall,  
Building A, Brogent Technologies)

- 1) Call to Order (respective holding of shareholders present announced)
- 2) Chairperson's Remarks
- 3) Reports
  - (1): 2023 Business Report.
  - (2): 2023 Audit Committee Audit Report.
  - (3): To report the status of 2023 cash distribution of additional paid-in capital.
  - (4): To report the issuance status of convertible corporate bonds.
  - (5): To report the execution status of the business plan for improvement.
- 4) Ratifications
  - (1): 2023 Business Report and Financial Statements.
  - (2): 2023 Deficit Compensation Proposal.
- 5) Extempore Motions
- 6) Meeting Adjourned

## Reports

I: The 2023 Business Report is hereby submitted for review.

Explanation: Please refer to Attachment 1 on page 7-9 of the Manual for the Business Report.

II: The 2023 Audit Committee Audit Report is hereby submitted for review.

Explanation: Please refer to Attachment 2 on page 10 of the Manual for the Audit Committee Audit Report.

III: To report the status of 2023 cash distribution of additional paid-in capital.

Explanation: 1. It is proposed to distribute NT\$32,417,823 from capital surplus of the issuing premium of the par value of the common share pursuant to Article 241 of the Company Act. A cash dividend of NT\$0.5 per share is to be distributed based on the 64,835,647 shares outstanding.

2. The cash distribution of additional paid-in capital will be paid to the rounded-down full NT dollar.

3. If there is a subsequent change in the number of outstanding shares of the Company, while maintaining the amount of allotment per share to shareholders, the Board of Directors authorized the Chairman to have full authority to adjust the total amount of capital reserve distribution, determine the Dividend Record Date and Distribution Date, and other related matters.

IV: To report the issuance status of convertible corporate bonds.

Explanation: The status of issuing convertible corporate bonds is as follows:

Type	Third domestic secured convertible bonds	Fourth domestic secured convertible bonds	Fifth domestic secured convertible bonds
Issue date	2020.10.12	2020.10.15	2024.3.4
Par value	NT\$100,000	NT\$100,000	NT\$100,000
Issue date	Issued by 101.64% of par value	Issued by par value	Issued by 114.83% of par value
Total value	NT\$700,000,000	NT\$500,000,000	NT\$800,000,000
Interest rate	0%	0%	0%
Expiration rate	5 year Expiration date: Oct. 12,2025	4 year Expiration date: Oct. 15,2024	3 year Expiration date: Mar. 4,2027
Assurance institution	Shin Kong Bank Co., Ltd.	Shin Kong Bank Co., Ltd.	TAICHUNG COMMERCIAL BANK Co., Ltd.
Repayment	Except for the repayment by the company, sell of the bond holders or person who convert, when it comes to expiration, the company will repay per par value along	Except for the repayment by the company, sell of the bond holders or person who convert, when it comes to expiration, the company will repay per par value along	Except for the repayment by the company, sell of the bond holders or person who convert, when it comes to expiration, the company will repay per par value along

	with interest by cash.	with interest by cash.	with interest by cash.
Outstanding principal	NT\$78,900,000	NT\$159,400,000	NT\$800,000,000
Till March 29, 2024 book closing date amount of the corporate bonds convertible into shares	Amount of execution on conversion bonds: NT\$621,100,000; total (converted) common shares: 5,917,136	Amount of execution on conversion bonds: NT\$340,600,000; total (converted) common shares: 3,199,591	Amount of execution on conversion bonds: NT\$0; total (converted) common shares: 0
The possible dilution conditions and influence on shareholders' equity caused by the issuance and conversion and the terms of issuance	No great influences yet	No great influences yet	No great influences yet

V. To report the execution status of the business plan for improvement.

- Explanation: 1. According to the Financial Supervisory Commission's letter No. 1120365441 dated January 16, 2024, the Company has applied for the execution status of the fifth domestic secured convertible corporate bonds issuance and sound operation plans. The implementation status should be reported to the board of directors for control on a quarterly basis, and a report to the shareholders' meeting should be submitted.
2. Please refer to Attachment 3 on page 11-12 of the Manual for the Sound Operation Plans.

## Ratifications

Item 1: The 2023 Business Report and Financial Statements are hereby submitted for ratification. (Proposed by the Board of Directors)

Explanation: 1. The Company's 2023 Financial Report has been audited by CPAs Chiu-Yen Wu and Li-Yuan Kuo of Deloitte & Touche. The Financial Report and Business Report have been forwarded to the Audit Committee for review, and the written Audit Report is submitted for approval.

2. The Company's 2023 Business Report (please refer to Attachment 1 on page 7-9 of the Manual) and CPA Audit Report and Financial Statements (please refer to Attachment 4 on page 13-30 of the Manual).

3. The reports are hereby submitted for ratification.

Resolution:

Item 2: The 2023 Deficit Compensation Proposal is hereby submitted for ratification. (Proposed by the Board of Directors)

Explanation: 1. The Company's 2023 Deficit Compensation Statement is as follows:

BROGENT TECHNOLOGIES INC.		
Deficit Compensation Statement		
2023		UNIT : NT\$
Item	Amount	
	Subtotal	Total
Deficit un-compensated at the beginning of 2022		0
ADD(LESS) :		
Proceeds from sale of investments in equity instruments at FVTOCI	12,101,593	
Net loss in 2023	(179,764,016)	
Accumulated deficit		<u>(167,662,423)</u>
Deficit un-compensated at the end of 2023		<u>(167,662,423)</u>
Capital surplus	167,662,423	
End of 2023		0

Chairman:



General Manager:



Accounting Manager:



2. The reports are hereby submitted for ratification.

Resolution:

Extempore motions

Meeting adjourned



## **Brogent Technologies Inc. Business Report**

### **1) Operating Policies**

The main business of our company includes software and hardware R&D and manufacturing, system integration, design planning and construction of immersive simulation rides, and digital content production. From single component system to complete projects, they are all within the scope of Brogent's services. After years of R&D experience, our company combines core technology with innovative 5D immersive simulation technology to create various new-generation media-based attractions. Our main business strategies are as follows:

#### **(1). Increase Penetration Rate of Entertainment Systems:**

During the pandemic, the Company continued to invest in technology R&D and product innovation. Expand diversified product lines, including cost-effective flying theaters, Turnkey o-Ride flying theater, immersive 8K 3D LED dome theaters with 10 times brightness increase and ultra-high image quality, and continued development of small-sized entertainment systems, such as Rise Up VR Airship Ride, personalized racing simulator platform, flight simulator and digital aquarium can meet the budget needs of different clients.

Small-sized entertainment system takes up little space and can be plugged in and used. It can help clients shorten project construction time and meet their needs for rapid opening and operation. Particularly, the "Turnkey o-Ride Flying Theater" can alleviate the impact of labor shortage. Brogent's team can complete the construction of the entire flying theater, including the building exterior within as fast as three months. This significantly reduces the time, labor and money costs for clients to build a new entertainment system. It is expected to rapidly expand Brogent' clients' base with the mid- to low-end market, and enhance the penetration rate of flying theater.

After the pandemic eased, existing clients began to facilitate project progress or restart capital expenditures, and competitors withdrew from the market, which will help the Company to win over potential clients. As the penetration rate of entertainment systems increases, it drives the demand for content licensing.

#### **(2). Broaden Content Library:**

Innovative and rich content can be licensed to meet clients' needs to flexibly change content according to festivals or specific themes, thereby creating sustainable revenue. In addition, by producing more high-quality and highly entertaining content, clients' willingness to purchase entertainment system can be increased, thereby driving the sales of hardware entertainment system and forming a positive economic cycle in which entertainment system and content drive each other and complement each other.

#### **(3). Expand Global Operational Sites:**

Immersive experiences have become the mainstream of the market. We are optimistic about the growth potential of the post-pandemic leisure travel market and will expand operating sites to create stable cash flow.

## **2) Business Plan Implementation Results**

The Company's consolidated net operating revenue in 2023 amounted to NT\$862.703 million, an increase of approximately 7.33% from the net operating revenue of NT\$803.766 million in 2022. The Company's net loss in the current period amounted to NT\$179.975 million, an increase of 188.43% from the net loss of NT\$62.398 million in 2022.

## **3) Operating Income and Budget Execution**

### **(1). Operating Income**

The categories of consolidated operating revenue in 2023 included project revenue, service revenue, ticket revenue and other operations, and the total amount was NT\$862.703 million. Mainly due to the progress of projects and orders is relatively delayed, resulting in slow revenue progress.

### **(2). Operating Expenses**

Total consolidated operating expenses in 2023 amounted to NT\$586.180 million, an increase of NT\$8.400 million from the NT\$577.780 million of 2022. The primary reason is that the Company continues to invest resources in product marketing to increase the market visibility of products and operational sites.

## **4) Profitability Analysis**

The Company's operating expense ratio increased 1.45% and net loss increased 188.43% compared with 2022, mainly due to the following reasons are labor shortages delayed the progress of rides installation; clients seizing the benefits of reopening; during the first half of the year, clients' operation were booming. To capitalize on the benefits of the unsealing and replenish the cash flow lost during the pandemic, project construction was deferred. Looking forward to 2024, through product diversification, high-end technology, and revenue diversification, we will strengthen our competitive advantages and create maximum value for shareholders.

## **5) Research and Development**

Brogent has established technological leadership in top-level flying theaters over the years and continues to accumulate R&D energy. In addition to the high-end product flying theater series, the Company also expanded its product line during the pandemic and successively launched small-sized entertainment systems and new 8K 3D LED dome flying theater and 4K micro-LED immersive simulation cockpits meet the needs and budgets of various clients and increase market coverage.

The Company continues to invest resources in product R&D, including new product R&D, existing product optimization and core technology R&D. In terms of new product, the medium-sized entertainment system d-Ride (Trackless self-driving cars) will be commercialized to master the core technology of self-driving cars, add product lines, and develop cost-effective and low-priced flying theaters to cope with challenges from competitors in the low-end market. Furthermore, LED display controllers will be developed to reduce dependence on external system integrators by integrating commercially available products. The cost-effective flying theater o-Ride will be certified by EN and ASTM, which will help promote it in the European and American markets in the future. In term of small-sized entertainment system, we will continue to optimize existing products, adopt subtractive design, and reduce the number

of spindles to cut down manufacturing costs, but still retain the same somatosensory intensity, maintain the ride experience, and improve cost performance ratio and product competitiveness. Moreover, we continue to invest in the development of new immersive simulation platforms (such as motorcycle simulation platforms), drone-related technology R&D, interactive gesture recognition technology to enrich game content, and the research and development of key technologies such as 5G and AIOT. We hope to create new application fields in the 5th generation wireless systems.

In addition to entertainment systems R&D, in terms of content, besides continuing to expand the production of digital content films, it will also invest in the research and development of animation processes for game engines and establish standard process specifications for Unreal animation projects to reduce production costs and improve output and production efficiency.

In the future, we will combine 5G, AI and other technologies to continue to create diversified simulator rides and rich content databases, changing the way humans experience through technology, and educational entertainment at the same time, by allowing experiencers to understand the natural scenery and cultural customs around the world, it conveys the sustainable value of environmental protection and caring for the earth.

Chairman: 

General Manager: 

Accounting Manager: 

(Attachment 2)

**Brogent Technologies Inc.**  
**Audit Committee Audit Report**

The Business Report, Financial statements and Deficit Compensation Statement of 2023 prepared by the Board of Directors have been audited and certified by Chiu-Yen Wu and Li-Yuan Kuo of Deloitte & Touche. After reviewing such documents, this Audit Committee found no nonconformity, in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

2024 Annual Shareholders Meeting of Brogent Technologies Inc.

Audit Committee Convener:



March 12, 2024

**Brogent Technologies Inc.**  
**Execution Status of the Fifth Domestic Secured Convertible Corporate  
Bonds Issuance and Sound Operation Plans**

1. Management Policy

The main business of our company includes software and hardware R&D and manufacturing, system integration, design planning and construction of immersive simulation rides, and digital content production. From single component system to complete projects, they are all within the scope of Brogent's services. After years of R&D experience, our company combines core technology with innovative 5D immersive simulation technology to create various new-generation media-based attractions. Our main business strategies are as follows:

- i. Increase penetration rate of entertainment systems: As the penetration rate increases, it drives the demand for content licensing.
- ii. Broaden content library: Innovative and rich content can be licensed to meet customers' needs to flexibly change content according to festivals or specific themes, thereby creating sustainable revenue.
- iii. Expand global operating sites: Immersive experiences have become the mainstream of the market. We are optimistic about the growth potential of the post-pandemic leisure travel market and will expand operating sites to create stable cash flow.

2. Reasons for Pre-tax Loss in the First Three Quarters of Year 2023

In December, 2023, our company submitted an application to the Securities and Futures Bureau for the issuance of the fifth domestic secured convertible corporate bonds. At that time, the most recent financial report for the first three quarters of year 2023 showed a pre-tax loss, mainly due to the following reasons:

- i. Labor shortage: labor shortages delayed the progress of rides installation.
- ii. Customers seizing the benefits of reopening: During the first half of the year, customers' operation were booming. To capitalize on the benefits of the unsealing and replenish the cash flow lost during the pandemic, project construction was deferred.
- iii. Delayed opening schedules: Due to global economic uncertainties, the construction of some projects slowed down. The peak of project openings is concentrated in 2025, resulting in a pre-tax loss in the first three quarters of year 2023.

3. Execution Status of Sound Operational Plans

The differences between the execution status of sound operation plans for the fourth quarter of year 2023 and the estimated figures given in the sound operation plan attached to the application submitted to the Securities and Futures Bureau in December 2023 for the issuance of the fifth domestic secured convertible corporate bonds are explained as follows:

Quarterly Profit and Loss Estimates for 2023

Unit: NT\$/thousand; %

Item	Quarter	Q4 (Actuals)	Q4 (Estimates)	Differences	
				Amount	Proportion
Operating Revenue		255,520	243,292	12,228	5%
Operating Costs		131,216	148,125	(16,909)	(11%)
Gross Profit		124,304	95,167	29,137	31%
Gross Profit Ratio (%)		48.65	39.12	9.53	24%
Operating Expenses		172,745	165,659	7,086	4%
Operating Expenses Ratio (%)		67.61	68.09	(0.48)	(1%)
Operating Net Income (Loss)		(48,441)	(70,492)	22,051	(31%)
Non-Operating Income and Expenses		(37,283)	15,774	(53,057)	(336%)
Profit (Loss) Before Tax		(85,724)	(54,718)	(31,006)	57%

In the fourth quarter of year 2023, both operating revenue and operating gross profit exceeded the estimated amounts.

Regarding operating expenses, the main difference arose from the year-end overseas business trips, where the increase in airfare was higher than expectations. However, the difference between the actuals and estimates was not significant. In terms of other income and expenses, the main factor was the significant fluctuation in the depreciation of the US dollar and the Chinese yuan at the end of the year, resulting in foreign exchange valuation losses exceeding expectations. Although the gross profit in the fourth quarter of year 2023 exceeded the expected amount, the actual net profit was lower than the expected due to the impact of non-operating income (expenses).

Although COVID-19 has brought unprecedented challenges to the theme park industry and has caused losses for our company over the past three years, the human pursuit of leisure and tourism has not diminished due to the pandemic. Therefore, the long-term outlook for theme parks and the entertainment market remains optimistic. With the strong recovery of the leisure travel industry, our company will continue to grasp the core advantages of simulation technology, expand overall market penetration, and secure more orders and cooperation opportunities.

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Brogent Technologies Inc.

### **Opinion**

We have audited the accompanying consolidated financial statements of Brogent Technologies Inc. (the "Corporation") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, 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 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 Financial Statement Audit and Attestation Engagements of 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 Accountant of the 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, 2023. 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.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2023 is stated as follows:

#### The recognition of project contract revenue

Project contract revenue is the main operating revenue of the Group. The Group recognizes revenue based on the stage of completion of performance obligations. Since the recognition of project contract revenue is calculated manually and involves material accounting estimates and judgments, there may be a calculation error; therefore, it was deemed to be a key audit matter.

Refer to Notes 4, 5 and 25 for accounting policy on project contract, accounting estimates and assumptions, and details of project revenue.

We performed the following audit procedures on the above key audit matter:

1. We obtained an understanding of and tested the design and operating effectiveness of the internal control relevant to the accuracy of recognition of the project contract revenue, including the measurement of the percentage of completion.
2. We verified and recalculated, on a sampling basis, the accuracy of the percentage of completion, including the related supporting documents.
3. We recalculated the sampled project contract revenue measured by the percentage of completion and checked whether it was recognized correctly.

### **Other Matter**

We have also audited the parent company only financial statements of the Corporation as of and for the years ended December 31, 2023 and 2022, 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 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 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 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 and appropriate audit evidence regarding the financial information of 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, 2023 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.

The engagement partners on the audits resulting in this independent auditors' report are Chiu-Yen Wu and Li-Yuan Kuo.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 12, 2024

Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with 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 such consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' 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.*

## Brogent Technologies Inc. and Subsidiaries

### CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 839,730	17	\$ 721,736	15
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	32	-	118,819	2
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	64,300	1	130,000	3
Financial assets at amortized cost - current (Notes 4, 9 and 33)	148,010	3	144,788	3
Accounts receivable, net (Notes 4, 5 and 10)	638,706	13	270,332	6
Contract assets - current (Notes 4, 5 and 25)	954,078	19	1,303,225	26
Finance lease receivables, net (Notes 4 and 11)	1,851	-	-	-
Current tax assets (Notes 4 and 27)	1,659	-	891	-
Inventories (Notes 4 and 12)	251,618	5	311,350	6
Prepayments	77,832	1	63,702	1
Refundable deposits - current	5,567	-	-	-
Other current assets	19,017	-	33,397	1
Total current assets	<u>3,002,400</u>	<u>59</u>	<u>3,098,240</u>	<u>63</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	409,515	8	378,155	8
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	1,379	-	-	-
Financial assets at amortized cost - non-current (Notes 4, 9 and 33)	54,413	1	56,950	1
Investments accounted for using the equity method (Notes 4 and 14)	18,824	1	1,755	-
Property, plant and equipment (Notes 4, 15 and 33)	736,179	15	758,358	15
Right-of-use assets (Notes 4 and 16)	356,727	7	287,013	6
Intangible assets (Notes 4 and 17)	203,030	4	196,740	4
Deferred tax assets (Notes 4 and 27)	125,223	3	90,499	2
Refundable deposits	14,651	-	19,484	-
Long-term finance lease receivables (Notes 4 and 11)	15,117	-	-	-
Other non-current assets	112,935	2	64,179	1
Total non-current assets	<u>2,047,993</u>	<u>41</u>	<u>1,853,133</u>	<u>37</u>
<b>TOTAL</b>	<u>\$ 5,050,393</u>	<u>100</u>	<u>\$ 4,951,373</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 18)	\$ 495,000	10	\$ 321,840	7
Notes payable (Note 20)	487	-	11,772	-
Accounts payable (Note 20)	55,272	1	110,649	2
Contract liabilities - current (Note 25)	134,490	3	68,223	1
Other payables (Note 21)	88,914	2	83,290	2
Current tax liabilities (Notes 4 and 27)	877	-	2,490	-
Provisions - current (Note 4)	4,964	-	8,620	-
Lease liabilities - current (Notes 4 and 16)	64,323	1	64,414	1
Current portion of long-term borrowings (Note 18)	30,502	1	49,334	1
Current portion of bonds payable (Notes 4 and 19)	163,102	3	219,204	5
Other current liabilities	2,445	-	3,190	-
Total current liabilities	<u>1,040,376</u>	<u>21</u>	<u>943,026</u>	<u>19</u>
<b>NON-CURRENT LIABILITIES</b>				
Bonds payable (Notes 4 and 19)	79,014	2	261,577	5
Long-term borrowings (Note 18)	438,089	9	268,220	5
Provisions - non-current (Note 4)	1,000	-	-	-
Deferred tax liabilities (Notes 4 and 27)	13,003	-	27,010	1
Lease liabilities - non-current (Notes 4 and 16)	329,287	6	257,167	5
Guarantee deposits received	450	-	-	-
Total non-current liabilities	<u>860,843</u>	<u>17</u>	<u>813,974</u>	<u>16</u>
Total liabilities	<u>1,901,219</u>	<u>38</u>	<u>1,757,000</u>	<u>35</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 24)</b>				
Share capital				
Ordinary shares	647,786	13	614,431	13
Advance receipts for ordinary share	571	-	10,743	-
Total share capital	<u>648,357</u>	<u>13</u>	<u>625,174</u>	<u>13</u>
Capital surplus	<u>2,672,817</u>	<u>53</u>	<u>2,648,189</u>	<u>54</u>
Retained earnings (deficit to be compensated)				
Legal reserve	-	-	127,421	3
Special reserve	-	-	14,857	-
Accumulated deficit	(167,662)	(4)	(243,005)	(5)
Total deficit to be compensated	<u>(167,662)</u>	<u>(4)</u>	<u>(100,727)</u>	<u>(2)</u>
Other equity	(4,338)	-	21,484	-
Total equity attributable to owners of the Corporation	3,149,174	62	3,194,120	65
<b>NON-CONTROLLING INTERESTS (Note 24)</b>	-	-	253	-
Total equity	<u>3,149,174</u>	<u>62</u>	<u>3,194,373</u>	<u>65</u>
<b>TOTAL</b>	<u>\$ 5,050,393</u>	<u>100</u>	<u>\$ 4,951,373</u>	<u>100</u>

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

## Brogent Technologies Inc. and Subsidiaries

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2023		2022	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4, 5, 25 and 32)	\$ 862,703	100	\$ 803,766	100
OPERATING COSTS (Notes 12 and 26)	<u>500,891</u>	<u>58</u>	<u>473,249</u>	<u>59</u>
GROSS PROFIT	<u>361,812</u>	<u>42</u>	<u>330,517</u>	<u>41</u>
OPERATING EXPENSES (Notes 9, 25 and 26)				
Selling and marketing expenses	87,209	10	74,973	9
General and administrative expenses	313,728	36	293,387	37
Research and development expenses	106,891	13	189,445	24
Expected credit loss	<u>78,352</u>	<u>9</u>	<u>19,975</u>	<u>2</u>
Total operating expenses	<u>586,180</u>	<u>68</u>	<u>577,780</u>	<u>72</u>
OPERATING LOSS	<u>(224,368)</u>	<u>(26)</u>	<u>(247,263)</u>	<u>(31)</u>
NON-OPERATING INCOME AND EXPENSES (Note 26)				
Interest income	13,762	1	8,514	1
Other income	7,851	1	19,022	2
Other gains and losses	10,474	1	159,954	20
Finance costs	(27,294)	(3)	(23,717)	(3)
Share of profit or loss of associates accounted for using the equity method	<u>(2,708)</u>	<u>-</u>	<u>(468)</u>	<u>-</u>
Total non-operating income and expenses	<u>2,085</u>	<u>-</u>	<u>163,305</u>	<u>20</u>
LOSS BEFORE INCOME TAX	(222,283)	(26)	(83,958)	(11)
INCOME TAX BENEFIT (Notes 4 and 27)	<u>42,308</u>	<u>5</u>	<u>21,560</u>	<u>3</u>
NET LOSS FOR THE YEAR	<u>(179,975)</u>	<u>(21)</u>	<u>(62,398)</u>	<u>(8)</u>
OTHER COMPREHENSIVE INCOME (Notes 22 and 24)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	(4,536)	(1)	30,000	4
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(12,217)	(1)	30,911	4

(Continued)

## Brogent Technologies Inc. and Subsidiaries

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2023		2022	
	Amount	%	Amount	%
Share of the other comprehensive loss of associates accounted for using the equity method	\$ (163)	-	\$ (33)	-
Other comprehensive income (loss) for the year, net of income tax	(16,916)	(2)	60,878	8
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	<u>\$ (196,891)</u>	<u>(23)</u>	<u>\$ (1,520)</u>	<u>-</u>
<b>NET LOSS ATTRIBUTABLE TO:</b>				
Owners of the Corporation	\$ (179,764)	(21)	\$ (60,726)	(8)
Non-controlling interests	(211)	-	(1,672)	-
	<u>\$ (179,975)</u>	<u>(21)</u>	<u>\$ (62,398)</u>	<u>(8)</u>
<b>TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:</b>				
Owners of the Corporation	\$ (196,662)	(23)	\$ 189	-
Non-controlling interests	(229)	-	(1,709)	-
	<u>\$ (196,891)</u>	<u>(23)</u>	<u>\$ (1,520)</u>	<u>-</u>
<b>LOSS PER SHARE (Note 28)</b>				
Basic	<u>\$ (2.79)</u>		<u>\$ (0.99)</u>	
Diluted	<u>\$ (2.79)</u>		<u>\$ (0.99)</u>	

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

## Brogent Technologies Inc. and Subsidiaries

### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation											
	Ordinary Shares	Advance Receipts for Ordinary Share	Capital Surplus	Retained Earnings (Deficit to be Compensated)			Other Equity		Total	Total	Non-controlling Interests	Total Equity
				Legal Reserve	Special Reserve	Accumulated Deficit	Exchange Differences on Translation of Foreign Operations	Unrealized Gain or loss On financial Assets at FVTOCI				
BALANCE AT JANUARY 1, 2022	\$ 573,641	\$ 36,003	\$ 2,501,234	\$ 127,421	\$ 14,857	\$ (181,725)	\$ (39,431)	\$ -	\$ (39,431)	\$ 3,032,000	\$ 1,408	\$ 3,033,408
Net loss in 2022	-	-	-	-	-	(60,726)	-	-	-	(60,726)	(1,672)	(62,398)
Other comprehensive income in 2022, net of income tax	-	-	-	-	-	-	30,915	30,000	60,915	60,915	(37)	60,878
Total comprehensive loss in 2022	-	-	-	-	-	(60,726)	30,915	30,000	60,915	189	(1,709)	(1,520)
Convertible bonds converted to ordinary shares (Note 19)	40,790	(25,260)	146,205	-	-	-	-	-	-	161,735	-	161,735
Changes in percentage of ownership interest in subsidiaries (Note 13)	-	-	-	-	-	(554)	-	-	-	(554)	554	-
Changes in equity of associates accounted for using the equity method	-	-	750	-	-	-	-	-	-	750	-	750
BALANCE AT DECEMBER 31, 2022	614,431	10,743	2,648,189	127,421	14,857	(243,005)	(8,516)	30,000	21,484	3,194,120	253	3,194,373
Offset the deficit of 2022 (Note 24)												
Legal reserve used to offset accumulated deficits	-	-	-	(127,421)	-	127,421	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(14,857)	14,857	-	-	-	-	-	-
	-	-	-	(127,421)	(14,857)	142,278	-	-	-	-	-	-
Other changes in capital surplus												
Capital surplus used to offset accumulated deficits	-	-	(100,727)	-	-	100,727	-	-	-	-	-	-
Cash dividends from capital surplus	-	-	(93,776)	-	-	-	-	-	-	(93,776)	-	(93,776)
	-	-	(194,503)	-	-	100,727	-	-	-	(93,776)	-	(93,776)
Net loss in 2023	-	-	-	-	-	(179,764)	-	-	-	(179,764)	(211)	(179,975)
Other comprehensive loss in 2023, net of income tax	-	-	-	-	-	-	(12,362)	(4,536)	(16,898)	(16,898)	(18)	(16,916)
Total comprehensive loss in 2023	-	-	-	-	-	(179,764)	(12,362)	(4,536)	(16,898)	(196,662)	(229)	(196,891)
Disposal of investments in equity instruments designated as at fair value												
through other comprehensive income	-	-	-	-	-	12,102	-	(12,102)	(12,102)	-	-	-
Convertible bonds converted to ordinary shares (Note 19)	33,355	(10,172)	219,131	-	-	-	-	-	-	242,314	-	242,314
Disposal of subsidiaries (Note 13)	-	-	-	-	-	-	3,178	-	3,178	3,178	(24)	3,154
BALANCE AT DECEMBER 31, 2023	\$ 647,786	\$ 571	\$ 2,672,817	\$ -	\$ -	\$ (167,662)	\$ (17,700)	\$ 13,362	\$ (4,338)	\$ 3,149,174	\$ -	\$ 3,149,174

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

## Brogent Technologies Inc. and Subsidiaries

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before income tax	\$ (222,283)	\$ (83,958)
Adjustments for:		
Income and expenses		
Depreciation expense	146,702	145,045
Amortization expense	31,324	31,336
Expected credit loss	78,352	19,975
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	1,956	(7,537)
Finance cost	27,294	23,717
Interest income	(13,762)	(8,514)
Dividend income	(4,000)	-
Share of profit or loss of associates accounted for using the equity method	2,708	468
Net gain on disposal of property, plant and equipment	-	(74,931)
Net loss on disposal of intangible assets	-	703
Loss on disposal of subsidiaries	3,178	-
Gain on disposal of investments accounted for using equity method	(2,276)	-
Loss on inventories	4,524	1,642
Net loss (gain) on foreign currency exchange	2,742	(5,941)
Income from the subleasing of right-of-use assets	(12,402)	-
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	124,420	170,415
Accounts receivable	(428,258)	(55,195)
Contract assets	330,811	(148,784)
Inventories	55,208	(98,949)
Prepayments	(14,130)	55,978
Other current assets	15,012	(6,939)
Notes payable	(11,285)	10,384
Accounts payable	(55,377)	23,413
Contract liabilities	66,267	2,451
Other payables	1,075	4,553
Provisions	(3,656)	3,498
Other current liabilities	(745)	874
Cash generated from operations	123,399	3,704
Income tax paid	(8,733)	(11,683)
Net cash generated from (used in) operating activities	<u>114,666</u>	<u>(7,979)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	-	(100,000)

(Continued)

## Brogent Technologies Inc. and Subsidiaries

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Proceeds from disposal of financial assets at fair value through other comprehensive income	\$ 61,465	\$ -
Purchase of financial assets at amortized cost	(133,446)	(207,283)
Proceeds from disposal of financial assets at amortized cost	130,073	169,233
Purchase of financial instruments at fair value through profit or loss	(43,258)	(61,288)
Acquisition of investments accounted for using equity method	(20,000)	-
Payments for property, plant and equipment	(68,856)	(61,002)
Proceeds from disposal of property, plant and equipment	-	263,402
Increase in refundable deposits	(704)	(4,393)
Acquisition of intangible assets	(37,762)	(14,839)
Decrease in long-term lease receivables	917	-
Increase in other non-current assets	(48,756)	(37,921)
Interest received	13,762	8,514
Dividends received	<u>4,000</u>	<u>-</u>
Net cash used in investing activities	<u>(142,565)</u>	<u>(45,577)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	173,160	166,755
Proceeds from long-term borrowings	300,000	224,867
Repayment of long-term borrowings	(149,002)	(240,014)
Repayment of the principal portion of lease liabilities	(53,418)	(46,293)
Increase in guarantee deposits received	450	-
Cash dividends from capital surplus	(93,776)	-
Interest paid	(23,196)	(15,237)
Change in non-controlling interests	<u>(24)</u>	<u>-</u>
Net cash generated from financing activities	<u>154,194</u>	<u>90,078</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES</b>		
	<u>(8,301)</u>	<u>9,729</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>117,994</b>	<b>46,251</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u><b>721,736</b></u>	<u><b>675,485</b></u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u><b>\$ 839,730</b></u>	<u><b>\$ 721,736</b></u>

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

(Concluded)

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Brogent Technologies Inc.

### **Opinion**

We have audited the accompanying parent company only financial statements of Brogent Technologies Inc. (the "Corporation"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2023 and 2022, and its financial performance and its 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 Financial Statement Audit and Attestation Engagements of 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 Corporation in accordance with The Norm of Professional Ethics for Certified Public Accountant of the 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, 2023. 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.

The key audit matter of the Corporation's parent company only financial statements for the year ended December 31, 2023 is stated as follows:

#### The recognition of project contract revenue

Project contract revenue is the main operating revenue of the Corporation. The Corporation recognizes revenue based on the stage of completion of performance obligations. Since the recognition of project contract revenue is calculated manually and involves material accounting estimates and judgments, there may be a calculation error; therefore, it was deemed to be a key audit matter.

Refer to Notes 4, 5 and 23 for accounting policy on project contract, accounting estimates and assumptions, and details of project revenue.



We performed the following audit procedures on the above key audit matter:

1. We obtained an understanding of and tested the design and operating effectiveness of the internal control relevant to the accuracy of recognition of the project contract revenue, including the measurement of the percentage of completion.
2. We verified and recalculated, on a sampling basis, the accuracy of the percentage of completion, including the related supporting documents.
3. We recalculated the sampled project contract revenue measured by the percentage of completion and checked whether it was recognized correctly.

### **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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Corporation'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 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 Corporation'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 Corporation'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 Corporation 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 and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the 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, 2023 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.

The engagement partners on the audits resulting in this independent auditors' report are Chiu-Yen Wu and Li-Yuan Kuo.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 12, 2024

#### Notice to Readers

*The accompanying parent company only financial statements are intended only to present the parent company only financial position, financial performance and cash flows in accordance with 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 such parent company only financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' 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.*

## Brogent Technologies Inc.

### PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 621,181	13	\$ 443,698	10
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	32	-	86,702	2
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	64,300	2	130,000	3
Financial assets at amortized cost - current (Notes 4, 9 and 30)	145,601	3	110,307	2
Accounts receivable, net (Notes 4, 5 and 10)	157,265	3	214,234	5
Accounts receivable - related parties (Notes 4, 10 and 29)	245,160	5	113,004	2
Contract assets - current (Notes 4, 5 and 23)	940,357	20	956,399	21
Other receivables (Note 4)	1,407	-	10,951	-
Other receivables - related parties (Note 29)	8,026	-	82,181	2
Current tax assets (Notes 4 and 25)	1,516	-	857	-
Inventories (Notes 4 and 11)	245,558	5	307,592	7
Prepayments	64,010	1	57,257	1
Refundable deposits - current	5,567	-	-	-
Other current assets	12,187	-	10,451	-
Total current assets	<u>2,512,167</u>	<u>52</u>	<u>2,523,633</u>	<u>55</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at amortized cost - non-current (Notes 4, 9 and 30)	20,403	1	15,000	-
Investments accounted for using the equity method (Notes 4 and 12)	995,205	21	943,254	21
Property, plant and equipment (Notes 4, 13, 29 and 30)	725,253	15	753,565	16
Right-of-use assets (Notes 4 and 14)	238,203	5	147,894	3
Intangible assets (Notes 4 and 15)	76,768	2	79,235	2
Deferred tax assets (Notes 4 and 25)	105,374	2	76,460	2
Refundable deposits	7,820	-	12,904	-
Other non-current assets	108,175	2	37,437	1
Total non-current assets	<u>2,277,201</u>	<u>48</u>	<u>2,065,749</u>	<u>45</u>
<b>TOTAL</b>	<u>\$ 4,789,368</u>	<u>100</u>	<u>\$ 4,589,382</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 16)	\$ 430,000	9	\$ 230,000	5
Notes payable (Note 18)	487	-	11,772	-
Accounts payable (Note 18)	54,064	1	100,412	2
Accounts payable - related parties (Note 29)	921	-	-	-
Contract liabilities (Note 23)	145,626	3	79,323	2
Other payables (Notes 19 and 29)	80,852	2	76,253	2
Provisions - current (Note 4)	4,964	-	8,620	-
Lease liabilities - current (Notes 4 and 14)	27,071	1	25,685	1
Current portion of long-term borrowings (Note 16)	15,203	-	15,043	-
Current portion of bonds payable (Notes 4 and 17)	163,102	3	219,204	5
Other current liabilities	2,249	-	2,263	-
Total current liabilities	<u>924,539</u>	<u>19</u>	<u>768,575</u>	<u>17</u>
<b>NON-CURRENT LIABILITIES</b>				
Bonds payable (Notes 4 and 17)	79,014	2	261,577	5
Long-term borrowings (Note 16)	414,367	9	229,438	5
Deferred tax liabilities (Notes 4 and 25)	-	-	632	-
Lease liabilities - non-current (Notes 4 and 14)	222,274	4	135,040	3
Total non-current liabilities	<u>715,655</u>	<u>15</u>	<u>626,687</u>	<u>13</u>
Total liabilities	<u>1,640,194</u>	<u>34</u>	<u>1,395,262</u>	<u>30</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 22)</b>				
Share capital				
Ordinary shares	647,786	14	614,431	14
Advance receipts for ordinary share	571	-	10,743	-
Total share capital	<u>648,357</u>	<u>14</u>	<u>625,174</u>	<u>14</u>
Capital surplus	<u>2,672,817</u>	<u>56</u>	<u>2,648,189</u>	<u>58</u>
Retained earnings (deficit to be compensated)				
Legal reserve	-	-	127,421	3
Special reserve	-	-	14,857	-
Accumulated deficit	(167,662)	(4)	(243,005)	(5)
Total deficit to be compensated	<u>(167,662)</u>	<u>(4)</u>	<u>(100,727)</u>	<u>(2)</u>
Other equity	(4,338)	-	21,484	-
Total equity	<u>3,149,174</u>	<u>66</u>	<u>3,194,120</u>	<u>70</u>
<b>TOTAL</b>	<u>\$ 4,789,368</u>	<u>100</u>	<u>\$ 4,589,382</u>	<u>100</u>

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

## Brogent Technologies Inc.

### PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2023		2022	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4, 5, 23 and 29)	\$ 847,582	100	\$ 763,368	100
OPERATING COSTS (Notes 11, 24 and 29)	<u>501,088</u>	<u>59</u>	<u>402,185</u>	<u>53</u>
GROSS PROFIT	<u>346,494</u>	<u>41</u>	<u>361,183</u>	<u>47</u>
OPERATING EXPENSES (Notes 10, 23, 24 and 29)				
Selling and marketing expenses	88,571	10	76,131	10
General and administrative expenses	262,968	31	252,932	33
Research and development expenses	106,891	13	189,444	25
Expected credit loss	<u>77,047</u>	<u>9</u>	<u>11,136</u>	<u>1</u>
Total operating expenses	<u>535,477</u>	<u>63</u>	<u>529,643</u>	<u>69</u>
OPERATING LOSS	<u>(188,983)</u>	<u>(22)</u>	<u>(168,460)</u>	<u>(22)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 24 and 29)				
Interest income	12,341	2	7,462	1
Other income	5,629	1	18,176	2
Other gains and losses	7,053	1	154,694	20
Finance costs	(21,595)	(3)	(17,648)	(2)
Share of profit or loss of subsidiaries accounted for using the equity method	<u>(22,587)</u>	<u>(3)</u>	<u>(68,096)</u>	<u>(9)</u>
Total non-operating income and expenses	<u>(19,159)</u>	<u>(2)</u>	<u>94,588</u>	<u>12</u>
LOSS BEFORE INCOME TAX	(208,142)	(24)	(73,872)	(10)
INCOME TAX BENEFIT (Notes 4 and 25)	<u>28,378</u>	<u>3</u>	<u>13,146</u>	<u>2</u>
NET LOSS FOR THE YEAR	<u>(179,764)</u>	<u>(21)</u>	<u>(60,726)</u>	<u>(8)</u>
OTHER COMPREHENSIVE INCOME (Notes 20 and 22)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	(3,598)	(1)	30,000	4
Share of other comprehensive income of subsidiaries accounted for using the equity method	(938)	-	-	-

(Continued)

## Brogent Technologies Inc.

### PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2023		2022	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income (loss) of subsidiaries accounted for using the equity method	\$ (12,362)	(1)	\$ 30,915	4
Other comprehensive loss for the year, net of income tax	(16,898)	(2)	60,915	8
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	<b>\$ (196,662)</b>	<b>(23)</b>	<b>\$ 189</b>	<b>-</b>
<b>LOSS PER SHARE (Note 26)</b>				
Basic	\$ (2.79)		\$ (0.99)	
Diluted	\$ (2.79)		\$ (0.99)	

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

**Brogent Technologies Inc.**

**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)**

	Ordinary shares	Advance Receipts for Ordinary Share	Capital Surplus	Retained Earnings (Deficit to be Compensated)			Exchange Differences on Translation of Foreign Operations	Other Equity		Total	Total Equity
				Legal Reserve	Special Reserve	Accumulated Deficit		Unrealized Gain or loss On financial Assets at FVTOCI			
BALANCE AT JANUARY 1, 2022	\$ 573,641	\$ 36,003	\$ 2,501,234	\$ 127,421	\$ 14,857	\$ (181,725)	\$ (39,431)	\$ -	\$ (39,431)	\$ 3,032,000	
Net loss in 2022	-	-	-	-	-	(60,726)	-	-	-	(60,726)	
Other comprehensive income in 2022, net of income tax	-	-	-	-	-	-	30,915	30,000	60,915	60,915	
Total comprehensive loss in 2022	-	-	-	-	-	(60,726)	30,915	30,000	60,915	189	
Convertible bonds converted to ordinary shares (Note 17)	40,790	(25,260)	146,205	-	-	-	-	-	-	161,735	
Changes in percentage of ownership interest in subsidiaries	-	-	-	-	-	(554)	-	-	-	(554)	
Changes in equity of associates accounted for using the equity method	-	-	750	-	-	-	-	-	-	750	
BALANCE AT DECEMBER 31, 2022	614,431	10,743	2,648,189	127,421	14,857	(243,005)	(8,516)	30,000	21,484	3,194,120	
Offset the deficit of 2022 (Note 23)											
Legal reserve used to offset accumulated deficits	-	-	-	(127,421)	-	127,421	-	-	-	-	
Reversal of special reserve	-	-	-	-	(14,857)	14,857	-	-	-	-	
Other changes in capital surplus (Note 23)											
Capital surplus used to offset accumulated deficits	-	-	(100,727)	-	-	100,727	-	-	-	-	
Cash dividends from capital surplus	-	-	(93,776)	-	-	-	-	-	-	(93,776)	
Net loss in 2023	-	-	(194,503)	-	-	100,727	-	-	-	(93,776)	
Other comprehensive loss in 2023, net of income tax	-	-	-	-	-	(179,764)	-	-	-	(179,764)	
Total comprehensive loss in 2023	-	-	-	-	-	(179,764)	(12,362)	(4,536)	(16,898)	(196,662)	
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	12,102	-	(12,102)	(12,102)	-	
Convertible bonds converted to ordinary shares (Note 17)	33,355	(10,172)	219,131	-	-	-	-	-	-	242,314	
Disposal of subsidiaries	-	-	-	-	-	-	3,178	-	3,178	3,178	
BALANCE AT DECEMBER 31, 2023	\$ 647,786	\$ 571	\$ 2,672,817	\$ -	\$ -	\$ (167,662)	\$ (17,700)	\$ 13,362	\$ (4,338)	\$ 3,149,174	

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

## Bregent Technologies Inc.

### PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before income tax	\$ (208,142)	\$ (73,872)
Adjustments for:		
Income and expenses		
Depreciation expense	119,586	115,627
Amortization expense	16,916	14,938
Expected credit loss	77,047	11,136
Net loss (gain) on fair value changes of financial assets and liabilities at fair value through profit or loss	(6,437)	2,029
Finance cost	21,595	17,648
Interest income	(12,341)	(7,462)
Dividend income	(4,000)	-
Share of profit or loss of subsidiaries accounted for using the equity method	22,587	68,096
Net gain on disposal of property, plant and equipment	-	(83,606)
Net loss (gain) on foreign currency exchange	4,082	(6,506)
Loss on inventories	4,244	1,039
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	92,812	73,553
Accounts receivable	(1,608)	(23,924)
Accounts receivable - related parties	(132,156)	(37,512)
Contract assets	(2,423)	(142,533)
Other receivables	10,234	(7,603)
Other receivables - related parties	12,573	(3,484)
Inventories	57,790	(94,206)
Prepayments	(6,753)	12,068
Other current assets	(1,736)	(4,870)
Notes payable	(11,285)	10,384
Accounts payable	(46,348)	45,334
Accounts payable - related parties	921	-
Contract liabilities	66,303	3,758
Other payables	58	591
Provisions	(3,656)	4,403
Other current liabilities	(14)	76
Cash generated (used in) from operations	69,849	(104,898)
Income tax paid	(1,827)	(2,809)
Net cash generated from (used in) operating activities	<u>68,022</u>	<u>(107,707)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	-	(100,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	61,465	-

(Continued)

## Brogent Technologies Inc.

### PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Purchase of financial assets at amortized cost	\$ (133,396)	\$ (207,283)
Proceeds from disposal of financial assets at amortized cost	91,673	169,233
Acquisition of investments accounted for using the equity method	(20,000)	-
Payments for property, plant and equipment	(61,353)	(65,657)
Proceeds from disposal of property, plant and equipment	-	263,402
Increase in refundable deposits	(14,449)	(11,493)
Acquisition of intangible assets	(483)	(4,866)
Decrease in other receivables from related parties	58,344	-
Increase in other non-current assets	(70,738)	(32,671)
Interest received	12,465	7,327
Dividends received	<u>4,000</u>	<u>-</u>
Net cash generated from (used in) investing activities	<u>(72,472)</u>	<u>17,992</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	200,000	100,000
Proceeds from long-term borrowings	300,000	200,000
Repayment of long-term borrowings	(114,911)	(114,853)
Repayment of the principal portion of lease liabilities	(27,270)	(20,899)
Cash dividends from capital surplus	(93,776)	-
Acquisition of additional interests in subsidiaries	(64,660)	(64,198)
Interests paid	<u>(17,450)</u>	<u>(8,379)</u>
Net cash generated from financing activities	<u>181,933</u>	<u>91,671</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	177,483	1,956
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>443,698</u>	<u>441,742</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 621,181</u>	<u>\$ 443,698</u>

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



**Brogent Technologies Inc.  
Articles of Incorporation**

Chapter 1 General Provisions

Article 1: The Company is constituted in accordance with the Company Act, and shall be known as Brogent Technologies Inc.

Article 2: The business scope of the Company is as follows:

1. F218010 Information software retailer.
2. F219010 Electronic material retailer.
3. E605010 Computer installation.
4. F118010 Information software wholesaler.
5. F119010 Electronic material wholesaler.
6. I301010 Information software service.
7. I301020 Information processing service.
8. I301030 Electronic information supply service.
9. J601010 Arts service.
10. I401010 General advertising service.
11. J305010 Sound publishing.
12. J602010 Arts performance activity.
13. E603050 Automated control equipment engineering.
14. E604010 Machinery installation.
15. F109070 Wholesale of cultural education, musical instrument, and educational entertainment necessities.
16. F113010 Machinery wholesaler.
17. F113050 Computer and business machinery wholesaler.
18. F209060 Retailer of cultural education, musical instrument, and educational entertainment necessities.
19. F213010 Electronic retailer.
20. F213030 Computer and business machinery retailer.
21. F401010 International trade.
22. F601010 Intellectual property rights service.
23. I501010 Product design service.
24. I503010 Landscape and interior design.
25. F213080 Machinery retailer.
26. F213990 Other machinery retailer.
27. J701040 Leisure activity venue service.
28. J701070 Information leisure service.
29. JB01010 Conference and exhibition service.
30. JE01010 Leasing service.
31. ZZ99999 All businesses not prohibited or restricted by law, except those subject to special approval.

Article 3: The Company may, based on business requirements and the reciprocity principle, provide guarantees to external parties which shall be processed in accordance with the Company's External Commitment Management Regulations.

Article 4: The Company's total reinvestment amount may exceed forty percent (40%) of the net value of the most recent financial statements and the Board of Directors shall be authorized for its implementation.

Article 5: The Company is headquartered in Kaohsiung City. Where necessary the

Company may establish branch companies domestically or overseas, subject to the resolution by the Board of Directors meeting

Article 6: The Company's public notices shall be made pursuant to Article 28 of the Company Act.

## Chapter 2 Shares

Article 7: The Company's total capital has been set at Nine Hundred Million New Taiwan Dollars (NT\$ 900,000,000), issuable in ninety million (90,000,000) shares at ten dollars (NT\$10) per share. The Board of Directors is authorized to conduct issuance in installments.

An additional NT\$20 million from the capital amount specified in Paragraph 1 shall be reserved for the issuance of employee stock options issuable in two million (2,000,000) shares at ten dollars (NT\$10) per share. The Board of Directors is authorized to conduct issuance in installments.

Article 7-1: Transfer of shares to employees at prices below the market price or the Company's average purchase price can be made subject to the resolution of the most recent shareholders' meeting. The passage of such resolution requires the presence of shareholders representing more than half of all outstanding shares and a favorable vote by more than two-thirds of votes present in the meeting.

Article 8: The Company's stocks shall be registered, and affixed with signature or seal of the director representing a company. The stock shall be issued following certification by the bank which is competent to certify stock under the law, and are not required to be printed. The Company, however, should contact the securities depository and custodian institution for registration of the share certificates.

Article 8-1: The bought back shares to be transferred by the Company, employee stock option, restricted employee stock, and the new shares reserved for employees subscription in the Company's share offering include employees of subsidiaries of the Company meeting certain specific qualifications and the Board or the person duly designated by the Board is authorized to decide such qualifications and allocation.

Article 9: The entries in the List of Shareholders shall not be altered within the period specified in Article 165 of the Company Act. The Company shall administer all stock-related operations in accordance with the Company act and the "Regulations Governing the Handling of Stock Administration of Shareholder Services of Public Companies" promulgated by the competent authority.

## Chapter 3 Shareholders' meeting

Article 10: The Company holds annual and extraordinary shareholders' meetings. Annual shareholders' meetings shall be convened on a yearly basis and within six months after the end of each fiscal year, and extraordinary meetings shall be convened when necessary in accordance with the law. Unless otherwise stipulated in laws and regulations, the shareholders' meeting shall be convened by the Board of Directors. The notices for the shareholders' meeting prescribed in the preceding Paragraph may be distributed in electronic form, subject to agreement by the recipient thereof.

When the shareholders' meeting is held, it may be held by video conference or other methods announced by the central competent authority.

Article 11: If a shareholder is unable to attend the shareholders' meeting in person, a proxy can be appointed by presenting a properly signed/sealed proxy form printed in

the Company's prescribed format, while specifying the scope of delegated authority. Shareholders may appoint proxies according to Article 177 of the Company Act and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" stipulated by the competent authority.

Article 12: Each shareholder of the Company shall be entitled to one vote for each share. No voting power shall be granted, however, to shareholders of the Company with shares prescribed in Article 179 of the Company Act and relevant laws and regulations.

Article 13: Unless otherwise stipulated in the Company Act, any resolutions in a shareholders' meeting should be approved by a majority vote at a meeting attended by shareholders representing at least one half of total outstanding shares.

Article 13-1: A proposal to cancel the public issuance of the Company's shares after the public offering shall be filed for a resolution in the shareholders' meeting. The clause shall remain unaltered throughout the listing period on the TPEX trading of Emerging Stock trading and Securities Listings.

#### Chapter 4 Directors and Audit Committee

Article 14: The Company shall have seven to nine Directors, who are elected during shareholders' meetings from among persons of adequate capacity to each serve a term of three years. Their terms of service may be renewed if they are re-elected in the following election. The total amount of shares held by all Directors of the Company shall be determined in accordance with regulations of the competent authority responsible for securities.

The aforementioned Directors shall consist of at least three Independent Directors. A candidate nomination system shall be adopted in the election and the Independent Directors shall be elected by the shareholders meeting from the list of candidates. Method of nomination shall be governed by the Article 192-1 of the Company Act.

The audit committee shall be composed of all independent directors consist of no less than three independent directors, one of whom shall be the convener.

The Company may purchase liability insurance for the Directors during their term of office based on the compensation liabilities associated with their respective business accountabilities. The Board of Directors is authorized to determine the insurance coverage based on industry practices and standards.

Article 14-1: The Company's Directors are elected using the single cumulative voting method. Every share is vested with voting rights that is equivalent to the number of Directors to be elected. The votes can be concentrated on one candidate or distributed among several candidates. Candidates with the highest numbers of votes are elected Directors.

Article 15: The Board of Directors shall be comprised of the Directors of the Company. The chairman of the Board shall be elected by and among the directors by a majority of directors present at a meeting attended by more than two-thirds of directors. As necessary, a vice chairman may be elected by and among the directors in the same manner. The chairman of the Board shall represent the Company externally.

Article 16: When the Chairperson is on leave or unable to exercise his/her official functions for any specific reason, an acting Chairperson shall be designated in accordance with Article 208 of the Company Act.

Article 16-1: Notices for Board of Directors meetings shall be distributed to the Directors at least seven days before the meeting. The purpose of the meeting shall be

clearly stated in the notice. However, a Board of Directors meeting may be convened at any time in the event of an emergency. The notice for meetings may be communicated through written, fax, email, or other methods.

Article 17: Unless otherwise regulated by the Company Act, Board of Directors resolutions are passed when there are more than half of all Directors present in a meeting and with more than half of present Directors voting in favor. If a Director is unable to attend the Board of Directors meeting in person, the Director may delegate one of the other Directors as a proxy in accordance with the law. The Director shall in each instance issue a written proxy stating the scope of authorization with respect to the purpose for the meeting. Any proxy prescribed in the preceding Paragraph, however, shall only represent one Director in the meeting. In case a meeting of the Board of Directors is proceeded via visual communication network, the Directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 18: All Directors shall be entitled to remuneration for their execution of duties regardless of profits or losses. The Board of Directors is authorized to determine remuneration after considering their contribution to the Company and the industry's prevailing rates.

Article 18-1: Directors of the Company who occupy job positions within the Company shall be entitled to monthly salaries in accordance with salary standards of regular managerial staff in addition to the Director or Supervisor remuneration specified in Article 21 of the Articles of Incorporation.

#### Chapter 5 Managerial officer

Article 19: The Company may appoint managerial staff. The appointment, dismissal and compensation of such managerial staff shall be governed by Article 29 of the Company Act.

#### Chapter 6 Accounting

Article 20: The Company's accounting period begins from January 1 and ends on December 31 of each year. At the end of each fiscal year, the Board of Directors of the Company shall, in accordance with relevant laws and regulations, prepare and submit (1) a Business Report (2) Financial Statements (3) Proposals on distribution of earnings or compensation of deficits, etc. to the shareholders at the ordinary meeting of shareholders for their acceptance in accordance with the legal procedures.

Article 21: In the event the Company makes a profit during the fiscal year, it shall set aside five (5) to fifteen (15) percent of the profits for employee remuneration. The remuneration for Directors shall be no higher than two percent. However, priority shall be given to funds reserved for compensation of the Company's cumulative losses, if any. The employee remuneration specified in the preceding paragraph may be distributed by parent-subsidiary mutually in shares or cash and the recipients may include employees of subordinate companies or controlling companies meeting certain criteria and allocation method, which the Board of Directors shall be authorized to determine at its discretion. Before establishment of an audit committee, distribution ratio of remuneration of supervisors is based on preceding paragraph.

Article 22: Final annual net profit of the Company, if any, shall firstly be allocated for paying

business tax and compensating the deficit of previous years. After adding the items other than the net profit after tax of the current period into the undistributed earnings of the current year. Ten percent of the remaining profit shall be allocated as legal reserve. The remaining profit, along with the accumulated undistributed earnings for the previous year, shall be booked as the accumulated distributable earnings; however, restrictions shall not apply if the amount of allocated legal reserve has reached the total capital of the Company. The cumulative distributable profits, with the exception of special reserve to be allocated or reversed as required by laws or regulations of the competent authority, may be considered for retention in accordance with business requirements. The remaining sum shall be used for the distribution of dividends and if funds still remain, a resolution may be passed in the shareholder meeting for the distribution of shareholder bonus.

The company authorizes the board of directors with the attendance of more than two-thirds of the directors and the resolution of a majority of the directors present to distribute all or a part of dividends and bonuses, capital surplus or legal reserve in cash, and report to the shareholders meeting. The aforementioned provisions that should be resolved by the shareholders' meeting do not apply.

Article 23: The Company is situated in a changing industrial environment, wherein the corporate life cycle is at a stable growth stage. Considering the Company's capital requirement for continuous expansion and business operations, as well as long-term financial planning to satisfy shareholders needs for cash flow, the Company's dividend policy was formulated based on the residual dividend policy in the relevant laws and regulations of the Company Act. Future capital requirements are measured according to the future capital budget plan of the Company; capital required for earnings financing shall be retained, and the remaining earnings shall be distributed by way of cash or stock dividend. Particularly, cash dividend may not be less than 10% of total dividends.

## Chapter 7 Addendum

Article 24: Any matters not addressed in the Articles of Incorporation shall be governed by the Company Act and relevant laws and regulations.

Article 25: The Articles of Incorporation were established on October 22, 2001.

The first amendment was made on July 5, 2002.

The second amendment was made on August 23, 2003.

The third amendment was made on June 27, 2004.

The fourth amendment was made on March 25, 2005.

The fifth amendment was made on September 29, 2005.

The sixth amendment was made on June 30, 2006.

The seventh amendment was made on June 30, 2008.

The eighth amendment was made on February 9, 2010.

The ninth amendment was made on May 31, 2011.

The tenth amendment was made on July 8, 2011.

The eleventh amendment was made on November 23, 2011.

The twelfth amendment was made on June 27, 2012.

The thirteenth amendment was made on June 19, 2013.

The fourteenth amendment was made on June 11, 2014.

The fifteenth amendment was made on May 20, 2015.

The sixteenth amendment was made on May 31, 2016.

The seventeenth amendment was made on May 31, 2017

The eighteenth amendment was made on May 29, 2018

The nineteenth amendment was made on May 29, 2019

The twentieth amendment was made on May 28, 2020.

The twenty-first amendment was made on May 27, 2022.

**Brogent Technologies Inc.**  
**Rules of Procedure for Shareholders Meetings**

Article 1 To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article 2 The Rules of Procedure for Shareholders Meetings of the Company, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in these Rules.

The shareholder referred to in the Rules shall mean the shareholder or the proxy appointed by the shareholder to attend meetings on his/her behalf.

Article 3 Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the Board of Directors.

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of Directors and upload them to the Market Observation Post System (MOPS) at least 30 days before the date of an annual shareholders meeting or at least 15 days before the date of an extraordinary shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS at least 21 days before the date of the annual shareholders meeting or at least 15 days before the date of the extraordinary shareholders meeting. In addition, at least 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place. The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Matters pertaining to election or discharge of directors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Paragraph I, Article 185 hereof shall be itemized in

the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporaneous motions; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice. All directors of a company are re-elected and its start date is defined in the notice of reasons for the shareholders meeting and shall not be brought up again as extemporaneous motions or in any matters after re-election. Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of the Company may submit a written proposal for discussion at an annual shareholders' meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda; however, a shareholder proposal proposed for urging a company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the board of directors. In addition, when the circumstances of any Subparagraph of Article 172-1, Paragraph 4 of the Company Act apply to a proposal submitted by a shareholder, the Board of Directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce that it will receive shareholder proposals in writing or by way of electronic transmission, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual shareholders meeting and take part in discussion of the proposal. Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this Article. At the shareholders meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4 If a shareholder is unable to attend the shareholders' meeting in person, a proxy can be appointed by completing the Company's proxy form and by specifying the scope of delegated authority.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company at least 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail. Unless a declaration is made to cancel the previous proxy appointment. After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written

notice of proxy cancellation shall be submitted to the Company at least 2 days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5 The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9AM and no later than 3PM.

Article 6 The Company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters of attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel shall be assigned to handle the registrations.

Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings upon presentation of attendance passes, registration cards, or other proof of attendance. Solicitors soliciting proxy forms shall also bring personal identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a registration card in lieu of signing in.

The Company shall furnish attending shareholders with the proceedings manual, annual report, attendance pass, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 7 Shareholders' meetings that are convened by the Board of Directors shall be chaired by the Chairperson. If the Chairperson is unable to perform such duties due to leave of absence or any reason, the Vice Chairperson shall act on the Chairperson's behalf. If the Vice Chairperson is also unavailable, the Chairperson may appoint the Managing Director to act on behalf. If the Company does not have a Managing Director, one of the Directors shall be appointed to act on behalf; where no delegate has been appointed, the Managing Director or the one appointed among the remaining Director shall act on the Chairperson's behalf.

When a Managing Director or a Director serves as chair, as referred to in the preceding paragraph, the Managing Director or Director shall be one who has



held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the Board of Directors be attended by a majority of the Directors.

For shareholders' meetings convened by any authorized party other than the Board of Directors, the convener will act as the meeting Chairperson. If there are two or more conveners at the same time, one shall be appointed among themselves to chair the meeting.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8 The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded audio-visual materials of the preceding paragraph shall be retained for at least 1 year. However, if a shareholder makes a litigious claim against the Company according to Article 189 of the Company Act, the abovementioned documents must be retained until the end of the litigation.

Article 9 Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and registration cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article

Article 10 If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. With regard to the voting procedure of resolution of each proposal (including extempore motions), it shall be pass the resolution on a one agenda by one agenda basis. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the Board of Directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extempore motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote and arrange sufficient and appropriate time for voting.

Article 11 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance pass number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or

direct relevant personnel to respond.

Article 12 Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of trust enterprises and certain share administration agencies approved by the competent authority, a proxy may not represent more than 3% of total voting rights when representing two or more shareholders at a time. Voting rights that exceed this threshold shall be excluded.

Article 13 Shareholders shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, Paragraph 2 of the Company Act. When the Company holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extempore motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extempore motions and amendments to original proposals. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company at least 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, at least 2 days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already

exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the resolution of a proposal shall require an affirmative majority of the voting rights represented by attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders.

With the exception of proposals listed on the agenda, other proposals submitted by shareholders or the amended or alternative versions of the original proposal shall require endorsement of other shareholders. The shares represented by the person submitting the proposal and the shareholders that endorsed the proposal is required to exceed one percent (1%) of all voting rights of issued shares. In case there are any amendments or alternative solutions for the same proposal, the chair shall combine these amendments/alternative solutions with the original proposal and decide their priority for voting. In case one of these cases has already been resolved, the other cases shall be considered rejected. No further voting shall be required. The chair shall appoint personnel to monitor or count the votes. The individuals monitoring the votes, however, shall be the shareholders of the Company. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 14 The election of Directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as Directors and the numbers of votes with which they were elected. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. However, if a shareholder makes a litigious claim against the Company according to Article 189 of the Company Act, the abovementioned documents must be retained until the end of the litigation.

Article 15 Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20

days after the conclusion of the meeting.

The meeting minutes may be produced and distributed in electronic form. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results. When there is an election of directors, the each candidate votes shall be disclosed. The meeting minutes and each candidate votes shall be retained for the duration of the existence of the Company.

A proposal passed via the resolution method in the preceding paragraph shall be recorded as "passed unanimously after the chair inquires the all shareholders in attendance" after the chair has inquired all attending shareholders and no shareholders have voiced an objection; however, if a shareholder voiced an objection to the proposal, the method of voting, the approval voting rights, and the voting rights ratio shall be recorded.

Article 16 On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18 When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the

meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extempore motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19 These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

The first amendment was made on May 28 2020.

(Appendix 3)

**Brogent Technologies Inc.**  
**Shareholding Status of Directors**

- 1) The Company's paid-in capital is NT\$648,641,370, a total number of 64,864,137 shares have been issued.
- 2) According to Article 26 of the Securities and Exchange Act, the total amount of shares held by the entire body of Directors or Supervisors shall not be less than the following number of shares: 5,189,130 shares.  
According to Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies," if a public company has elected two or more Independent Directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all Directors other than the Independent Directors and shall be decreased by 20 percent.
- 3) The shares held by individual shareholders, and all Directors as of the book closure date of this shareholders' meeting (March 29, 2024) are shown in the table below. The number of shares has reached the amount required by the Securities and Exchange Act.

Title	Name	Date elected	Term (Year)	Number of shares held as recorded in the list of shareholders on the book closure date	
				Shares	Percentage of currently issued shares (%)
Chairperson	Chih-Hung Ouyang	2023.05.31	3	3,807,191	5.87
Director	Changchun Investment Co., Ltd. Representative Chih-Chuan Chen	2023.05.31	3	2,150,271	3.32
Director	Chin-Huo Huang	2023.05.31	3	1,149,442	1.77
Director	LARGOU MORI CO., LTD. Representative Shen-Hao Cheng	2023.05.31	3	1,875,929	2.89
Independent Director	Lewis Lee	2023.05.31	3	0	0.00
Independent Director	Chih-Poung Liou	2023.05.31	3	0	0.00
Independent Director	Jih-Ching Chiu	2023.05.31	3	0	0.00
Independent Director	Keng-Shin Lin	2023.05.31	3	0	0.00
Shareholdings of all directors				8,982,833	13.85