



Stock code:5263

Brogent Technologies Inc.

2022 Annual Meeting of Shareholders

Proceedings Manual

Date: Friday, May 27, 2022

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

Table of Contents

	<u>Page</u>
I.Meeting Procedures.....	1
II. Meeting Agenda.....	2
III.Reports.....	3
IV.Ratifications.....	4
V.Matters for Discussion and Votes.....	5
VI.Extempore Motions.....	6
VII.Attachments	
(1).Business Report.....	7
(2).Audit Committee Audit Report.....	9
(3).2021 CPA Audit Report and Financial Report.....	10
(4).Comparison Table of the "Articles of Incorporation" of Brogent Technologies Inc. before and after Revision.....	19
(5).Comparison Table of the "Procedures for the Acquisition or Disposal of Asset" of Brogent Technologies Inc. before and after Revision.....	22
VIII.Appendices	
(1).Articles of Incorporation.....	37
(2).Procedures for the Acquisition or Disposal of Assets.....	42
(3).Procedures for Election of Directors.....	58
(4).Rules of Procedure for Shareholders Meetings.....	61
(5).Shareholding Status of Directors.....	69

Brogent Technologies Inc.
Proceedings of the 2022 Annual Meeting of Shareholders

- 1) Call to Order
- 2) Chairperson's Remarks
- 3) Reports
- 4) Ratifications
- 5) Matters for Discussion and Votes
- 6) Extempore Motions
- 7) Meeting Adjourned

Brogent Technologies Inc.

Agenda of the 2022 Annual Meeting of Shareholders

Meeting Type: Physical Shareholders Meeting

Time: 9:00AM, Friday, May 27, 2022

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): 2021 Business Report.
 - (2): 2021 Audit Committee Audit Report
 - (3): The status of issuing corporate bonds
- 4) Ratifications
 - (1): 2021 Business Report and Financial Report.
 - (2): 2021 Deficit Compensation Statement.
- 5) Matters for Discussion and Votes
 - (1): Amendment to "Articles of Incorporation".
 - (2): Amendment to "Procedures for Acquisition or Disposal of Assets".
 - (3): The case of by-election of a director.
 - (4): The proposal for lifting the ban on competition between newly elected Directors and their representatives.
- 6) Extempore Motions
- 7) Meeting Adjourned

Reports

I: The 2021 Business Report is hereby submitted for review.

Please refer to Attachment 1 on page 7-8 of the Manual for the Business Report.

II: The 2021 Audit Committee Audit Report is hereby submitted for review.

Please refer to Attachment 2 on page 9 of the Manual for the Audit Committee Audit Report.

III: The status of issuing corporate bonds is hereby submitted for review.

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

Type	Third domestic unsecured convertible bonds	Forth domestic unsecured convertible bonds
Issue date	2020.10.12	2020.10.15
Par value	NTD\$100,000	NTD\$100,000
Issue price	Issued by 101.64% of par value	Issued by par value
Total value	NTD\$700,000,000	NTD\$500,000,000
Interest rate	0%	0%
Expiration date	5 year Expiration date: Oct. 12, 2025	4 year Expiration date: Oct. 15, 2024
Assurance institution	None	None
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 with interest by cash.	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.
Outstanding principal	NTD\$327,400,000 元	NTD\$322,300,000
Till March 29, 2022 book closing date amount of the corporate bonds convertible into shares	Amount of execution on conversion bonds: NT\$372,600,000; total (converted) common shares: 3,548,489	Amount of execution on conversion bonds: NT\$177,700,000; total (converted) common shares: 1,668,459
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

Ratifications

Item 1: The 2021 Business Report and Financial Report are hereby submitted for ratification. (Proposed by the Board of Directors)

Explanation: 1. The Company's 2021 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 2021 Business Report (please refer to Attachment 1 on page 7-8 of the Manual) and Financial Report (please refer to Attachment 3 on page 10-18 of the Manual).

3. The reports are hereby submitted for ratification.

Resolution:

Item 2: The 2021 Deficit Compensation Statement is hereby submitted for ratification. (Proposed by the Board of Directors)

Explanation: 1. The Company's 2021 Deficit Compensation Statement is as follows:

BROGENT TECHNOLOGIES INC.		
Deficit Compensation Statement		
2021		UNIT : NT\$
Item	Amount	
	Subtotal	Total
Deficit un-compensated at beginning of 2021		(48,971,608)
ADD(LESS) :		
Remeasurement of defined benefit plan	(280,386)	
Retained earnings adjusted for investments accounted for using equity method	(516,215)	
Net loss of 2021	(131,956,870)	
accumulated deficit		(132,753,471)
Deficit un-compensated at end of 2021		(181,725,079)

Chairman:



General Manager:



Accounting Manager:



2. The reports are hereby submitted for ratification.

Resolution:

Matters for Discussion and Votes

Item 1: The amendment of clauses of the “Articles of Incorporation” is hereby submitted for discussion. (Proposed by the Board of Directors)

Explanation: 1. Revised in accordance with amendment in laws and regulations, amendments for clauses of the Company's “Articles of Incorporation” are proposed.

2. Please refer to Attachment 4 on page 19-21 of the Manual for the Comparison Table of the "Articles of Incorporation" before and after revision.

3. Submitted for discussion.

Resolution:

Item 2: The amendment of clauses of the “Procedures for Acquisition or Disposal of Assets” is hereby submitted for discussion. (Proposed by the Board of Directors)

Explanation: 1. Revised in accordance with establishment of audit committee, it is proposed to revise “Procedures for Acquisition or Disposal of Assets”.

2. Please refer to Attachment 5 on page 22-36 of the Manual for the Comparison Table of the “Procedures for Acquisition or Disposal of Assets” before and after revision.

3. Submitted for discussion.

Resolution:

Item 3: A vote is hereby called for the case of by-election of a director. (Proposed by the Board of Directors)

Explanation: 1. There is one vacancy in the current board of directors, and it is planned to cooperate with this general meeting of shareholders to handle by-election matters.

2. The Director elected this time shall serve a term from May 27, 2022 to May 27, 2023, in order to complement the term of the original directors.

3. According to Article 14 of the Company's Articles of Incorporation, Directors are elected on a candidate nomination system. The list of candidates for Director Information is as follows:

Name	LARGOU MORI CO., LTD Representative CHENG SHENHAO
Education	The doctorate degree of Meiji University /Graduate School of Commerce.
Experience	LARGOU MORI CO., LTD Chairman

Number of shares held	1,688,888 shares
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4. Submitted for election.

Resolution:

Item 4: The proposal for lifting the ban on competition between newly elected Directors and their representatives is hereby submitted for discussion.
(Proposed by the Board of Directors)

Explanation: 1. Pursuant to Article 209 of the Company Act, a Director who acts for himself or on behalf of another person within the scope of the Company's business operations shall explain to the meeting of shareholders the essential contents of such act and obtain approval.

2. To make use of the expertise and related experience of the Company's Directors, the lift of the ban on competition between newly elected Directors and their representatives is hereby submitted for approval in the 2022 Annual Shareholders Meeting in accordance with the law.

3. The details of the proposed shareholders' general meeting to dismiss directors' competition are as follows:

Title	Name	Other positions
Director	CHENG SHENHAO	LARGOU MORI CO., LTD(TW) Chairman LARGOU MORI CO., LTD(JAPAN) Chairman

4. Submitted for discussion.

Resolution:

Extempore motions

Meeting adjourned

Brogent Technologies Inc. Business Report

1) Operating policies

In 2022, Brogent Group will step forward toward the following directions: 1. Develop diversified product lines, expand the penetration rate of the entertainment market, and continue to enhance technical capabilities and refine core technologies. 2. Continue to deepen and expand the operating locations, and strengthen the digital content database (including IP authorization, etc.) to diversify the sources of cash inflow and increase the proportion of revenue from non-amusement equipment sales. 3. Expand the scope of business services and provide comprehensive service solutions, including but not limited to digital content design field, field theme design, on-site operation, etc.

Brogent has been in the market layout of immersive simulation equipment for a long time. In addition to continuously investing in R&D optimization and expansion of the product line, Brogent has also set up an independent digital content production team to match the Metaverse topic and seize the opportunity in the entertainment market. In the future, the results of the economic recovery can be expected.

2) Business Plan Implementation Results

The Company's net operating revenue in 2021 amounted to NT\$787.749 million, a decrease of approximately 25.87% from the net operating revenue of NT\$1,062.899 million in 2020. The Company's net loss in the current period amounted to NT\$133.323 million, an increase of 157.59% from the net loss of NT\$51.758 million in 2020.

3) Operating Income and Budget Execution

(1) Operating Income

The categories of consolidated operating revenue in 2021 included project revenue, service revenue, ticket revenue and other operations, and the total amount was NT\$787.749 million. Affected by COVID-19, the progress of projects and new orders was relatively delayed; as a result, the income recognition was postponed.

(2) Operating Expenses

Total consolidated operating expenses in 2021 amounted to NT\$556.641 million, an increase of NT\$31.701 million from the NT\$524.940 million of 2020. Although the global economic development is currently affected by changes in the COVID-19 pandemic, it is predicted that the pandemic will slow down over time and the economy will recover. Therefore, the company continues to improve the products' marketing and research and development.

4) Profitability Analysis

The Company's operating expense ratio increased 6.04% and net profits increased 157.59% compared with 2020, mainly affected by COVID-19 and the global stock and foreign exchange markets. The Company will maximize shareholder's value through product diversification, revenue diversification, high-end technology, and strong competitive advantages in 2022.

5) Research and Development

To maintain core competitiveness, Brogent will keep engaging in advanced technological R&D and innovative applications and implement product-centric design and research as well as systematic management to maintain the leading position of products and technologies. The R&D expenses increased NT\$40.436 million compared with 2020. The R&D expenses were invested mainly in the optimization and improvement of our mid-and small-sized products. In addition, to optimize product design and manufacturing process and reduce costs, we have also obtained patents from various countries through continuous innovation and research and development, raising the entry barrier and highlighting the competitiveness of enterprises.

Chairman: 

General Manager: 

Accounting Manager: 

(Attachment 2)

Brogent Technologies Inc. Audit Committee Audit Report

The Business Report, Financial statements and Deficit Compensation Statement of 2021 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

2022 Annual Shareholders Meeting of Brogent Technologies Inc.

Audit Committee Convener:



March 8, 2022

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, 2021 and 2020, 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 a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public 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, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2021 is stated as follows:

The recognition of construction contract revenue

Construction contract revenue, the main operating revenue of the Group, is recognized over time. The Group recognizes revenue upon satisfaction of a performance obligation based on the input method. Due to the manual calculation and judgment, which involves critical accounting estimates, accuracy of the recognition of construction contract revenue is deemed to be a key audit matter.

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

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

1. We understood and tested the design and operating effectiveness of the internal control relevant to the accuracy of recognition of the construction 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 construction contract revenue measured by the percentage of completion, and checked whether it was recognized correctly.

Other Matter

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

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient 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, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 8, 2022

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, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2021		December 31, 2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 675,485	14	\$ 864,341	17
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	287,613	6	380,382	8
Financial assets at amortized cost - current (Notes 4, 8 and 31)	103,001	2	202,598	4
Notes receivable (Notes 4 and 9)	-	-	21,164	-
Accounts receivable, net (Notes 4, 5 and 9)	216,053	4	204,919	4
Contract assets - current (Note 4, 5 and 23)	1,172,733	25	1,119,428	22
Current tax assets (Notes 4 and 25)	325	-	20	-
Inventories (Notes 4 and 10)	223,297	5	237,987	5
Prepayments	121,126	3	120,941	2
Other current assets	18,004	-	20,697	-
Total current assets	<u>2,817,637</u>	<u>59</u>	<u>3,172,477</u>	<u>62</u>
NONCURRENT ASSETS				
Financial assets at fair value through profit or loss - noncurrent (Notes 4 and 7)	291,657	6	283,334	5
Financial assets at amortized cost - noncurrent (Notes 4, 8 and 31)	54,631	1	50,060	1
Investments accounted for using equity method (Notes 4 and 12)	1,506	-	3,331	-
Property, plant and equipment (Notes 4, 13 and 31)	976,416	20	957,475	19
Right-of-use assets (Notes 4 and 14)	308,417	7	341,151	7
Intangible assets (Notes 4 and 15)	166,000	4	183,694	4
Deferred tax assets (Notes 4 and 25)	76,444	2	39,480	1
Refundable deposits	15,034	-	13,537	-
Prepayments for investments	-	-	4,599	-
Other noncurrent assets	68,697	1	63,874	1
Total noncurrent assets	<u>1,958,802</u>	<u>41</u>	<u>1,940,535</u>	<u>38</u>
TOTAL	<u>\$ 4,776,439</u>	<u>100</u>	<u>\$ 5,113,012</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	\$ 155,085	3	\$ 216,207	4
Notes payable (Note 18)	1,388	-	11,571	-
Accounts payable (Note 18)	87,236	2	99,294	2
Contract liabilities - current (Note 23)	65,772	1	136,754	3
Other payables (Note 19)	79,014	2	60,733	1
Current tax liabilities (Notes 4 and 25)	6,442	-	5,918	-
Provisions - current (Note 4)	5,122	-	2,380	-
Lease liabilities - current (Notes 4 and 14)	60,133	1	56,161	1
Current portion of long-term borrowings (Note 16)	103,828	2	50,258	1
Current portion of bonds payable (Notes 4 and 17)	315,027	7	-	-
Other current liabilities	2,316	-	1,596	-
Total current liabilities	<u>881,363</u>	<u>18</u>	<u>640,872</u>	<u>12</u>
NONCURRENT LIABILITIES				
Bonds payable (Notes 4 and 17)	319,291	6	1,155,660	23
Long-term borrowings (Note 16)	227,560	5	306,277	6
Deferred tax liabilities (Notes 4 and 25)	41,141	1	42,251	1
Lease liabilities - noncurrent (Notes 4 and 14)	273,676	6	309,631	6
Net defined benefit liabilities - noncurrent (Notes 4 and 20)	-	-	9,294	-
Total noncurrent liabilities	<u>861,668</u>	<u>18</u>	<u>1,823,113</u>	<u>36</u>
Total liabilities	<u>1,743,031</u>	<u>36</u>	<u>2,463,985</u>	<u>48</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 22)				
Share capital				
Ordinary shares	573,641	12	557,474	11
Advance receipts for ordinary share	36,003	1	-	-
Total share capital	<u>609,644</u>	<u>13</u>	<u>557,474</u>	<u>11</u>
Capital surplus	<u>2,501,234</u>	<u>53</u>	<u>2,021,953</u>	<u>40</u>
Retained earnings (deficit to be compensated)				
Legal reserve	127,421	3	127,421	3
Special reserve	14,857	-	14,857	-
Accumulated deficit	(181,725)	(4)	(48,972)	(1)
Total retained earnings (deficit to be compensated)	<u>(39,447)</u>	<u>(1)</u>	<u>93,306</u>	<u>2</u>
Other equity	<u>(39,431)</u>	<u>(1)</u>	<u>(26,464)</u>	<u>(1)</u>
Total equity attributable to owners of the Corporation	3,032,000	64	2,646,269	52
NON-CONTROLLING INTERESTS (Note 22)	<u>1,408</u>	<u>-</u>	<u>2,758</u>	<u>-</u>
Total equity	<u>3,033,408</u>	<u>64</u>	<u>2,649,027</u>	<u>52</u>
TOTAL	<u>\$ 4,776,439</u>	<u>100</u>	<u>\$ 5,113,012</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, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2021		2020	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4, 5, 23 and 30)	\$ 787,749	100	\$ 1,062,899	100
OPERATING COSTS (Notes 10 and 24)	<u>411,243</u>	<u>52</u>	<u>560,483</u>	<u>53</u>
GROSS PROFIT	<u>376,506</u>	<u>48</u>	<u>502,416</u>	<u>47</u>
OPERATING EXPENSES (Notes 9, 23 and 24)				
Selling and marketing expenses	53,715	7	55,382	5
General and administrative expenses	248,857	32	240,125	22
Research and development expenses	207,749	26	167,313	16
Expected credit loss	<u>46,320</u>	<u>6</u>	<u>62,120</u>	<u>6</u>
Total operating expenses	<u>556,641</u>	<u>71</u>	<u>524,940</u>	<u>49</u>
OPERATING LOSS	<u>(180,135)</u>	<u>(23)</u>	<u>(22,524)</u>	<u>(2)</u>
NON-OPERATING INCOME AND EXPENSES (Note 24)				
Interest income	5,337	1	8,493	1
Other income	51,114	6	38,687	4
Other gains and losses	2,994	-	(38,434)	(4)
Finance costs	(27,063)	(3)	(29,202)	(3)
Share of profit or loss of associates accounted for using the equity method	<u>(6,029)</u>	<u>(1)</u>	<u>1,142</u>	<u>-</u>
Total non-operating income and expenses	<u>26,353</u>	<u>3</u>	<u>(19,314)</u>	<u>(2)</u>
LOSS BEFORE INCOME TAX	(153,782)	(20)	(41,838)	(4)
INCOME TAX EXPENSE (BENEFIT) (Notes 4 and 25)	<u>(20,459)</u>	<u>(3)</u>	<u>9,920</u>	<u>1</u>
NET LOSS FOR THE YEAR	<u>(133,323)</u>	<u>(17)</u>	<u>(51,758)</u>	<u>(5)</u>
OTHER COMPREHENSIVE INCOME (Notes 20 and 22)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(350)	-	(484)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	70	-	(237)	-

(Continued)

Brogent Technologies Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2021		2020	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	\$ (14,229)	(2)	\$ (10,173)	(1)
Share of the other comprehensive loss of associates accounted for using the equity method	<u>(355)</u>	<u>-</u>	<u>(840)</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>(14,864)</u>	<u>(2)</u>	<u>(11,734)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>\$ (148,187)</u>	<u>(19)</u>	<u>\$ (63,492)</u>	<u>(6)</u>
NET LOSS ATTRIBUTABLE TO:				
Owners of the Corporation	\$ (131,956)	(17)	\$ (49,184)	(5)
Non-controlling interests	<u>(1,367)</u>	<u>-</u>	<u>(2,574)</u>	<u>-</u>
	<u>\$ (133,323)</u>	<u>(17)</u>	<u>\$ (51,758)</u>	<u>(5)</u>
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:				
Owners of the Corporation	\$ (145,203)	(19)	\$ (61,512)	(6)
Non-controlling interests	<u>(2,984)</u>	<u>-</u>	<u>(1,980)</u>	<u>-</u>
	<u>\$ (148,187)</u>	<u>(19)</u>	<u>\$ (63,492)</u>	<u>(6)</u>
LOSS PER SHARE (Note 26)				
Basic	<u>\$ (2.31)</u>		<u>\$ (0.88)</u>	
Diluted	<u>\$ (2.31)</u>		<u>\$ (0.88)</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, 2021 AND 2020
(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) Unappropriated			Other Equity Exchange Differences on Translation of Foreign	Total	Non-controlling	Total Equity
				Legal Reserve	Special Reserve	Earnings	Operations		Interests	
BALANCE AT JANUARY 1, 2020	\$ 557,474	\$ -	\$ 1,968,156	\$ 90,809	\$ -	\$ 366,375	\$ (14,857)	\$ 2,967,957	\$ 73,173	\$ 3,041,130
Appropriation of 2019 earnings (Note 22)										
Legal reserve	-	-	-	36,612	-	(36,612)	-	-	-	-
Special reserve	-	-	-	-	14,857	(14,857)	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	-	(312,186)	-	(312,186)	-	(312,186)
Net loss in 2020	-	-	-	36,612	14,857	(363,655)	-	(312,186)	-	(312,186)
Other comprehensive income (loss) in 2020, net of income tax	-	-	-	-	-	(49,184)	-	(49,184)	(2,574)	(51,758)
	-	-	-	-	-	(721)	(11,607)	(12,328)	594	(11,734)
Total comprehensive loss in 2020	-	-	-	-	-	(49,905)	(11,607)	(61,512)	(1,980)	(63,492)
Difference between consideration and carrying amount of subsidiaries acquired or disposed (Note 11)	-	-	-	-	-	(1,787)	-	(1,787)	(68,719)	(70,506)
Changes in percentage of ownership interest in subsidiaries	-	-	(3)	-	-	-	-	(3)	3	-
Additional non-controlling interest recognized on issue of employee share options by subsidiaries	-	-	-	-	-	-	-	-	281	281
Equity components of issued convertible bonds (Note 17)	-	-	53,800	-	-	-	-	53,800	-	53,800
BALANCE AT DECEMBER 31, 2020	557,474	-	2,021,953	127,421	14,857	(48,972)	(26,464)	2,646,269	2,758	2,649,027
Net loss in 2021	-	-	-	-	-	(131,956)	-	(131,956)	(1,367)	(133,323)
Other comprehensive loss in 2021, net of income tax	-	-	-	-	-	(280)	(12,967)	(13,247)	(1,617)	(14,864)
Total comprehensive loss in 2021	-	-	-	-	-	(132,236)	(12,967)	(145,203)	(2,984)	(148,187)
Convertible bonds converted to ordinary shares	16,167	36,003	480,394	-	-	-	-	532,564	-	532,564
Changes in percentage of ownership interest in subsidiaries	-	-	(1,113)	-	-	(517)	-	(1,630)	1,630	-
Additional non-controlling interest recognized on issue of employee share options by subsidiaries	-	-	-	-	-	-	-	-	4	4
BALANCE AT DECEMBER 31, 2021	\$ 573,641	\$ 36,003	\$ 2,501,234	\$ 127,421	\$ 14,857	\$ (181,725)	\$ (39,431)	\$ 3,032,000	\$ 1,408	\$ 3,033,408

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, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	\$ (153,782)	\$ (41,838)
Adjustments for:		
Income and expenses		
Depreciation expense	117,349	113,739
Amortization expense	33,882	30,841
Expected credit loss	46,320	62,120
Net (gain) loss on fair value changes of financial assets and liabilities at fair value through profit or loss	(23,991)	10,097
Finance cost	27,063	29,202
Interest income	(5,337)	(8,493)
Share of profit or loss of associates accounted for using the equity method	6,029	(1,142)
Loss (gain) on disposal of property, plant and equipment	2,036	(192)
Loss on inventories	1,875	1,456
Others	515	(1,224)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	100,623	(126,926)
Notes receivable	21,164	(21,093)
Accounts receivable	(47,862)	70,955
Contract assets	(62,808)	(134,880)
Inventories	12,815	55,556
Prepayments	(2,889)	94,511
Other current assets	2,604	16,256
Notes payable	(10,183)	(2,430)
Accounts payable	(12,058)	16,911
Contract liabilities	(70,982)	(26,029)
Other payables	20,273	(70,540)
Provisions	2,742	52
Other current liabilities	720	(30)
Net defined benefit liabilities	(9,644)	71
Cash generated (used in) from operations	(3,526)	66,950
Income tax paid	(17,019)	(68,156)
Net cash used in operating activities	(20,545)	(1,206)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(77,849)	(795,765)
Proceeds from sale of financial assets at amortized cost	169,834	887,365
Payments for property, plant and equipment	(99,553)	(48,077)
Proceeds from disposal of property, plant and equipment	1,534	2,435
Increase in refundable deposits	(1,770)	(887)
Acquisition of intangible assets	(15,010)	(40,291)
Decrease (increase) in other noncurrent assets	(4,783)	6,219

(Continued)

Brogent Technologies Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Interest received	\$ 5,337	\$ 8,493
Net cash generated from (used in) investing activities	<u>(22,260)</u>	<u>19,492</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	(61,122)	24,867
Issuance of convertible bonds	-	1,206,229
Proceeds from long-term borrowings	120,588	25,895
Repayment of long-term borrowings	(145,705)	(737,527)
Repayment of the principal portion of lease liabilities	(40,741)	(34,980)
Cash dividends distributed	-	(312,186)
Acquisition of subsidiaries	-	(70,506)
Interest paid	<u>(13,363)</u>	<u>(25,102)</u>
Net cash generated from (used in) financing activities	<u>(140,343)</u>	<u>76,690</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>(5,708)</u>	<u>(5,452)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(188,856)	89,524
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>864,341</u>	<u>774,817</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 675,485</u>	<u>\$ 864,341</u>

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

(Concluded)

(Attachment 4)

Comparison Table of the "Articles of Incorporation" of Brogent Technologies Inc.
before and after Revision

Article Number	Before Revision	After Revision	Description
Article10	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.	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. <u>When the shareholders' meeting is held, it may be held by video conference or other methods announced by the central competent authority.</u>	Added in accordance with amendment in laws
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 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 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 <u>at least</u> 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.	Revised in accordance with amendment in laws

	<p>The Company shall have the audit committee which 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.</p>	<p><u>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.</u> 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.</p>	
Article 22	<p>Final annual net profit of the Company, if any, shall firstly be allocated for paying business tax and compensating the deficit of previous years. 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.</p>	<p>Final annual net profit of the Company, if any, shall firstly be allocated for paying business tax and compensating the deficit of previous years. <u>After adding the items other than the net profit after tax of the current period into the undistributed earnings of the current year.</u> 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. <u>The company authorizes the board of directors with the attendance of more than two-thirds of the directors and the</u></p>	Added in accordance with amendment in laws

		<u>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.</u>	
Article 25	The Articles of Incorporation were established on October 22, 2001. Omitted. The twentieth amendment was made on May 28, 2020.	The Articles of Incorporation were established on October 22, 2001. Omitted. The nineteenth amendment was made on May 29, 2019. The twentieth amendment was made on May 28, 2020. <u>The twenty-first amendment was made on May 27, 2022.</u>	Add the revision date and number of times

Comparison Table of the "Procedures for the Acquisition or Disposal of Asset" of Brogent Technologies Inc. before and after Revision

Article Number	Before Revision	After Revision	Description
Article 6	<p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public-companies with appraisal reports, certified public accountants opinions, attorney's opinions, or underwriter's opinions shall not be a related party of any party to the transaction.</p> <p>1) May not have previously received a final and unappeasable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>2) May not be a related party or de facto related party of any party to the transaction.</p> <p>3) If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <p>1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>2) When examining a case, they shall appropriately plan and</p>	<p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide <u>the company</u> with appraisal reports, certified public accountants opinions, attorney's opinions, or underwriter's opinions shall not be a related party of any party to the transaction.</p> <p>1) May not have previously received a final and unappeasable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>2) May not be a related party or de facto related party of any party to the transaction.</p> <p>3) If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the <u>self-regulatory rules of the industry associations to which they belong and</u> with the following <u>provisions</u>:</p> <p>1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical</p>	Revised in accordance with amendment in laws

	<p>execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>3) They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</p>	<p>experience, and independence.</p> <p>2) When <u>conducting</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>3) They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate and</u> reasonable, and that they have complied with applicable laws and regulations.</p>	
Article 7	<p>4) Appraisal report of real estate and other fixed assets In acquiring or disposing of real estate or fix assets where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of machinery or equipment for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: (1) Where due to special circumstances it is necessary to give a specific market value or specified market value as a reference basis for the transaction price, the transaction shall be submitted for approval in advance</p>	<p>4) Appraisal report of real estate and other fixed assets In acquiring or disposing of real estate or fix assets where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of machinery or equipment for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: (1) Where due to special circumstances it is necessary to give a specific market value or specified market value as a reference basis for the transaction price, the transaction shall be submitted for approval in advance</p>	Revised in accordance with amendment in laws

	<p>by the Board of Directors, and the same procedure shall apply to any future changes to the terms and conditions of the transaction.</p> <p>(2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statements on Auditing Standards No. 20 published by the Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <ol style="list-style-type: none"> 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. <p>(4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date. However, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>5) Expert Opinion on Acquisition and Disposal of Securities The Company's acquisition or disposal of securities shall, prior to the date of occurrence of the event, require financial statements of the</p>	<p>by the Board of Directors, and the same procedure shall apply to any future changes to the terms and conditions of the transaction.</p> <p>(2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <ol style="list-style-type: none"> 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. <p>(4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date. However, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>5) Expert Opinion on Acquisition and Disposal of Securities The Company's acquisition or disposal of securities shall, prior to the date of occurrence of the event, require financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20</p>	
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	<p>issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA is required to use the expert report as evidence, the CPA shall do so in accordance with the provisions of Statements on Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by the regulations of the Financial Supervisory Commission (FSC).</p> <p>6) Expert Opinion Report on Memberships or Intangible Assets Where the Company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20 percent or more of the Company's paid-in capital or NT\$300 million or more, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statements on Auditing Standards No. 20 published by the Accounting Research and Development Foundation.</p>	<p>percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by the regulations of the Financial Supervisory Commission (FSC).</p> <p>6) Expert Opinion Report on Memberships or Intangible Assets Where the Company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20 percent or more of the Company's paid-in capital or NT\$300 million or more, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p>	
Article 8	<p>1) When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the real estate processing procedures specified in Article 7 are adopted, related resolution procedures specified below shall moreover be complied with and the reasonableness of the transaction</p>	<p>1) When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the real estate processing procedures specified in Article 7 are adopted, related resolution procedures specified below shall moreover be complied with and the reasonableness of the transaction</p>	Revised in accordance with amendment in laws

	<p>terms by appraised; if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Section. The "transaction amount" in the preceding paragraph shall be calculated in accordance with the provisions stipulated in Article 7-1. In addition, when determining whether the transaction target is a related party, in addition to noting its legal status, the actual relations shall also be taken into consideration.</p> <p>2) Assessment and Operating Procedures</p> <p>When the Company acquires or disposes of real estate from or to a related party, or acquires or disposes of assets other than real estate from or to a related party and the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and ratified by the Supervisors:</p> <p>(1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>(2) The reason for choosing the related party as a trading counterparty.</p> <p>(3) With respect to the acquisition of real estate from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Subparagraphs (1) and (4) of Paragraph 3 of this Article.</p> <p>(4) The date and price at which the related party originally acquired the real estate, the original trading counterparty, and that trading counterparty's relationship to the</p>	<p>terms by appraised; if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Section. The "transaction amount" in the preceding paragraph shall be calculated in accordance with the provisions stipulated in Article 7-1. In addition, when determining whether the transaction target is a related party, in addition to noting its legal status, the actual relations shall also be taken into consideration.</p> <p>2) Assessment and Operating Procedures</p> <p>When the Company acquires or disposes of real estate from or to a related party, or acquires or disposes of assets other than real estate from or to a related party and the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and ratified by the Supervisors:</p> <p>(1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>(2) The reason for choosing the related party as a trading counterparty.</p> <p>(3) With respect to the acquisition of real estate from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Subparagraphs (1) and (4) of Paragraph 3 of this Article.</p> <p>(4) The date and price at which the related party originally acquired the real estate, the original trading counterparty, and that trading counterparty's relationship to the</p>	
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	<p>Company and the related party.</p> <p>(5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, evaluation of the necessity of the transaction, and reasonableness of fund utilization.</p> <p>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding Article.</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of the "transaction amount" referred to in the preceding Paragraph shall be made in accordance with Article 11, Paragraph 1 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Board of Directors and ratified by the Supervisors in accordance with the provisions of the Standards need not be counted toward the transaction amount.</p> <p>With respect to the acquisition or disposal of machinery or equipment for business use between the Company and its subsidiaries, the Company's Board of Directors may pursuant to Article 7, Paragraph 2, Subparagraph 2 delegate the Chairperson of the Board to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting.</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2. Acquisition or disposal of real property right-of-use assets held for business use. 3) Appraisal of the reasonableness of the transaction price <ol style="list-style-type: none"> (1) When the Company acquires real estate from a related party, it shall evaluate the reasonableness of the transaction costs by the following means: 	<p>Company and the related party.</p> <p>(5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, evaluation of the necessity of the transaction, and reasonableness of fund utilization.</p> <p>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding Article.</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction.</p> <p>With respect to the acquisition or disposal of machinery or equipment for business use between the Company and its subsidiaries, the Company's Board of Directors may pursuant to Article 7, Paragraph 2, Subparagraph 2 delegate the Chairperson of the Board to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting.</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2. Acquisition or disposal of real property right-of-use assets held for business use. 3) Appraisal of the reasonableness of the transaction price <ol style="list-style-type: none"> (1) When the Company acquires real estate from a related party, it shall evaluate the reasonableness of the transaction costs by the following means: <ol style="list-style-type: none"> 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance. 2. Total loan value appraisal from a financial institution where the 	
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	<p>1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.</p> <p>2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.</p> <p>(2) Where land and buildings thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the buildings may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p> <p>(3) When the Company acquires real estate from a related party and appraises the cost of the real estate in accordance with Paragraph 3, Subparagraphs (1) and (2) of this Article, it shall also engage a CPA to review the appraisal and render a specific opinion.</p> <p>(4) Where the Company acquires real estate from a related party and one of the following circumstances exists, the acquisition shall only be required for implementation in accordance with Paragraphs 1 and 2 of this Article regarding appraisal and operating procedures and where the regulations on the reasonableness of the transaction cost provided in Paragraph 3,</p>	<p>related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.</p> <p>(2) Where land and buildings thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the buildings may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p> <p>(3) When the Company acquires real estate from a related party and appraises the cost of the real estate in accordance with Paragraph 3, Subparagraphs (1) and (2) of this Article, it shall also engage a CPA to review the appraisal and render a specific opinion.</p> <p>(4) Where the Company acquires real estate from a related party and one of the following circumstances exists, the acquisition shall only be required for implementation in accordance with Paragraphs 1 and 2 of this Article regarding appraisal and operating procedures and where the regulations on the reasonableness of the transaction cost provided in Paragraph 3, Subparagraphs (1), (2), and (3) do not apply:</p> <ol style="list-style-type: none"> 1. The related party acquired the real estate through inheritance or as a gift. 2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real estate to the signing date for the current transaction. 3. The real estate is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real estate, 	
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	<p>Subparagraphs (1), (2), and (3) do not apply:</p> <ol style="list-style-type: none"> 1. The related party acquired the real estate through inheritance or as a gift. 2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real estate to the signing date for the current transaction. 3. The real estate is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real estate, either on the Company's own land or on rented land. 4. The real property right-of-use assets for business use are acquired by the public company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital. <p>(5) When the Company acquires real estate from a related party and appraises the cost of the real estate in accordance with Paragraph 3, Subparagraphs (1) and (2) of this Article, and the results are uniformly lower than the transaction price, the matter shall be handled in compliance with the regulations in Paragraph 3, Subparagraph (6) of this Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real estate appraiser and a CPA, this restriction shall not apply:</p> <ol style="list-style-type: none"> 1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions: <ol style="list-style-type: none"> (i) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable 	<p>either on the Company's own land or on rented land.</p> <ol style="list-style-type: none"> 4. The real property right-of-use assets for business use are acquired by the public company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital. <p>(5) When the Company acquires real estate from a related party and appraises the cost of the real estate in accordance with Paragraph 3, Subparagraphs (1) and (2) of this Article, and the results are uniformly lower than the transaction price, the matter shall be handled in compliance with the regulations in Paragraph 3, Subparagraph (6) of this Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real estate appraiser and a CPA, this restriction shall not apply:</p> <ol style="list-style-type: none"> 1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions: <ol style="list-style-type: none"> (i) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower. (ii) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued 	
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	<p>construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p>(ii) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.</p> <p>2. Where the Company acquires real estate from a related party and provides evidence that the terms of the transaction are similar to the terms of transactions completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions for neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real estate.</p> <p>(6) When the Company acquires real estate from a related party and appraises the cost of the real estate in accordance with Paragraph 3, Subparagraph (1) and (2) of this Article, and the results are uniformly lower than the</p>	<p>parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.</p> <p>2. Where the Company acquires real estate from a related party and provides evidence that the terms of the transaction are similar to the terms of transactions completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions for neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real estate.</p> <p>(6) When the Company acquires real estate from a related party and appraises the cost of the real estate in accordance with Paragraph 3, Subparagraph (1) and (2) of this Article, and the results are uniformly lower than the transaction price, the following items shall be carried out. Where the Company uses the equity method to account for its investment in a public company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other</p>	
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	<p>transaction price, the following items shall be carried out. Where the Company uses the equity method to account for its investment in a public company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p> <p>1. The Company shall set aside a special reserve in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act against the difference between the real estate transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, Paragraph 1 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.</p> <p>2. Supervisors shall comply with Article 218 of the Company Act.</p> <p>3. Actions taken pursuant to Item 1 and Item 2 of the Subparagraph shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p>(7) When a public company obtains real estate from a related party, it shall also comply with Paragraph 3, Subparagraph (6) of the Article if there is other evidence indicating that the transaction was inconsistent with business practice.</p>	<p>evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p> <p>1. The Company shall set aside a special reserve in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act against the difference between the real estate transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, Paragraph 1 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.</p> <p>2. Supervisors shall comply with Article 218 of the Company Act.</p> <p>3. Actions taken pursuant to Item 1 and Item 2 of the Subparagraph shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p>(7) When a public company obtains real estate from a related party, it shall also comply with Paragraph 3, Subparagraph (6) of the Article if there is other evidence indicating that the transaction was inconsistent with business practice.</p> <p><u>If a public company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 2 and the transaction amount will reach 10 percent or more of the public company's total assets, the public company shall submit the materials in all the subparagraphs of paragraph 2 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the public</u></p>	
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		<p><u>company and its parent company or subsidiaries or between its subsidiaries.</u></p> <p>The calculation of the transaction amounts referred to in paragraph 2 and the preceding paragraph shall be made in accordance with Article 11, paragraph 1 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders meeting or board of directors and recognized by the supervisors need not be counted toward the transaction amount.</p>	
Article 11	<p>1) Under any of the following circumstances, a public company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(1) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(2) Merger, demerger, acquisition, or transfer of shares.</p> <p>(3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>(4) Where equipment or right-of-use assets thereof for business use are acquired or</p>	<p>1) Under any of the following circumstances, a public company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(1) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(2) Merger, demerger, acquisition, or transfer of shares.</p> <p>(3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>(4) Where equipment or right-of-use assets thereof for business use are acquired or</p>	Revised in accordance with amendment in laws

	<p>disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <ol style="list-style-type: none"> 1. For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more. 2. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more. <p>(5) Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.</p> <p>(6) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>(7) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p>	<p>disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <ol style="list-style-type: none"> 1. For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more. 2. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more. <p>(5) Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.</p> <p>(6) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>(7) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p>	
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	<p>1. Trading of domestic government bonds.</p> <p>2. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The amount of transactions above shall be calculated as follows:</p> <ol style="list-style-type: none"> 1. The amount of any individual transaction. 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year. 3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year. 4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year. <p>"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced</p>	<p>1. Trading of domestic government bonds <u>or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</u></p> <p>2. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of <u>foreign government bonds, or of</u> ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or <u>subscription or redemption of exchange traded notes, or subscription</u> by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The amount of transactions above shall be calculated as follows:</p> <ol style="list-style-type: none"> 1. The amount of any individual transaction. 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year. 3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year. 4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding 	
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	<p>in accordance with these Regulations need not be counted toward the transaction amount.</p> <p>2) A public company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p>3) When a public company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>4) A public company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.</p> <p>5) Where any of the following circumstances occurs with respect to a transaction that a public company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(1) Change, termination, or rescission of a contract signed in regard to the original transaction.</p> <p>(2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>(3) Change to the originally publicly announced and reported</p>	<p>year.</p> <p>"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p> <p>2) A public company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p>3) When a public company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>4) A public company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.</p> <p>5) Where any of the following circumstances occurs with respect to a transaction that a public company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(1) Change, termination, or rescission of a contract signed in regard to the original transaction.</p>	
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	information.	(2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract. (3) Change to the originally publicly announced and reported information.	
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**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.

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 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 Company shall have the audit committee which 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. 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.

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.

Brogent Technologies Inc.
Procedures for the Acquisition or Disposal of Assets

Article 1 Purpose

The Procedures are established for the protection of assets and information disclosure. Any matters not addressed herein shall be governed by relevant laws and regulations.

Article 2 Regulatory Basis

The Procedures are established in accordance with Article 36-1 of the Securities and Exchange Act and the related regulations in the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" of the Financial Supervisory Commission (hereinafter "FSC").

Article 3 Scope of Assets

- 1) Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
- 2) Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
- 3) Memberships.
- 4) Patents, copyrights, trademarks, franchise rights, and other intangible assets.
- 5) Right-of-use assets.
- 6) Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- 7) Derivatives.
- 8) Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
- 9) Other major assets.

Article 4 Terms and Definitions

- 1) Derivatives: Refer to forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.
- 2) Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other laws, or the transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156, Paragraph 6 of the Company Act.
- 3) Related party and Subsidiary: As defined in the Statement of Financial Accounting Standards No. 6 published by the Accounting Research and Development Foundation in Taiwan (hereinafter "ARDF").
- 4) Professional appraiser: Refers to a real estate appraiser or other person duly authorized by law to engage in the value appraisal of real estate and other fixed assets.
- 5) Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of Board of Directors resolutions, or other date

that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier. However, for investments for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.

- 6) Investment in the Mainland China region: Refers to investments in the Mainland China region approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

Article 5 The Company in principle does not conduct transactions involving the acquisition or disposal of claims of financial institutions. If transactions involving the acquisition or disposal of claims of financial institutions are proposed in the future, they shall be submitted to the Board of Directors for approval before establishing assessment and operating procedures.

Article 6 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountants opinions, attorney's opinions, or underwriter's opinions shall not be a related party of any party to the transaction.

- 1) May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
- 2) May not be a related party or de facto related party of any party to the transaction.
- 3) If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:

- 1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
- 2) When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
- 3) They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
- 4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.

Article 7 Assessment and Operating Procedures

- 1) Price determination and supporting reference materials

- (1) The supervisor in charge of the acquisition and disposal of the Company's assets shall carry out the acquisition and disposal in accordance with the related procedures in the Company's internal control system regarding "Fixed Assets and Investment Operations

Procedures."

- (2) A public company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price.
 - (3) The acquisition or disposal of real estate shall take into reference the publicly announced current value, assessed value, and the actual transaction price of nearby real estate to determine transaction conditions and price, which shall be included in an analysis report to be submitted to the Chairperson and implemented in accordance with the Company's approval system.
 - (4) The acquisition or disposal of other fixed assets shall be conducted through one of the following methods: price inquiry, price comparison, price negotiation or tendering. Related information shall be submitted following careful assessment before delivering to related departments and implemented in accordance with the Company's approval system.
 - (5) The Company's acquisition or disposal of memberships shall take into reference the fair market price to determine transaction conditions and price and implemented in accordance with the Company's approval system.
 - (6) The Company's acquisition or disposal of intangible assets shall take into reference expert assessment reports or the fair market price to determine transaction conditions and price and implemented in accordance with the Company's approval system.
 - (7) The transaction personnel in Company's acquisition or disposal of derivatives shall formulate the financial product transaction strategy of the entire Company and periodically calculate positions, collect market information, carry out trend analysis and risk assessment, and formulate operating strategies as the basis for conducting transactions after receiving approval in the Company's approval system.
 - (8) When the Company conducts a merger, demerger, acquisition, or transfer of shares, it shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share transfer ratio, acquisition price, or distribution of cash or other property to shareholders prior to the resolution of the Board of Directors Meeting, and submit it to the Board of Directors Meeting for discussion and resolution.
- 2) Investment Amount and Authorization Level
- (1) The acquisition or disposal of securities investments shall only be implemented following approval from the Chairperson. If the transaction amount is above 40% (non-inclusive) of net value, its implementation shall require the approval of the Board of Directors.
 - (2)
 1. The acquisition or disposal of real estate shall take into reference the publicly announced current value, assessed value, and the actual transaction price of nearby real estate to determine transaction conditions and price, which shall be included in an analysis report to be submitted to the Chairperson for approval. The acquisition or disposal may only be implemented following approval in the next Board of Directors meeting.
 2. The acquisition or disposal of other fixed assets shall be conducted through one of the following methods: price inquiry, price comparison, price negotiation or tendering. Acquisition or disposal under NT\$1 million (inclusive) shall be filed for approval in accordance with the authorization regulations and submitted to the President for approval; acquisition or disposal valued at over NT\$1 million may only be implemented following approval from the Chairperson.
 - (3) Total amounts of real estate and securities acquired by the Company and each subsidiary for purposes other than business use and limits on individual securities investments shall be subject to the following restrictions:

1. Total amount of real estate for purposes other than business use may not exceed thirty percent (30%) of the net value of the Company's most recent financial statements.
2. Total amount of securities may not exceed forty percent (40%) of the net value of the Company's most recent financial statements.
3. The maximum amount of individual securities may not exceed thirty percent (30%) of the net value of the Company's most recent financial statements.
- (4) The acquisition or disposal of memberships shall take into reference the fair market price to determine transaction conditions and price. An analysis report shall be formulated and submitted for passage in the Board of Directors meeting before implementation.
- (5) The acquisition or disposal of intangible assets shall take into reference expert assessment reports or fair market price to determine transaction conditions and price. An analysis report shall be formulated and submitted for resolution in the Board of Directors meeting before implementation.
- (6) Each transaction in the acquisition or disposal of derivatives, in addition to dependence on the growth of the Company's revenue and changes in the risk positions, shall require, based on security concerns, an application form submitted by the person in charge to the authorized financial supervisor for preliminary approval before transferring to the Chairperson for approval. Any correction shall require the approval of the Chairperson before implementation. Related transactions items shall be submitted to the Board of Directors after the transaction.
- (7) The important information and related items of assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with the law shall be compiled into an open document for shareholders prior to the shareholders' meeting and delivered to the shareholders before the meeting along with the expert opinion specified in Subparagraph (8) of the preceding paragraph and shareholder meeting notice as a reference for whether to approve the mergers, demergers, or acquisitions. This shall however not apply to mergers, demergers, or acquisitions that do not require a resolution in the shareholders' meeting in accordance with the law. In addition, if the shareholders' meeting of any company participating in the merger, demerger, or acquisition could not be held due to insufficient attendees, insufficient voting rights, or other legal restrictions, or if the proposal is rejected by the shareholders' meeting, the company participating in the merger, demerger, or acquisition shall immediately explain and publicly disclose the reason, follow-up processing operations, and date of expected shareholders' meeting.
- (8) The Company's acquisition or disposal of assets shall require the approval of the Board of Directors in accordance with the Procedures or other legal requirements. If a Director expresses objection and records or written statements are available, the Company shall submit information regarding the Director's objection to the respective Supervisors. In addition, the opinions of Independent Directors shall be taken into full consideration in discussions at the Board of Directors meeting on the transaction for the acquisition or disposal of assets in accordance with regulations. Their approval or objection and reasons shall be listed in the meeting minutes.
- (9) The approval of the shareholders' meeting shall be required if a department of the Company, due to business requirements, requires acquisition or disposal of assets listed as major items in Article 185 of the Company Act.

3) Implementation unit

The Company's acquisition and disposal of assets shall be reported level by level in accordance with the following regulations; where necessary, the report shall be submitted to the Board of Directors for approval:

- (1) The Company's acquisition and disposal of securities shall be implemented by the President's Office and the Finance Department in accordance with the "Investment Cycle" stipulated in the Company's Internal Control Procedures.
 - (2) The Company's acquisition and disposal of real estate and other fixed assets shall be implemented by the Administration Department in accordance with the Company's Fixed Assets Management Procedures in the Internal Control System.
 - (3) The Company's acquisition or disposal of memberships or intangible assets shall be implemented by the department using the assets or related departments following approval by the Administration Department in accordance with the approval procedures specified in the previous paragraph.
 - (4) The Company's acquisition and disposal of derivatives shall be implemented by the Finance Department in accordance with the Procedures.
 - (5) It is advisable for the Company to appoint an attorney, CPA, or securities underwriter to formulate the schedule for legal procedures in mergers, demergers, acquisitions, or transfer of shares and form a dedicated team to implement the procedures in accordance with legal requirements.
- 4) Appraisal report of real estate and other fixed assets

In acquiring or disposing of real estate or fix assets where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of machinery or equipment for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

- (1) Where due to special circumstances it is necessary to give a specific market value or specified market value as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors, and the same procedure shall apply to any future changes to the terms and conditions of the transaction.
 - (2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
 - (3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statements on Auditing Standards No. 20 published by the Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
 - (4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date. However, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.
- 5) Expert Opinion on Acquisition and Disposal of Securities

The Company's acquisition or disposal of securities shall, prior to the date of occurrence of

the event, require financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA is required to use the expert report as evidence, the CPA shall do so in accordance with the provisions of Statements on Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by the regulations of the Financial Supervisory Commission (FSC).

6) Expert Opinion Report on Memberships or Intangible Assets

Where the Company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20 percent or more of the Company's paid-in capital or NT\$300 million or more, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statements on Auditing Standards No. 20 published by the Accounting Research and Development Foundation.

- 7) Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 7-1

The calculation of the "transaction amount" referred to in Article 7, Subparagraphs 4, 5, and 6 shall be made in accordance with Article 11, Paragraph 1 herein, whereas "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been provided with an appraisal report from a professional appraiser or CPA opinion need not be counted toward the transaction amount in accordance with the Standards.

Article 8 Related Party Transaction Processing Procedures

- 1) When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the real estate processing procedures specified in Article 7 are adopted, related resolution procedures specified below shall moreover be complied with and the reasonableness of the transaction terms by appraised; if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Section. The "transaction amount" in the preceding paragraph shall be calculated in accordance with the provisions stipulated in Article 7-1. In addition, when determining whether the transaction target is a related party, in addition to noting its legal status, the actual relations shall also be taken into consideration.

2) Assessment and Operating Procedures

When the Company acquires or disposes of real estate from or to a related party, or acquires or disposes of assets other than real estate from or to a related party and the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and ratified by the Supervisors:

- (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.

- (2) The reason for choosing the related party as a trading counterparty.
 - (3) With respect to the acquisition of real estate from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Subparagraphs (1) and (4) of Paragraph 3 of this Article.
 - (4) The date and price at which the related party originally acquired the real estate, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party.
 - (5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, evaluation of the necessity of the transaction, and reasonableness of fund utilization.
 - (6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding Article.
 - (7) Restrictive covenants and other important stipulations associated with the transaction.
- The calculation of the "transaction amount" referred to in the preceding Paragraph shall be made in accordance with Article 11, Paragraph 1 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Board of Directors and ratified by the Supervisors in accordance with the provisions of the Standards need not be counted toward the transaction amount.

With respect to the acquisition or disposal of machinery or equipment for business use between the Company and its subsidiaries, the Company's Board of Directors may pursuant to Article 7, Paragraph 2, Subparagraph 2 delegate the Chairperson of the Board to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting.

1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
 2. Acquisition or disposal of real property right-of-use assets held for business use.
- 3) Appraisal of the reasonableness of the transaction price
- (1) When the Company acquires real estate from a related party, it shall evaluate the reasonableness of the transaction costs by the following means:
 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
 2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.
 - (2) Where land and buildings thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the buildings may be separately appraised in accordance with either of the means listed in the preceding paragraph.
 - (3) When the Company acquires real estate from a related party and appraises the cost of the real estate in accordance with Paragraph 3, Subparagraphs (1) and (2) of this Article, it shall also engage a CPA to review the appraisal and render a specific opinion.
 - (4) Where the Company acquires real estate from a related party and one of the following circumstances exists, the acquisition shall only be required for implementation in accordance with Paragraphs 1 and 2 of this Article regarding appraisal and operating

procedures and where the regulations on the reasonableness of the transaction cost provided in Paragraph 3, Subparagraphs (1), (2), and (3) do not apply:

1. The related party acquired the real estate through inheritance or as a gift.
 2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real estate to the signing date for the current transaction.
 3. The real estate is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real estate, either on the Company's own land or on rented land.
 4. The real property right-of-use assets for business use are acquired by the public company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.
- (5) When the Company acquires real estate from a related party and appraises the cost of the real estate in accordance with Paragraph 3, Subparagraphs (1) and (2) of this Article, and the results are uniformly lower than the transaction price, the matter shall be handled in compliance with the regulations in Paragraph 3, Subparagraph (6) of this Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real estate appraiser and a CPA, this restriction shall not apply:
1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - (i) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - (ii) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
 2. Where the Company acquires real estate from a related party and provides evidence that the terms of the transaction are similar to the terms of transactions completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions for neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real estate.
- (6) When the Company acquires real estate from a related party and appraises the cost of the real estate in accordance with Paragraph 3, Subparagraph (1) and (2) of this Article, and the results are uniformly lower than the transaction price, the following items shall be carried out. Where the Company uses the equity method to account for its investment in a public company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been

disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

1. The Company shall set aside a special reserve in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act against the difference between the real estate transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, Paragraph 1 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
 2. Supervisors shall comply with Article 218 of the Company Act.
 3. Actions taken pursuant to Item 1 and Item 2 of the Subparagraph shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.
- (7) When a public company obtains real estate from a related party, it shall also comply with Paragraph 3, Subparagraph (6) of the Article if there is other evidence indicating that the transaction was inconsistent with business practice.

Article 9 Acquisition and Disposal Procedures for Derivatives

1) Trading principles and strategies

(1) Type of Transaction

1. Derivatives referred to in Article 4 of the Procedures.
2. Transactions in securities deposits.

(2) Management (hedging) strategy

The Company's transactions in derivatives shall be for the purpose of hedging. The transaction products shall be selected to evade the risks produced in the Company's business operations as the primary goal. The currencies held must meet the Company's foreign currency requirements for actual import/export transactions and the balance of payments in the Company's overall internal position (referring to foreign exchange income and expenditure) shall be the principle for operations. The transactions are used to lower the Company's exposure to foreign exchange risks and lower the cost of foreign currency operations.

(3) Division of powers and responsibilities

1. Transaction personnel

Personnel in charge of implementing derivatives transactions shall be responsible for collecting related information and regulations regarding derivatives, the design of hedging strategies and risk disclosure. They shall understand the Company's management policies and ideals, determine market trends and risks, and provide recommendation reports on positions and method of hedging in accordance with the Company's operating strategy and submit them to the authorized supervisor for approval before conducting transactions.

2. Transaction confirmation personnel

The transaction confirmation personnel are responsible for verifying the validity of transactions with banks; they shall also stamp seals on Transaction Confirmations and mail them back.

3. Settlement personnel

The settlement personnel are responsible for the settlement of derivatives transactions. They shall also periodically inspect cash flow status to verify that established transaction contracts are settled on time.

4. Accounting personnel

The accounting personnel shall express the results of related hedging transactions correctly and appropriately on the financial statements in accordance with related regulations (Statements of Financial Accounting Standards etc.).

(4) Performance evaluation

1. The performance of derivatives transactions shall be measured and evaluated based on the hedging strategy. The Finance Department shall evaluate the operating performance every two weeks based on market prices and it shall submit the operating performance of the previous month to the Chairperson in the first week of each month.
2. The Finance Department shall provide evaluation on foreign exchange positions as well as trends and market analyses of the foreign exchange market and conduct periodic evaluation and review. If irregularities are found, necessary response measures must be taken and reported to the Chairperson.

(5) Establishment of the total contract price and upper limit on losses

1. Total contract price

1.1 Transaction amount for hedging

The total remaining value of hedging contracts of Company shall not at any time exceed the hedging requirements arising from actual transactions in a given year. The remaining value of individual contracts shall be restricted to US\$2 million or equivalent in foreign currencies.

1.2 Transaction amount for speculations

The Company does not conduct speculative transactions.

2. Establishment of the upper limit on losses

Losses from derivatives trading in aggregate losses or losses on individual contracts shall not exceed 20% of all or individual contracts.

2) Risk management measures

(1) Credit risk management

The Company shall restrict its trading counterparties to banks that conduct businesses with the Company or renowned international financial institutions that are able to provide expert information.

(2) Market risk management

The Company shall restrict its transactions to derivative products for hedging and shall not engage in speculative financial operations.

(3) Liquidity risk management

To ensure market liquidity, financial products with higher liquidity (those that can be sold on the market at any time) shall be the primary choices. The financial institution appointed to conduct the trade must retain sufficient information and the capability to conduct transactions in any markets at any time.

(4) Cash flow risk management

To ensure the stability of the Company's operating capital, the Company's source of funds for derivatives transactions shall be restricted to the Company's own funds and the operating amount shall be determined by future fund requirements for cash income and expenditures.

(5) Operating risk management

1. The Company's authorized amount and operating procedures shall be strictly followed and incorporated into internal auditing to prevent operating risks.
2. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
3. Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the Board of Directors or senior management personnel with no

responsibility for trading or position decision-making.

4. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the Board of Directors.

(6) Product risk management

Internal transaction personnel are required to have comprehensive and correct expert knowledge on financial products and request banks to fully disclose risks to prevent the risks generated by financial products.

(7) Legal risk management:

Documents established with financial institutions shall be inspected by foreign exchange before signature to prevent legal risks.

3) Internal auditing system

Internal auditing personnel shall periodically study the appropriateness of internal control of derivatives transactions and conduct monthly inspections on the compliance of procedures of departments trading derivatives in order to analyze transaction cycles and formulate Audit Reports. In the event of major violations, the Supervisors shall be notified in writing.

4) Regular assessment methods

(1) The Board of Directors shall authorize senior management personnel to conduct periodic supervision and evaluate whether derivatives transactions comply with the transaction procedures established by the Company and whether the undertaken risks are within the accepted range. If there are irregularities in the market price evaluation report (e.g. positions held exceed restrictions on losses), they shall be reported to the Board of Directors immediately to response measures shall be taken.

(2) Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the Board of Directors.

5) Board of Directors supervision and management principles

(1) The Board of Directors shall assign senior management personnel for the supervision and management of risks in derivatives transactions at all times. The management principles are as follows:

1. Periodically evaluate whether the currently adopted risk management measures are appropriate and whether they have been carried out in accordance with the Procedures.

2. Supervise the transaction and profit/loss status; take necessary response measures if irregularities are found and immediately report to the Board of Directors. The Board of Directors meeting shall be attended by Independent Directors who shall voice their opinions.

(2) Periodically assess whether the performance of derivatives transactions meet established management strategies and whether the undertaken risks are within the range accepted by the Company.

(3) When conducting derivatives transactions, the Company shall authorized related personnel in accordance with the regulations in the Procedures and report to the Board of Directors after the transactions.

6) Establishment of the log book

When the Company engages in derivatives trading, it shall establish a log book in which details of the types and amounts of derivatives trading engaged in, Board of Directors approval dates, and the matters required to be carefully evaluated under Paragraph 4, Subparagraph (2) and Paragraph 5, Subparagraphs (1) and (2) of the Article shall be

recorded in detail in the log book.

Article 10 Procedures for the Handling of Mergers, Demergers, Acquisitions, or Transfer of Shares

1) Dates of the Board of Directors meeting and shareholders' meeting

A company participating in a merger, demerger, or acquisition shall convene a Board of Directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless otherwise stipulated by the law or the FSC is notified in advance of extraordinary circumstances and grants consent.

A company participating in a transfer of shares shall convene a Board of Directors meeting on the day of the transaction, unless otherwise stipulated by the law or the FSC is notified in advance of extraordinary circumstances and grants consent.

When the Company participates in a merger, demerger, acquisition, or transfer of another company's shares, it shall prepare a full written record of the following information and retain it for 5 years for reference.

- (1) Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
- (2) Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a Board of Directors meeting.
- (3) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board of Directors meetings.

When the Company participates in a merger, demerger, acquisition, or transfer of another company's shares, it shall, within 2 days commencing immediately from the date of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the information set out in Subparagraphs 1 and 2 of the preceding paragraph to the FSC for record keeping.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company whereby the latter is required to abide by the provisions in Paragraphs 3 and 4.

2) Advanced confidentiality commitment

All persons participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

3) Principles for the establishment and changes of the share transfer ratio or acquisition price

A Company that conducts a merger, demerger, acquisition, or transfer of shares shall, prior to convening the Board of Directors Meeting of the two parties, engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share transfer ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Shareholders Meeting. In principle, the share transfer ratio or acquisition price may not be arbitrarily modified. This however shall not apply to changes in conditions that were specified in the contract and those that have been publicly disclosed. The conditions under which changes in the share transfer ratio or acquisition price are allowed are as follows:

- (1) Implementation of capital increase in cash or issuance of convertible corporate bonds, bonus shares, and corporate bonds with warrants, preferred shares with warrants, stock warrants or other equity based securities.

- (2) Disposal of major Company assets or other activities which may influence the financial operations of the Company.
 - (3) Significant events such as major disasters or material technological changes that affect Company shareholders' equity or share price.
 - (4) Adjustments made by any of the participating companies of the merger, demerger, acquisition or transfer of shares due to the lawful buyback of treasury shares.
 - (5) Changes in the entities or number of participating companies for the merger, demerger, acquisition, or transfer of shares.
 - (6) Other changes in conditions that have been specified in the contract and have been publicly disclosed.
- 4) Required contract provisions
- The contract for participation by a public company in a merger, demerger, acquisition, or of shares shall record the following items in addition to provisions required by the Company Act and related regulations:
- (1) Handling of breach of contract.
 - (2) Principles for the handling of equity-type securities previously issued or treasury shares previously bought back by any company that is extinguished in a merger or that is demerged.
 - (3) The amount of treasury shares participating companies are permitted under law to buy back after the record date of calculation of the share transfer ratio, and the principles for handling thereof.
 - (4) The manner of handling changes in the number of participating entities or companies.
 - (5) Preliminary progress schedule for plan execution, and anticipated completion date.
 - (6) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.
- 5) Changes in the number of companies participating in the merger, demerger, acquisition, or share transfer After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the Board of Directors to alter the limits of authority, such participating company may be exempted from convening another shareholders meeting to resolve on the matter anew.
- 6) Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is not a publicly listed company, the Company shall sign an agreement with such company and the procedures shall be carried out in accordance with Paragraph 1 of this Article regarding the date of the Board of Directors meeting, Paragraph 2 regarding the advanced confidentiality commitment, and Paragraph 5 regarding changes in the number of companies participating in the merger, demerger, acquisition, or share transfer.

Article 11 Information Disclosure Procedures

- 1) Under any of the following circumstances, a public company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:
 - (1) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount

reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

- (2) Merger, demerger, acquisition, or transfer of shares.
- (3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
- (4) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
 1. For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
 2. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
- (5) Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.
- (6) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.
- (7) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 1. Trading of domestic government bonds.
 2. Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.
 3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof

within the same development project within the preceding year.

4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.

- 2) A public company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.
- 3) When a public company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.
- 4) A public company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.
- 5) Where any of the following circumstances occurs with respect to a transaction that a public company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:
 - (1) Change, termination, or rescission of a contract signed in regard to the original transaction.
 - (2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
 - (3) Change to the originally publicly announced and reported information.

Article 12 The Company's subsidiaries shall handle matters in accordance with the following provisions

- 1) The Company shall ensure that its subsidiaries establish the procedures for acquisition or disposal of assets in accordance with the nature of the subsidiary's business, business scale, and local regulations. The subsidiary company shall implement acquisition and disposal of assets in accordance with the procedures.
- 2) The Finance Department of the Company shall ensure that subsidiaries independently verify whether the established operating procedures meet the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and whether they comply with their established operating procedures when acquiring or disposing of assets.
- 3) The Company's Audit Office shall review the self-inspection reports filed by subsidiary companies.
- 4) Information that require public announcement and report according to the provisions of Article 12 of the Procedures on acquisitions and disposals of assets by a subsidiary that is not itself a public company shall be reported by the Company.
- 5) The Company's paid-in capital or total assets of the Company shall be the standard for determining whether or not a transaction of a subsidiary referred to in the requirement of a public announcement and regulatory filing reaches 20 percent of the Company's paid-in capital or 10 percent of the total assets.

Article 12-1

For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

Article 13 Penalties

In the event that an employee of the Company in charge of the acquisition and disposal of assets violates the provisions stipulated in the Procedures, the violation shall be submitted for periodic review in accordance with the Company's Personnel Management Regulations and the Employee Handbook and the employee shall be disciplined in accordance with the level of severity.

Article 14 Implementation and revision

The Company's "Procedures for the Acquisition or Disposal of Assets" shall be delivered to the Supervisors following resolution in the Board of Directors meeting and submitted to the shareholders' meeting for approval. The same shall apply to any subsequent revisions. If a Director expresses objection and records or written statements are available, the Company shall submit information regarding the Director's objection to the respective Supervisors and the shareholders' meeting for discussion. The same shall apply to any subsequent revisions. In addition, the opinions of Independent Directors shall be taken into full consideration in discussions in the Board of Directors meeting on the "Procedures for the Acquisition or Disposal of Assets" in accordance with the preceding paragraph. Their approval or objection and reasons shall be listed in the meeting minutes.

Article 15 Addendum

Issues not addressed in these Procedures shall be governed by applicable laws and regulations and the opinion of the competent authority.

Brogent Technologies Inc.
Procedures for Election of Directors

Article 1

To ensure a just, fair, and open election of directors, the Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2

Except as otherwise provided by law and regulation or by the Company's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

Article 3

The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

Article 4

Deleted.

Article 5

The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 6

When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in the Company's articles of incorporation, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining

Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 7

The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 8

The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 9

The number of directors will be as specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 10

Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 11

If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 12

A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by the board of directors.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
5. Other words or marks are entered in addition to the candidate's account name or shareholder account

number (or identity card number) and the number of voting rights allotted.

6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.

Article 13

The voting rights shall be calculated on site immediately after the end of the poll, and the results of the list of persons elected as directors shall be announced by the chair on the site.

Article 14

The board of directors of the Company shall issue notifications to the persons elected as directors.

Article 15

These Procedures and any amendments hereto, shall be implemented after approval by a shareholders meeting.

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 extemporary 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 extemporary 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 174 of the Company Act.

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.

Brogent Technologies Inc.
Shareholding Status of Directors

- 1) The Company's paid-in capital is NT\$609,643,580 a total number of 60,964,358 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:
4,877,148 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, all Directors as of the book closure date of this shareholders meeting (March 29, 2022) 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	109.05.28	3	3,807,191	6.24
Director	Chih-Chuan Chen, representative of Changchun Investment Co., Ltd.	109.05.28	3	2,150,271	3.53
Director	Chin-Huo Huang	109.05.28	3	1,149,442	1.89
Independent Director	Lewis Lee	109.05.28	3	0	0
Independent Director	Chih-Poung Liou	109.05.28	3	0	0
Independent Director	Jih-Ching Chiu	109.05.28	3	0	0
Shareholdings of all directors				7,106,904	11.66