

Creating Experience

BROGENT TECHNOLOGIES INC.
CORPORATE SOCIAL RESPONSIBILITY REPORT

2019



BROGENT TECHNOLOGIES INC.

CORPORATE SOCIAL RESPONSIBILITY REPORT

2019



About this Report 3
 Letter from the Chairman 5
 Flying Theaters Becoming Ambassadors 8
 2019 Performance Overview 10
 Recognitions and Honors in Recent Years 12
 CSR Philosophy and Strategy 13

CH1 Open and Transparent Communication..... 24
 1.1 Stakeholder Interactions and Engagement..... 26
 1.2 Major Issue Analysis and Management 31

CH2 Turning Dreams into Reality..... 36
 2.1 Corporate Profile 38
 2.2 Operational Performance 48
 2.3 Global Deployment 51
 2.4 Social Care 52

Ch3 Leader in Simulation Technology 54
 3.1 Technological Innovation..... 56
 3.2 Product Quality and Safety..... 69
 3.3 Customer Management and Service 75

CH4 Sustainable Management Governance 78
 4.1 Corporate Governance 80
 4.2 Supply Chain Management 95
 4.3 Environmental Protection Responsibility 101

CH5 Workplace Culture 108
 5.1 Employees: Our Most Valuable Asset 110
 5.2 Salary and Benefits 114
 5.3 Talent Development 119
 5.4 Workplace Safety and Health 124

APPENDIX..... 129
 Conversion Table of GRI Standards Regarding Disclosure Items 129
 Disclosure Items of the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports"..... 133
 Glossary of Terms for Immersive Simulation Technology 134

About this Report Message from the Editor

In the past, stakeholders learned about Brogent Technologies Inc. (hereinafter referred to as “Brogent”) via their flying theaters. In the future, Brogent will continue to disclose information to help stakeholders better understand the Company by publishing corporate social responsibility (CSR) reports. Last year, we published our CSR report for the first time. In the future, we will continue to compile and publish a CSR report each year to respond to matters of interest to our stakeholders, while disclosing results of our sustainable operations regarding the economy, the environment, and society in an honest and transparent manner.

Reporting Period and Scope of Disclosure

This report was published in August 2020, with an announcement about the publication being made on our website. The information disclosed in this report encompasses Brogent’ s brands and activities in all of its operating sites in Taiwan between the period of January 1, 2019 and December 31, 2019. All major matters of interest to our stakeholders have been included, along with specific economic, environmental, and social practices conducted by Brogent. The financial data in this report is presented in accordance with the International Financial Reporting Standards (IFRS); the monetary unit is the New Taiwan Dollar (NT\$).

Reporting period	January 1, 2019 to December 31, 2019
Reporting Frequency	Annually
Last Issue	Published in August 2019
Current Issue	Published in August 2020
Next Issue	Scheduled to be published in August 2021

Writing Principles

This report has been prepared in accordance with the comprehensive option of the Global Reporting Initiative’ s Sustainability Reporting Guidelines (GRI Standards) and compiled by referencing the “Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports” and the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies” of TWSE to communicate to stakeholders on Brogent’ s CSR strategies, practices, and performance.

Verification of this Report

The data or information disclosed in this report was provided by each distinctive department. Upon the completion of its compilation, the CSR report was verified by each departmental head and approved by the Chairman.



CSR Contact Information

Please do not hesitate to contact us if you have any comments on this report, or have any suggestions or questions regarding issues related to the CSR and the sustainable development of Brogent Technologies Inc. Our contact information is provided below:

Brogent Technologies Inc.

Contact: Manager Shu-Ching Lin

Address: No. 9, Fuxing 4th Rd., Qianzhen Dist., Kaohsiung City 806, Taiwan (R.O.C.) Telephone: +886-7-537-2869

Email: web@brogent.com

<http://www.brogent.com/zh-tw>



Brogent's website



LETTER FROM THE CHAIRMAN

Last year Brogent officially published its CSR report for the first time, and declared that they would publish a CSR report every year thereafter. In addition to the CSR report, we aim to update our stakeholders with the results of our performance in sustainable operations regarding the economy, the environment, and society. Specific practices of promoting operational sustainability conducted by Brogent are also included in the report.

Economic Responsibility

In 2019, with efforts made by all our colleagues, our operating revenue reached NT\$2.08 billion and net income after taxes was NT\$367 million; both hit a record high. Since we transformed our business from mobile software to immersive simulation technology in 2008, our revenue has significantly grown- by more than 10 times. Since our direction change, we have successfully promoted our hardware and equipment to gain a foothold in the world market, with our large immersive simulation equipment, i.e. flying theaters, being the most popular product. After we entered the European market in 2017, we have won awards from the local theme park industry every year such as Europe's Best New Ride of the European Star Awards 2017, Media-Based Attraction of the Year of the Park World Excellence Awards 2018 Europe, and Europe's Best Dark Ride of the European Star Awards 2019. All these awards highlight Taiwan's manufacturing capabilities. The expansion of our business into the American market continues to make progress. For example, the official opening of our flying theater in LEGOLAND® Florida took place in spring 2019. Children can now enjoy a LEGO® themed movie via the flying theater and experience the wonders of our immersive simulation technology.

Over the last decade, Brogent has been dedicated to the immersive simulation industry. Now we have become the world's largest supplier of flying theaters. We plan to build another 100 flying theaters by 2023. Meanwhile, we continue to invest in

R&D. Most recently, our R&D results have been particularly successful in terms of small immersive simulation equipment. To adapt to technology trends, we have integrated the following technological fields: virtual and augmented reality, 5G, smart IoT, and artificial intelligence (AI). Our achievements have been displayed at the Mobile World Congress (MWC), Asia Pacific Cities Summit (APCS), and International Association of Amusement Parks & Attractions (IAAPA) Expo, where people from around the world have come to experience our R&D results in the immersive simulation industry.

Brogent' s medium to long-term operations strategies will focus on four aspects: increasing sales for hardware and equipment, developing software to be authorized, providing overall design services, and setting up more Brogent-operated/invested locations. The ultimate objective of the sustainable operations strategy concerning the economy is to create stable revenue and increase our sales and gross margin.

Social Responsibility

Brogent recognizes the importance of actively establishing relationships with the local community. In May 2019, we co-organized the Vision Get Wild event with the Taiwan Industry-Academia- Research for Collaboration-Integration-Development Association, where we presented our newly developed immersive simulation equipment, such as AR and VR, to students. We also collaborated with colleges in southern Taiwan on content and software development, enabling students to apply knowledge taught in school to the immersive simulation industry and helping them improve their skills related to the industry. On December 25th of the same year, we signed the letter of intent for investment with the Southern Taiwan Science Park Bureau, Ministry of Science and Technology. Our medium to long-term goals are to introduce immersive simulation technology software, hardware and equipment, along with content-related industries, to the Ciaotou Science and Technology Park; create a world-class immersive simulation industry chain; provide more job opportunities; facilitate local economic prosperity; and drive the development of social responsibility. We have long been invested in social welfare for the disadvantaged. Every year we invite children from the Boyo Social Welfare Foundation to experience our equipment (i-Ride TAIPEI and i-Ride KAOHSIUNG). Besides teaching them about immersive technology, we also co-organize the activity: "Fly High, Autistic Children!" with the Association of Taiwan Clinical Psychologists, in which we invite 100 autistic children and their parents to try our i-Ride TAIPEI (Fly High Over Taiwan) at the Taipei Nan Shan Plaza. Children are given the chance to enjoy a highly realistic flight experience simulated by a moving gondola and special effects such as wind, sound, light, mist, and scents. They are able to fly high over Taiwan and enjoy its natural wonders!

Environmental Responsibility

The environment is always at the forefront of Brogent' s considerations when working on a project. Brogent observes the government' s laws and regulations related to environmental protection and energy. We have actively provided education and training on sustainable development to our personnel, while making every effort to promote green purchasing, rainwater harvesting, and management of energy conservation and carbon reduction. Environmentally friendly measures to reduce the use of raw materials have been adopted for product design and development. We have also set the goal of reducing greenhouse gas emissions by 1% per year, so as to carry out our corporate environmental responsibility, showing our determination to reduce carbon emissions.

Brogent' s Mission

Our mission is "to inspire moments of joy through creativity" . We will continue to create various experiences using immersive simulation technology, whereby closer relationships among people can be built and bursts of creativity can be expressed. We will maintain our connection with locals, working together with enterprises and academic institutions to make immersive simulation products from Taiwan to the world.

Brogent' s Business Objective

Our business objective is to improve people' s mental health, with a focus on bringing happiness to people through their experience with our products. We hope to use the power of technology to help people with physical or financial limitations to explore the world. Via Brogent' s immersive simulation technology, people can find joy.

Chih-Hung Ouyang
Chairman



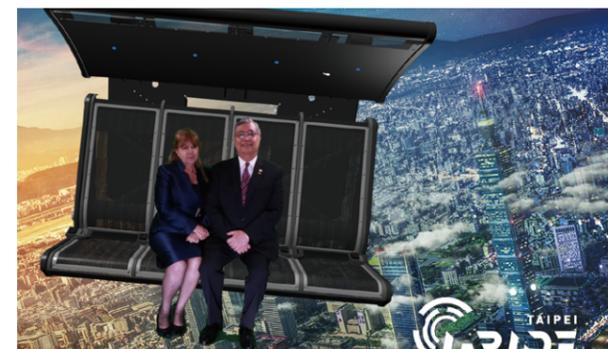
FLYING THEATERS BECOMING AMBASSADORS

Flying theaters are like digital ambassadors. They enable overseas dignitaries and visitors from around the world to get to know the country they are visiting via a virtual flight experience. Every year over 15 million people visit the 30 flying theaters around the world!

The two flying theaters built by Brogent in Taipei and Kaohsiung, i-Ride TAIPEI and i-Ride KAOHSIUNG, have become digital ambassadors/tour guides for visitors. All of the various customers are provided with the opportunity to get to know Taiwan from a whole different angle. One customer that left a lasting impression on us is the 100-year-old Fr. Andrés Díaz deRábago. After trying "Fly High Over Taiwan," Fr. deRábago said excitedly: "It's fantastic!" He recommends that everyone gets to know Taiwan by taking a flying theater ride. In July 2019, we co-organized an American Month with the American Institute in Taiwan (AIT) to promote the U.S.-Taiwan Travel Year. i-Ride became an aircraft, whereby tourists flied over the US and Taiwan in simulation mode. The goal was to promote tourism. Coincidentally, many American soldiers stationed in the Asia-



Pacific Region were on holiday in Taiwan during the American Month. After their flight experience, they shared their nostalgia for their hometowns with Brogent. They thanked us for making them feel like they were at home via the ride. On July 2nd, we held a press conference for the launch of "Discover America". In addition to Director William Brent Christensen of the AIT, Minister Jong-Chin Shen of Economic Affairs, Director Chung-Chien Lin of the Department of Economic Development under Taipei City Government, and Deputy Director Marcus Wu of the Australian Office in Taipei also attended the event. Director Christensen of the AIT said, "we appreciate that Brogent uses the new i-Ride to promote the beauty of the U.S. I believe such collaboration will help to deepen



the U.S.-Taiwan economic relationship and strengthen the friendships among American and Taiwanese people." Visiting i-Ride TAIPEI has become one of the important itineraries planned by the Department of Protocol under the Ministry of Foreign Affairs for guests from various countries when they visit Taiwan. In 2019, Vice President/Justice Minister Raynold Oilouch of Palau and his wife, Ambassador Wallace M. G. Chow and his wife, Vice President Jafeth Ernesto Cabrera Franco of Guatemala and his wife, Vice President of Paraguay, and Prime Minister Ambrose Mandvulo Dlamini of Eswatini were invited by the Ministry of Foreign Affairs to visit Taiwan. They visited Brogent's i-Ride TAIPEI at the Taipei Nan Shan Plaza and got to know

Taiwan via a virtual flight experience. As Brogent continues to build more flying theaters around the world, more and more flying theater videos are produced. Besides "Discover America", we have also produced the following videos with "flying over" as their theme: Fly High Over Taiwan, This Is Holland, Discover Europe, Fly High Over Mount Fuji, Discover China, and Discover Australia. We are working hard to build more flying theaters while actively obtaining permission to use the content of videos created by others in various places. We can, therefore, exchange videos making flying theaters a platform for international cultural tourism. By introducing videos created by various countries in different places around the world, we help tourists get to know those countries and cultures via their personal experience. We plan to play the video "Fly High Over Taiwan" in flying theaters around the world, such as those in the Gold Coast in Australia, Amsterdam in the Netherlands, and Times Square in New York, U.S.A., to enable tourists from around the world to experience the beauty of Taiwan virtually.

2019 Performance overview



Economy

- i-Ride accounts for the largest global market share.
- Rated at the 21-35% interval of all listed companies for our corporate governance at the 6th Corporate Governance Accreditation, moving up four levels from the last three years.
- The total number of guests taking Brogent' s flying theater rides around the world exceeded 15 million.
- Our operating revenue reached NT\$2.08 billion and net income after taxes was NT\$367 million; both a record high. Our revenue has grown by 135% over the past three years.
- The opening of the only flying theater in the Southern Hemisphere: Australia.
- In 2019, our R&D expenses reached NT\$172,403,000, accounting for 8.23% of our annual revenue in that year (an increase of 45.65% when compared to that in the previous year).
- An i-Ride was built in Beijing, China; it achieved zero defects specified by China' s national standards.



Society

- Two engineers in the talent cultivation project were promoted as project managers.
- We did not receive any complaints from our employees.
- We achieved the goal of "Zero-Accidents in the Workplace" .
- The total number of hours of education and training received by employees was 5,757, an average of 33 hours per employee. The total number of training hours increased by 14.8% from previous year.
- The return-to-work rate after taking parental leave was 100% and the retention rate was 75%.
- The number of local purchases accounted for approximately 93.7% of total purchases.
- Product liability insurance worth US\$10 million was purchased for all products being currently sold.



Environment

- Our greenhouse gas emissions were 0.274 CO₂e/NT\$1 million, a decrease of 13% when compared to the previous year.
- The water use was 75m³/person.

RECOGNITIONS AND HONORS IN RECENT YEARS

Year	Award granted by	Content
2020	Financial Times	Ranked 298th among top 500 fastest-growing companies in the Asia- Pacific Region
2019	CommonWealth Magazine	Ranked 2nd among top 100 fastest-growing companies in the software industry category
2019	Asia Attractions	Outstanding XD/Motion Theater Supplier Award of the Outstanding Supplier Award
2019	International Association of Amusement Parks and Attractions	International Association of Amusement Parks and Attractions Award
2019	Kirmes Park & Revue Publisher	Brogent' s i-Ride received the award: Europe' s Best Dark Ride of the European Star Awards 2019
2019	Environmental Protection Bureau, Kaohsiung City Government	Energy Savings Certificate
2018	Park World Publisher & Datateam Business Media	i-Ride received the award: Media-Based Attraction of the Year of the Park World Excellence Awards 2018 Europe
2017	Kirmes Park & Revue Publisher	i-Ride received the award: Europe' s Best New Ride of the European Star Awards 2017
2016	Export Processing Zone Administration, Ministry of Economic Affairs	Commendation for Outstanding Contribution
2015	Taskforce for the Development and Promotion of Mittelstand Enterprises, Industrial Development Bureau, Ministry of Economic Affairs	Mittelstand Enterprise of the 3rd Taiwan Mittelstand Awards
2014	Bureau of Foreign Trade, Ministry of Economic Affairs & Taiwan External Trade Development Council	i-Ride received the Taiwan Excellence Award 2014 in the category of fashion, life, culture, and creative product

CSR PHILOSOPHY AND STRATEGY

Since its establishment in 2001 and the transformation of its business from mobile software to immersive simulation technology in 2008, Brogent has kept its core technology in Taiwan. We are devoted to developing and integrating into the local amusement park equipment supply chain and exporting our products across the globe. Our core expertise is hardware and software integration within immersive simulation technology. We will continue to make use of our professional and technical skills providing a positive impact on the world through our dynamic user experiences. We will also create value from the three sustainable responsibilities: environment, society, and corporate governance (ESG) to satisfy stakeholders' needs and expectations, fulfilling our commitment regarding business operational sustainability.

VISION

- Be one of the world' s leading simulation industry providers by delivering memorable entertainment experiences with our technology and content creation expertise.
- Infuse Brogent' s projects with the essence of Asian cultures.

MISSION

To inspire moments of joy through creativity.

CORE PHILOSOPHY

Brogent is guided by its core values: "courage and perseverance," "creativity and intelligence," "valuing employees," and "pursuing excellence." On the basis of sound corporate governance, effective risk management, and operational reliability and integrity, we are dedicated to technology development and product innovation. We have successfully established the brand name, "BROGENT," in the international arena and have become a world-class supplier of simulator rides.



Corporate Development Strategies

Development strategy	Operational guideline
Product diversification	Continue to optimize the quality of immersive simulation equipment and extend product types.
Internationalization of markets	Actively expand business in the international market and increase brand visibility globally.
Revenue diversification	Enhance the design and production of digital content and increase the added value of products.
Integration of resources for strategic partners	Engage in industry-academia collaboration to actively cultivate highly competent personnel related to digital content.



Management Guidelines

*Customized topics

Major issue	Sustainable development strategies
Material topic	Sustainable development strategies*
Policy/commitment	<ul style="list-style-type: none"> With roots in Kaohsiung and a foothold in Taiwan, Brogent now aims towards a greater market share in the global market. Observe guidelines for sustainable operations and assist local vendors in establishing an immersive simulation industry chain in Kaohsiung.
Goal and target (short-term)	<ul style="list-style-type: none"> Provide assistance and guidance to Taiwanese vendors in terms of production and passing an ISO certification test.
Actual management action	<ul style="list-style-type: none"> Established a safety and quality assurance team to provide guidance and education to subcontractors so that they can manufacture products compliant with international standards. Meanwhile, the team helps to ensure that Brogent provides products compliant with international standards and consistent quality.
2019 goal achievement (short-term)	<ul style="list-style-type: none"> Completed international large immersive simulation equipment projects in four countries; all the projects comply with international safety standards.
Major issue goals or directions (medium-term and long-term)	<ul style="list-style-type: none"> Promote the content production industry based on immersive simulation equipment. Have a role to play in the global entertainment industry by merging or acquiring the content production industry, establishing a strategic alliance, and using other business models. Establish a link between simulation technology and the real environment. In the future, the operating market will cross over to other fields from the entertainment industry. An example of said fields is high-risk training field. Adopt "product design = unlimited shelf life" for the design of sustainable products. Increase the shelf life of products via proper use and maintenance.
Responsibility	<ul style="list-style-type: none"> Hold the Bo-le (a good judge of talent) Award annually to encourage employees from different departments to share their successful cases with one another and give cash awards to them.
Resources invested	<ul style="list-style-type: none"> Nearly 20 executives will conduct discussions on major strategies and issues on a regular basis.
Grievance mechanism	<ul style="list-style-type: none"> A reporting system has been set up on Brogent's website, where channels for reporting grievances related to major issues are available.

Material issue	Sustainable development strategies
Material topic	Sustainable development strategies*
Specific action	<ul style="list-style-type: none"> Hold communication meetings once every two weeks, where major issues will be discussed.
Evaluation mechanism for management guidelines	<ul style="list-style-type: none"> Hold management-related communication meetings and track issues on a regular basis, while announcing and communicating relevant policies.
Results of management guideline evaluation	<ul style="list-style-type: none"> In 2019, a safety team in charge of product quality was set up and the Immersive Simulation System Department was established via management-related communication meetings, whereby the short-term goals for 2019 were achieved.



BROGENT' S SUSTAINABLE DEVELOPMENT GOALS

After reviewing the parallels between Sustainable Development Goals (SDGs) and the 2015 United Nations SDGs, Brogent has included the following SDGs in its sustainable operations strategy: Decent Work and Economic Growth; Industry, Innovation and Infrastructure; Responsible Consumption and Production; Climate Action; and Partnerships for the Goals. Said SDGs are set as a blueprint for Brogent' s goals and directions for future sustainable development strategies.

SDG	Development Direction	Strategies	Medium-term and Long-Term Goals	Corresponding Chapter
<p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>As a major player in the immersive simulation industry in Taiwan, Brogent is active in setting up locally-operated outlets around the world to support the industry and invigorate local employment opportunities.</p>	<p>Through various recruitment channels, such as industry-academia collaboration and employee referrals, Brogent has attracted outstanding talents. Brogent has a comprehensive employee training program and provides employees with abundant resources, incentive mechanisms, and benefits to ensure their success and occupational safety and health.</p>	<p>Brogent strives to grow its reputation and representation in the immersive simulation technology industry. We attract talented people and provide them with a rewarding career in an innovative environment, which in turn, helps to nurturing the talents for the immersive simulation technology industry as a whole.</p>	<p>5.2 Salary and Benefits 5.3 Talent Development</p>

SDG	Development Direction	Strategies	Medium-term and Long-Term Goals	Corresponding Chapter
	<p>Brogent remains committed to meeting the needs of customers of theme parks and large-scale amusement and leisure venues by developing joyful and innovative simulation facilities.</p>	<p>Combining its core technology and 3D immersive simulation technology, Brogent carries out software and hardware R&D, manufacturing and system integration, and theater design, planning, and construction.</p>	<p>Brogent continues to create a variety of new-generation simulation rides with the latest form of media content.</p>	<p>3.1 Technological Innovation</p>
	<p>The pollution level generated from Brogent's production process is low; its products are developed via environmentally friendly means for its global clients.</p>	<p>Brogent collaborates with suppliers through the R&D of technology; it has implemented an operational strategy of responsible purchasing.</p>	<p>Brogent provides sustainable solutions for society and the environment.</p>	<p>3.1.6 Sustainable Product Design 4.3 Environmental Protection</p>

SDG	Development Direction	Strategies	Medium-term and Long-Term Goals	Corresponding Chapter
	<p>Brogent expects to reduce its operational impact of its operation on global warming.</p>	<p>Brogent carries out energy-saving policies in its daily operation, such as power saving, water resource planning, and supply chain management. According to a report by BBC in 2019, carbon emissions generated by travel are the highest when people travel via plane. Brogent's attractions allow people to travel thousands of kilometers without ever getting on a plane by using immersive simulation technology.</p>	<p>Brogent aims to reduce the impact of its operation on climate change by setting targets to reduce carbon emissions and energy consumption.</p>	<p>Climate Risk Governance and Strategy 4.3 Environmental Protection</p>
	<p>Brogent provides opportunities for developing countries to engage in partnerships for sustainably developed projects by organizing economic support directly or indirectly.</p>	<p>Most of the immersive simulation devices Brogent sells are products/materials that follow sustainable practices or have acquired global safety certifications.</p>	<p>Utilizing its multifaceted creative knowledge and technological capabilities, Brogent has established international partnerships with interdisciplinary designers and engineers, as well as film directors, to bring joyful experiences to people around the world and turn their imaginations into reality.</p>	<p>CSR Philosophy and Strategy 2.3 Global Deployment</p>

CLIMATE RISK GOVERNANCE AND STRATEGY

In light of potential financial risks to business operations due to climate change, disclosing information related to climate change has become relevant in sustainability information disclosure. Following the Task Force on Climate-related Financial Disclosures (TCFD) published by the Financial Stability Board (FSB) and Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports, Brogent has identified risks and opportunities related to climate change and included them in its overall risk management framework. Based on the results, said risks and opportunities subsequently serve as items in our sustainable development strategies.

Governance/ strategy	<ul style="list-style-type: none"> Evaluate potential financial risks to the Company' s operation based on risks and opportunities related to climate change. Set the time needed to achieve short-term goals as less than three years, medium-term goals as between three and five years, long-term goals as more than five years on the basis of the existing internal goal management schedule. Continue to identify and evaluate potential risks and opportunities related to climate change.
Risk management	<ul style="list-style-type: none"> Use the TCFD framework to identify risks and opportunities related to climate change. Each department should re-examine the results of identifying risks and opportunities related to climate change annually, while reporting the results to the Board of Directors for them to discuss and determine countermeasures after the results are verified by senior management (Chairman).

RISKS RELATED TO CLIMATE CHANGE

Type	Risk factor for climate change	Potential financial impact	Countermeasures
Transition risks	Costs of greenhouse gas emissions	An increase in operating costs	<ul style="list-style-type: none"> Continue to promote specific actions, such as saving energy and reducing carbon footprint at the office. Replace old and broken facilities; prioritize the use of products with an energy efficiency label. Electric or hybrid cars should be chosen for newly rented company vehicles.
	Existing and emerging energy regulations	An increase in operating costs	<ul style="list-style-type: none"> Each department should continue to pay attention to and track changes in relevant laws and regulations so as to prevent non-compliance with laws and regulations.
	An increase in raw material costs	An increase in operating costs	<ul style="list-style-type: none"> Reduce product damage during the R&D or manufacturing process.
Physical risks	Climate-related disasters caused by extreme weather	An increase in operating costs	<ul style="list-style-type: none"> Purchase water damage insurance.
	Unable to complete work on time due to extreme weather	An increase in operating costs	<ul style="list-style-type: none"> Establish a mechanism for reporting major events and coordinate with all departments. Keep the time needed to complete work flexible during contract negotiation.
	Delay in delivery due to climate-related disasters	An increase in operating costs	<ul style="list-style-type: none"> Build a database on alternative materials. Create sources of supply (e.g., second and third suppliers).

OPPORTUNITIES RELATED TO CLMATE CHANGE

Type	Risk factor for climate change	Potential financial impact	Countermeasures
Resource efficiency	High-performance buildings and factories	A decrease in operating costs	<ul style="list-style-type: none"> Plan to obtain the green building label for phase 3 buildings in more than four categories.
	Cut down on water use	A decrease in operating costs	<ul style="list-style-type: none"> A rainwater harvesting storage system has been established. Rainwater harvested is used to water plants in daily life. Faucets, urinals, and toilets with water saving labels are adopted to reduce the waste of water resources.
Energy resources	Policy on regional energy integration	An increase in revenue	<ul style="list-style-type: none"> Install solar panels on the rooftop to generate power by making use of long sunshine hours and high solar irradiance in southern Taiwan, while selling said power to Taiwan Power Company. The establishment of solar power generation facilities will be included in the subsequent construction of phase 3 buildings.
Products and services	Develop low-carbon products	An increase in revenue due to more competitive products	<ul style="list-style-type: none"> Local vendors will be given top priority as suppliers for product components. Adopt lighter equipment enclosures to reduce shipping costs. Approaches adopted for the design of product appearance include sustainable design, subtractive design, design with eco-friendly materials, design aiming to enhance efficiency, and design aiming to reduce energy consumption. Energy-intensive design related to oil pressure should be used less, whereas electrical actuation system should be adopted. Use high efficiency and low energy consumption components.
	Develop energy efficient products	An increase in revenue due to more competitive products	<ul style="list-style-type: none"> Configure the mainframe based on computation results and use it with lower wattage power supply. Conduct research on "power system analysis" Lightweight, downsizing design for platforms to reduce their energy consumption and thus reducing power consumption of the actuation system.

Type	Risk factor for climate change	Potential financial impact	Countermeasures
Products and services	R&D and innovation	Increase business competitiveness and value of industry chain	<ul style="list-style-type: none"> Collaborated with the Industrial Technology Research Institute at Taiwan Innotech Expo 2019 and Mobile World Congress 2019 to display the integration of e-sports and edge computing; energy consumption of data transmission was reduced when using edge computing. Implement the forward-looking project: Immersive simulation Technology Base: Immersive simulation Park •With patent R&D and innovation, Brogent' s immersive simulation equipment can serve multiple purposes. When used with different themes/ contents, such as roller coaster, flying, and diving, they can create diverse experiences. Implement the Taiwan Industry Innovation Platform Program (Innovation Optimization Program): Immersive 8K 3D LED Dome Screen Theater. Actively develop miniaturized multiple-seater platforms to meet market demand.
	Changes in customer preferences: From outdoor to indoor amusement parks	An increase in revenue	<ul style="list-style-type: none"> Develop four types of indoor experience facilities. •Actively participate in amusement park facilities shows, such as IAAPA Expo (the U.S., Europe, and Asia), and promote Brogent' s most recently developed immersive simulation equipment. When developing product design criteria, clients' indoor space should be taken into consideration to meet actual needs. In addition to high-end (i-Ride) and mid-end (m-Ride)flying theaters, Brogent continues to design and develop small products, such as the mini-Ride immersive simulation platform, to satisfy clients' needs by providing them with diverse products.

CH 1



OPEN AND TRANSPARENT COMMUNICATION

Brogent listens to its stakeholders and engages in open and transparent dialogue to create corporate sustainability via effective communication.

1.1 Stakeholder Interactions and Engagement

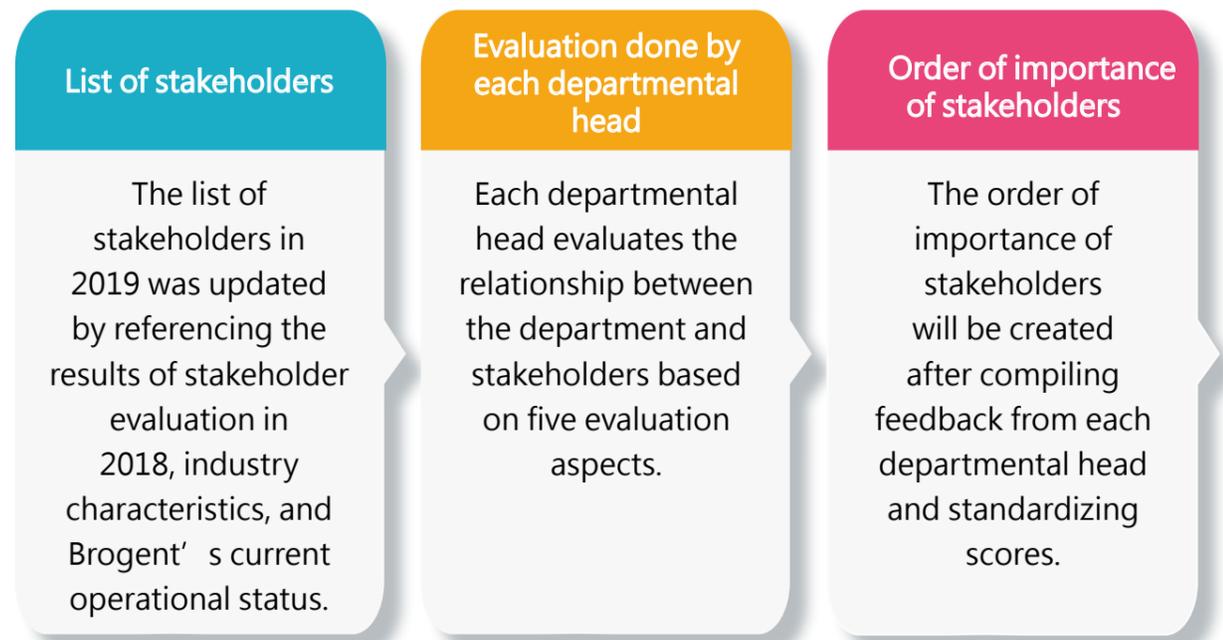
To pursue business operational sustainability, Brogent not only accepts its employees' opinions, but also values issues of concern of all its stakeholders. With an open and transparent attitude, we maintain positive interactions with our stakeholders via various communication channels. We collect issues of concern by our internal and external stakeholders and their requests, as well as formulate countermeasures to major issues and responses, which constitute the basis for compiling our CSR reports.

1.1.1 Stakeholder Identification

We categorized all stakeholders in our daily operation into the following ten groups: clients, employees, government agencies, suppliers/contractors, shareholders/investors, the press, business partners, banks and insurance companies, non-profit/not-governmental organizations, and local neighborhood communities.

By convening stakeholder meetings and distributing stakeholder survey questionnaires, we follow the five main factors stated in the AccountAbility Stakeholder Engagement Standard (AA1000 SES) to evaluate stakeholder engagement level; said factors are influence, tension, responsibility, dependency, and diverse perspectives. In 2019, stakeholder questionnaires from a total of 20 agencies were returned for compilation and analysis. According to the results, the engagement levels of the stakeholders were ranked as follows: clients, employees, government agencies, suppliers/contractors, shareholders/investors, and the press.

Process Implementation



1.1.2 Stakeholder Engagement

Brogent communicates with its stakeholders via multiple channels to understand issues of concern and obtain their feedback, whereby internal management practices can be adjusted or necessary information provided to achieve positive mutual engagement. We have also created a CSR section on our website, along with a Facebook fan page for our Welfare Committee (<https://www.facebook.com/Brogentwelfare/>) and an external communication mailbox (web@brogent.com), to serve as basic communication channels between us and our stakeholders.



Facebook fan page for Brogent's Welfare Committee

Stakeholder	Importance for Brogent	Communication channel and frequency	Communication effectiveness in 2019	Reflections and coping strategies	Issues of concern
Clients	<ul style="list-style-type: none"> The most influential stakeholder regarding the development and design of Brogent's products and technologies; they are important partners who grow side by side with Brogent. 	<ul style="list-style-type: none"> Online meetings (non-scheduled) E-mail scheduled (non-scheduled) International exhibitions (non-scheduled) 	<ul style="list-style-type: none"> Receive customer satisfaction survey results on an irregular basis, while responding to/handling comments 	<ul style="list-style-type: none"> Continue to provide products and services of reliable quality, while implementing quality management and environmental protection on the basis of operational integrity to meet customers' expectations 	<ul style="list-style-type: none"> Product safety Product quality Technological innovation Client relationship and products and services

Stakeholder	Importance for Brogent	Communication channel and frequency	Communication effectiveness in 2019	Reflections and coping strategies	Issues of concern
Employees	<ul style="list-style-type: none"> Employees are the most important partners for the Company's sustainable development. Ensuring employees' working rights and offering competitive remuneration and benefits to them are the keys to Brogent's continual growth. 	<ul style="list-style-type: none"> Labor-management meetings (scheduled) Designated e-mail address for complaints (non-scheduled) 	<ul style="list-style-type: none"> Distribute Law Bank e-newsletters (news@lawbank.com.tw) on a weekly basis, whereby information on all newly revised laws and regulations can be sent to relevant executives or department contacts in a timely manner. Hold meetings on business affairs, where management can discuss questions with employees face to face to demonstrate their efficiency and avoid misunderstanding in communication 	<ul style="list-style-type: none"> Share information on laws and regulations in accordance with management regulations, hoping that our colleagues can keep up with the latest version of laws and regulations To help our employees maintain a work-life balance and increase their productivity at work, we will plan a more comprehensive welfare system and provide them with a more considerate and convenient workplace 	<ul style="list-style-type: none"> Sustainable development strategies Operational performance Labor relations Workplace health and safety Employee cultivation and career development Recruitment, salary, and benefits Human rights and equality
Government Agencies	<ul style="list-style-type: none"> By implementing certain policies or publicizing/amending laws and regulations, government agencies may affect Brogent's operational directions and decision-making. 	<ul style="list-style-type: none"> Participate in seminars on laws and regulations held by competent authorities (non-scheduled) 	<ul style="list-style-type: none"> Attend information sessions on laws and regulations held by competent authorities 	<ul style="list-style-type: none"> Identify laws and regulations while observing them to avoid disciplinary action because of committing a violation 	<ul style="list-style-type: none"> Sustainable development strategies Legal compliance Labor relations Workplace health and safety Recruitment, salary, and benefits Human rights and equality Energy or greenhouse gas management
Suppliers/Contractors	<ul style="list-style-type: none"> Good suppliers/contractors provide Brogent with quality immersive simulation equipment production, which enables Brogent to improve product reliability provides maximum operational performance and provides maximum operational performance 	<ul style="list-style-type: none"> Project meetings (non-scheduled) Quality supervision meetings (non-scheduled) 	<ul style="list-style-type: none"> Conducted an evaluation on four suppliers. Distributed 1,280 evaluation questionnaires and collected statistics regarding transactions among suppliers. Held more than 6 quality supervision meetings. Held more than 30 meetings to discuss progress and design issues with suppliers 	<ul style="list-style-type: none"> With the supplier evaluation mechanism and intensive technical exchanges, we hope to help suppliers deliver high quality equipment on time Ensure consistent delivery times and processes to meet customers' expectations 	<ul style="list-style-type: none"> Sustainable development strategies Corporate governance Operational performance Supply chain management
Shareholders/Investors	<ul style="list-style-type: none"> Opinions and suggestions of the shareholders/investors are key references for Brogent's management in the time of major operational decision-making. 	<ul style="list-style-type: none"> Annual shareholder meetings (scheduled) Information sessions on domestic and international corporations, along with forums scheduled) Financial and investment (non-statements operational information (scheduled) Investor relations mailbox and investor service hotline (non-scheduled) 	<ul style="list-style-type: none"> Held the annual shareholder meeting to explain Brogent's operational status and development trends. Published the annual report, quarterly report, and monthly revenue report; said reports were uploaded to our Company's investor relations web page in a timely manner. Conduct corporate governance accreditation annually in cooperation with the relevant authority Collect investors' suggestions, compile them, and report them to the management team on a regular basis 	<ul style="list-style-type: none"> Besides continuing to improve our business and pursuing ideal operational performance, Brogent is also committed to making information transparent and observing the laws and code of ethics in business to protect our investors' rights 	<ul style="list-style-type: none"> Sustainable development strategies Corporate governance Risk and crisis management Operational performance Technological innovation Product quality

1.2 Major Issue Analysis and Management

Based on our Corporate Development Goals and Vision, as well as by referencing GRI standards, sustainability issues of concern to domestic and international enterprises in the same industry, and key industry trends, Brogent includes 21 sustainability topics as the subjects of the communication survey issued to its internal and external stakeholders. This year, we designed a questionnaire for internal and external stakeholders and had it released to analyze their levels of interest in various issues. Target recipients included clients, shareholders/investors, government agencies, employees, suppliers/contractors, local neighborhood communities, business partners, banks and insurance companies, the press, and non-profit/non-governmental organizations.

In 2019, there were 167 valid questionnaires regarding external stakeholders' levels of interest in various issues. As for internal stakeholders, five executives evaluated the impact of each sustainability issue on the Company's operation and the overall economy, society, and environment. We created a matrix of Brogent's seven major issues via questionnaire analysis. According to our statistical analysis, the order of importance for Brogent's major issues is as follows: product safety, technological innovation, product quality, risk and crisis management, sustainable development strategies, client relationship and products and services, and corporate governance. These are the main areas that will be disclosed in this report.

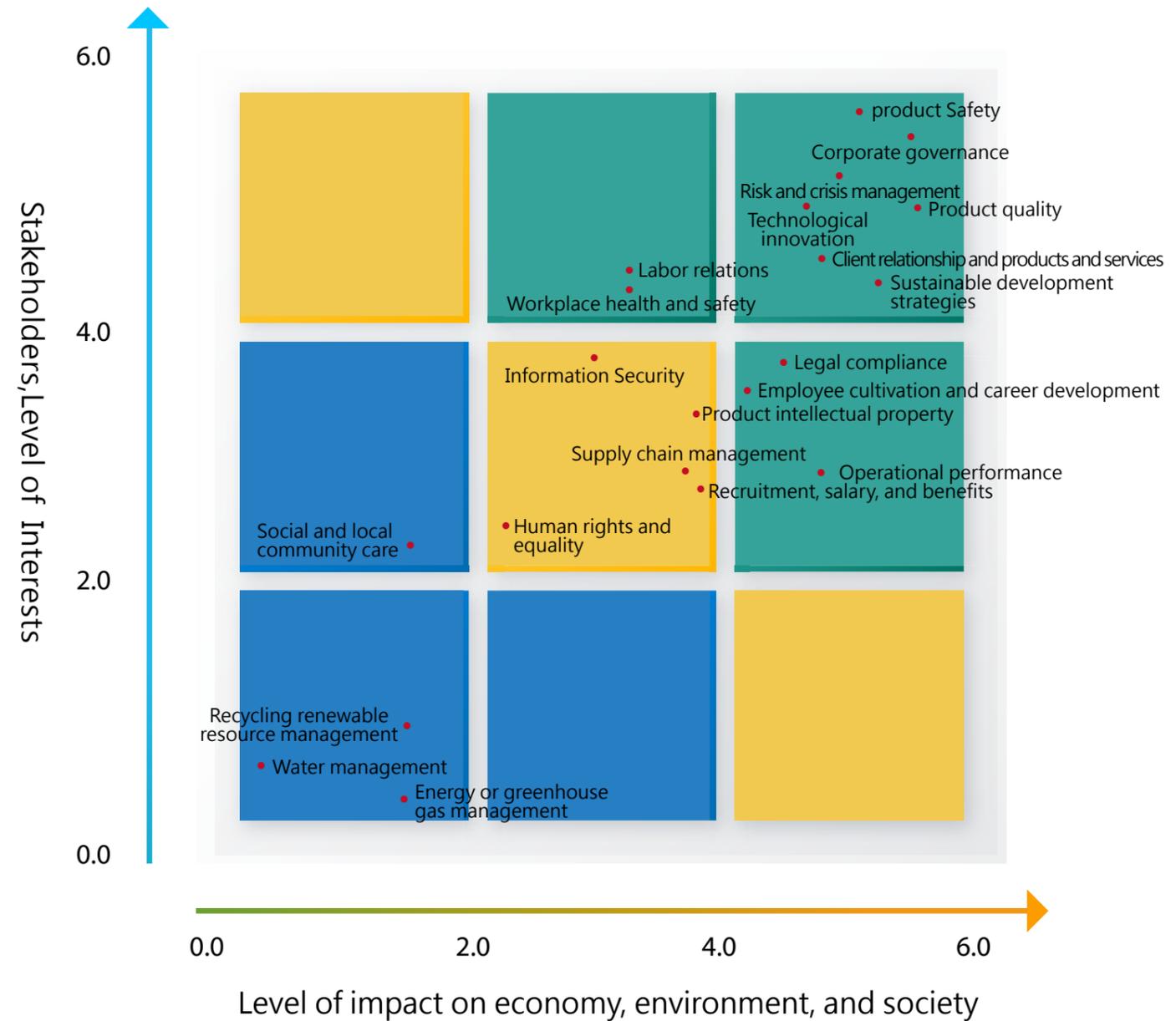
Major Issue Analysis Process

Stage 1: Identification	
<p>Step 1: Identify participants in the engagement process (identify major stakeholders)</p>	<p>Step 2: Collect sustainability issues (21 sustainability topics)</p>
<p>Brogent identifies its major stakeholders (clients, employees, government agencies, suppliers/contractors, shareholders/investors, and the press) using the Stakeholder Engagement Standard, AA1000 SES 2015; we convey and communicate the results of our corporate sustainability practices to said stakeholders.</p>	<p>To comprehensively collect sustainability issues, Brogent referenced the GRI Standards and issues of concern to domestic and international enterprises in the same industry. We have compiled 21 sustainability issues.</p>

Stakeholder	Importance for Brogent	Communication channel and frequency	Communication effectiveness in 2019	Reflections and coping strategies	Issues of concern
The press	<ul style="list-style-type: none"> The press acts as a bridge between Brogent and its stakeholders. When the press obtains information released by Brogent in a timely manner, it will help stakeholders publicly acquire accurate information on the Company and consolidate the Company's image. 	<ul style="list-style-type: none"> Issue the press release on monthly revenue (scheduled) Issue the press release on business operations (non-scheduled) The public relations hotline and mailbox can receive media interview invitations and inquiries (non-scheduled) 	<ul style="list-style-type: none"> Via organizing gatherings with the press on an irregular basis 	<ul style="list-style-type: none"> Upholding the spirit of mutual trust and help, we maintain a good relationship with the press with a genuine and friendly attitude Establish a good relationship with the press. Increase Brogent's media exposure via good interactions with the press 	<ul style="list-style-type: none"> Sustainable development strategies Corporate governance Operational performance Technological innovation Recruitment, salary, and benefits

Stage 2: Analysis	
<p>Step 3: Investigate external stakeholders' levels of interest (167 questionnaires)</p>	<p>Step 4: Analyze the impact on the Company's operations (by five executives)</p>
<p>Feedback from the stakeholders is key to deciding major issues for Brogent. Thus, questionnaires were distributed to six major stakeholders to investigate their levels of interest in various issues. In 2019, there were 167 valid questionnaires.</p>	<p>Taking into consideration the impact on economy, society, and environment, five executives of Brogent evaluated the impact of each issue on the Company's operations to determine the importance of disclosing the issue.</p>
Stage 3: Verification	
<p>Step 5: Create a matrix of major issues (seven major issues)</p>	<p>Step 6: Review information to be disclosed (five specific topics)</p>
<p>Create a matrix of Brogent's major issues based on the analysis results of steps 3 and 4. After a review of the matrix, it is determined that seven major sustainability issues will be disclosed in the CSR report.</p>	<p>Check the seven major issues that have been identified against the five specific topics and eleven disclosures of the GRI Standards. Check the above conversion against boundaries of disclosures of information on Brogent's stakeholders, on which this report is based.</p>

Matrix of Major Issues in 2019



Major Issue Management Direct impact : ● Indirect impact : ○

Major issue	Meaning and significance	Corresponding major topic	Internal impact boundary	External impact boundaries					Corresponding chapter
			Employees	Shareholders/ investors	Clients	Supplier s/ contractors	Government agencies	Business partners	
Product safety	High-standards of product safety is one of Brogent' s core concepts. It is also the focus of our R&D in immersive simulation equipment.	Customer health and safety Marketing and Labeling	●	○	●	●	○	●	3.2 Product Quality and Safety
Technological innovation	Technological innovation is at the core of Brogent' s brand. The innovative design process is the essence of Brogent' s sustainable development.	Customized topics	●	○	●	●	○	●	3.1 Technological Innovation
Product quality	Achieving customer satisfaction with high standards of quality and performance, as well as generating mutual benefits for customers, shareholders, employees, and society, are at the core of Brogent' s pursuit of excellence.	Customer health and safety	●	○	●	●	○	●	3.2 Product Quality and Safety
Risk and crisis management	To achieve its objective of business operational sustainability, Brogent recognizes the importance of risks and crisis that will affect its operation.	Key impacts, risks, and opportunities Effectiveness of risk management processes Financial implications and other risks and opportunities due to climate change	●	●	○	○	○	○	4.1.2 Risk Management
Sustainable development strategies	Brogent is a leading brand in the immersive simulation equipment industry. Maintaining sustainable operations is a mutual goal for Brogent and all its stakeholders. This goal also drew attention from the immersive simulation equipment industry. Thus, our sustainable development strategies regarding economy, environment, and society are issues of concern to all stakeholders.	Customized topics	●	●	●	●	○	●	CSR Philosophy and Strategy
Client relationship and products and services	Brogent believes that a good client relationship is vital for customer loyalty and benefits. Thus, we listen to our customers to identify their needs and provide them with comprehensive products and services.	Customized topics	●	○	●	○	○	○	3.3 Customer Management and Service
Corporate governance	The soundness of a corporate governance system not only affects a company' s development, but is also the cornerstone of business operational sustainability.	Nominating and selecting the highest governance body	●	●	○	○	○	○	4.1 Corporate Governance

CH
2



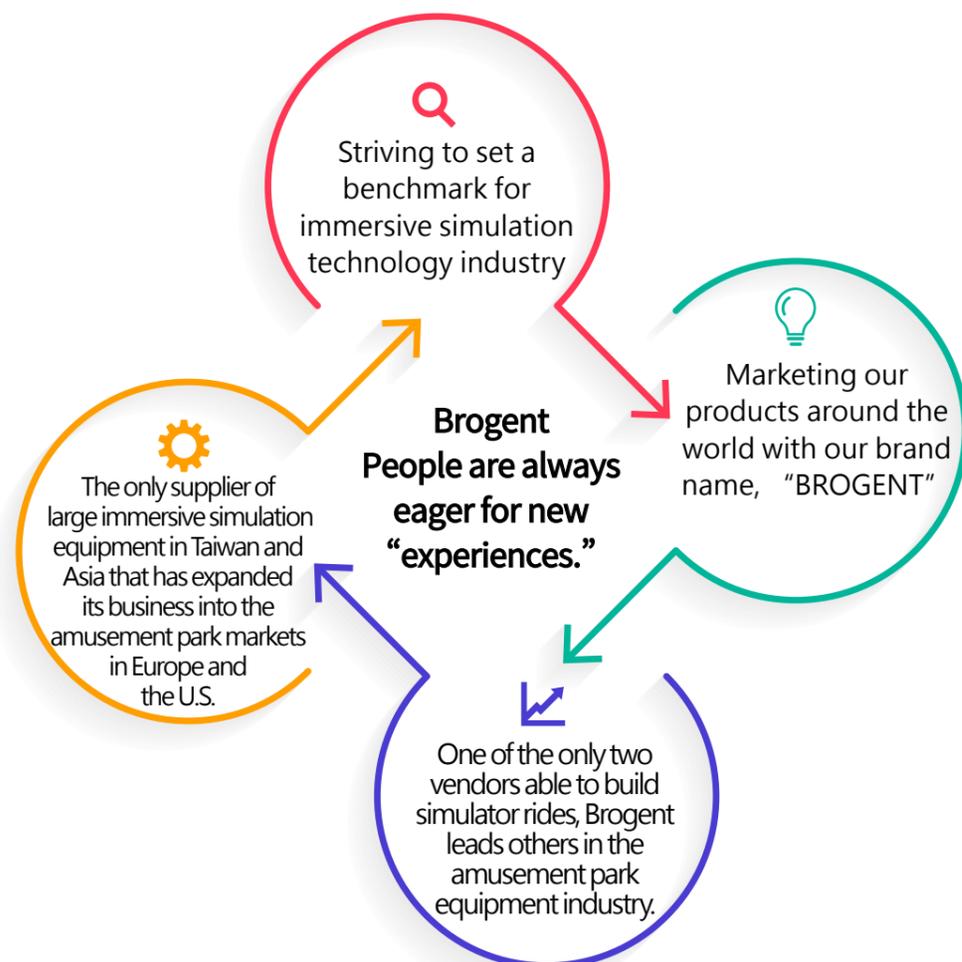
TURNING DREAMS INTO REALITY

Brogent helps you realize all your dreams via its diversified creative capabilities and simulation technology.

2.1 Corporate Profile

When it was established in 2001, Brogent devoted itself to the development of 3D graphic engines and multimedia production. In 2007, Founder I-Shou Lin of the E-United Group planned to build the E-Da Theme Park in Taiwan. He was interested in building a flying theater similar to the one in the Disneyland Park, California. Later, he learned that a vendor in Kaohsiung, Brogent, had the ability to build simulator rides, and made inquiry to Brogent about purchasing a flying theater. Making use of the hardware and software knowledge they had accumulated over time, Brogent's R&D personnel ingeniously integrated immersive simulation equipment and content to successfully build Taiwan's first flying theater in 2010. This was the beginning of transforming the company's business towards immersive simulation technology.

Headquartered in Kaohsiung, Taiwan, Brogent is a world-leading simulation equipment designer, developer, and manufacturer. It is a technology company that focuses on research and development of advanced entertainment technologies, media creation, and design. The company offers services ranging from a single-component system to an integration project. With cumulative years of experience in R&D and software and hardware integration, we have the capabilities of providing various new-generation simulator rides with the latest form of media to theme parks and large-scale amusement-leisure venues around the world.



Basic Company Information

Basic Company Information Form	
Company name	Brogent Technologies Inc.
Listing date for OTC	December 18, 2012 (Stock Code: 5263)
Business administration No.	13158496
Established	October 2001
Headquarters	No. 9, Fuxing 4th Rd., Qianzhen Dist., Kaohsiung City 806, Taiwan (R.O.C.)
Capital	\$530,928,000
Revenue	\$2,080,441,000
Industry category	Cultural and creative industry
No. of employees	172
Markets of products and services	Asia, The Americas, Europe, and Australia
Main products & services	Simulator rides
Industries & types of clientele	Theme parks, museums, shopping malls, urban experience centers, etc.

The Role Brogent plays in the Immersive Simulation Technology Industry Chain

Brogent has the ability to integrate into upstream, midstream, and downstream companies in the immersive simulation technology industry. We hope to act as the leader in the immersive simulation technology industry, helping to create an industry chain in Taiwan and integrate our products with local manufacturers to help Taiwan achieve recognition for its manufacturing capabilities.



Upstream

- Vendors for components of immersive simulation equipment: six-axis platform, steel structure, seat, roof panel, digital content, and electronic components.
- Brogent’s subsidiary, Brogent Mechanical Inc., is in charge of six-axis platform among upstream companies.



Midstream

- Immersive simulation equipment manufacturers/integrators
- Brogent is in charge of system integration among midstream companies.



Downstream

- Themed theater operators
- Brogent is currently in charge of running the flying theaters in Taipei and Kaohsiung among downstream companies.



Assist in the Upgrading of Local Industries

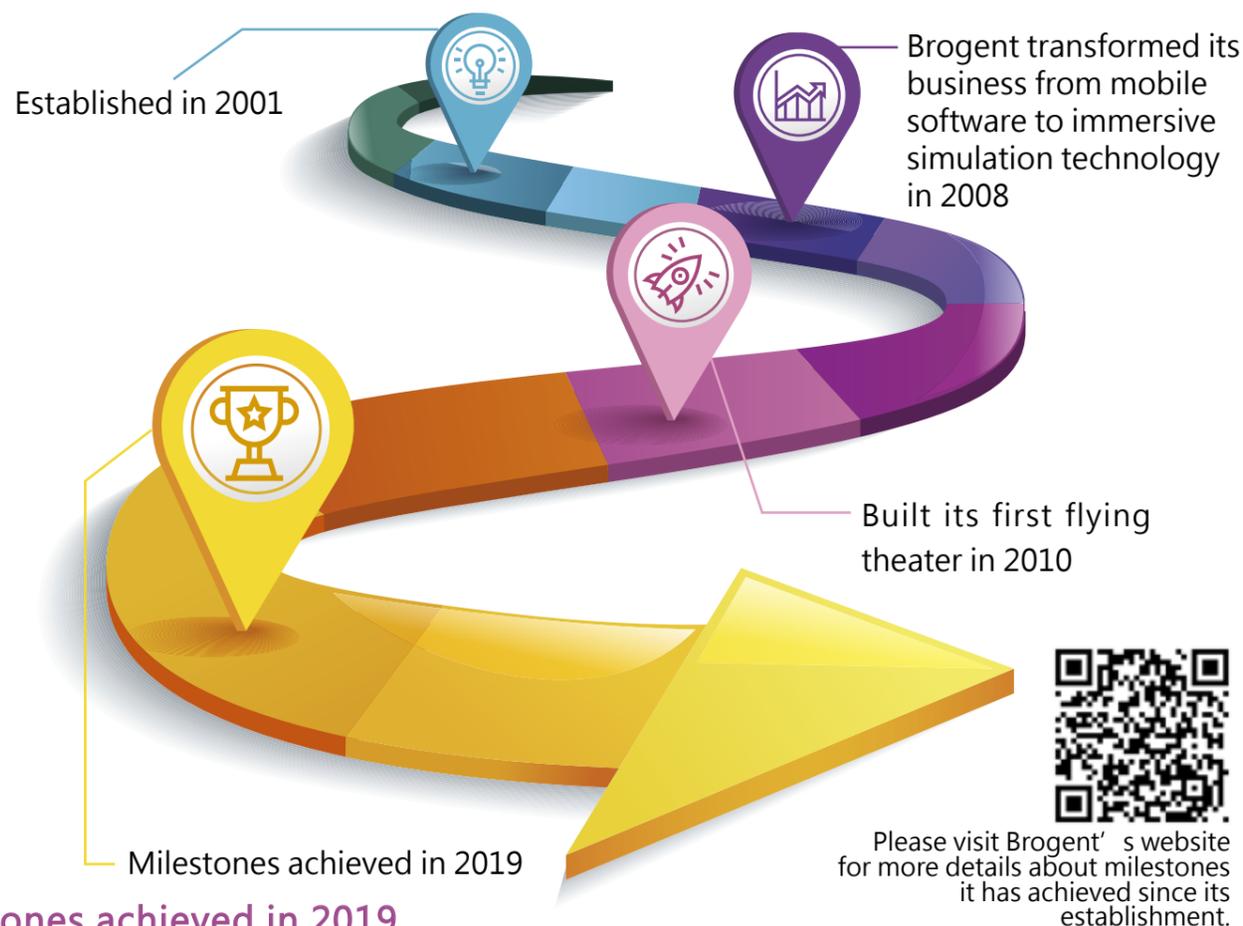
In the past, the immersive simulation technology industry was not available in Taiwan. Thus, when Brogent first entered the industry, it aimed to seek collaboration with existing Taiwanese vendors, while assisting them in transforming their business to be in alignment with the industry. Among the upstream companies was Unigin Screen, a steel company in Kaohsiung that takes on steel fabricating projects. The company began manufacturing the steel structures for Brogent’s flying theater dome screens from scratch. Unigin is aware of the fact that it has to transform and upgrade its business to keep pace with Brogent. Thus, for example, all of its welders need to obtain a license and an enterprise resource planning (ERP) system was introduced into the Company. Ea-Hwa Enterprise Industrial Co., Ltd., a welding company manufacturing server racks and chassis, has been contracted to manufacture seats and roof panels for flying theaters. To achieve Brogent’s rigorous requirements, its production line must pass international certifications, while its technical capabilities must continually be upgraded.

Participation in Public Associations

Name of public association	Project or committee participated	Participation status
International Association of Amusement Parks and Attractions (IAAPA)	Annual break seminar	Member Representative
Taiwan Industry-Academia-Research for Collaboration-Integration-Development Association	Vision Get Wild	Serve as Executive Director and Alternate Supervisor
Kaohsiung MICE Alliance	Introduce cities via the experience center	Member Representative
Go Smart Global Organization Smart Cities	Assist in international cross-city exchanges	Member Representative
Southern Taiwan University of Science and Technology Large Multimedia-based Interactive Entertainment R&D Alliance	Jointly promote industry-academia collaboration on large multimedia-based interactive entertainment R&D	Member Representative

2.1.1 Company History

Established in 2001, Brogent transformed its business from mobile software to immersive simulation technology in 2008, and built its first flying theater in 2010.



Milestones achieved in 2019

Year	Milestones
2019	<ul style="list-style-type: none"> • The opening of Brogent's i-Ride Unlimited Flying Bureau was held at the Taipei Nan Shan Plaza. • Brogent's Lightning Wings VR Immersive Simulation e-Sports Platform was exhibited in Mobile World Congress Barcelona 2019. • The opening of Brogent's flying theater was held in Legoland Florida in the U.S. • Brogent's small VR immersive simulation equipment: Q-Ride, Lightning Wings VR Immersive Simulation e-Sports Platform, and personalized immersive simulation race car platforms were exhibited at the 2019 Vision Get Wild event. • Brogent co-organized the American Month with the AIT to promote the U.S.-Taiwan Travel Year. The flying theater film "Discover America" was played in Taiwan for the first time. • The personalized immersive simulation race car platform made its debut at Asia Pacific Cities Summit 2019 in Brisbane, Australia. • The opening of Brogent's "Discover Australia" was held in the largest amusement park in Australia: Dreamworld in the Gold Coast, Australia.

Year	Milestones
2019	<ul style="list-style-type: none"> • The opening of Brogent's second flying theater in China was held in Phase 2 Beijing Shijingshan Amusement Park. • Brogent's flying theater won Europe's Best Dark Ride of the European Star Awards 2019. • The opening of Brogent's "FlyOver Iceland" was held in the capital of Iceland: Reykjavik. • Brogent's flying theater won the Chinese Outstanding XD/Motion Theatres Supplier Award.

2.1.2 Company Organizational Chart

Brogent's Chairman is the Company's highest ranking representative. The Board of Directors determines our operational strategies, while the President is responsible for coordinating and managing our overall operational performance in terms of economy, society, and environment. All our directors must have a professional background and industry experience. In 2019, we added three departments: Design Department, Immersive Simulation System Department, and China Business Development Department to respond to changes in the market, customer needs, and functional adjustment of units

Department added	Description
Design Department	<ul style="list-style-type: none"> • To enhance our unique position in the immersive simulation technology industry, we changed our Product Development Center to Design Department in 2019. We also established three groups under the Design Department: Industrial Design Group, User Experience Design Group, and Human-Machine Interface Design Group. They collaborate with existing centers/departments to create products and services of higher value.
Immersive Simulation System Department	<ul style="list-style-type: none"> • In light of an increase in demand for the integration of audiovisual apparatuses and platform motion editing, our Technology Center divided the System Control Department into the Mechatronic System Department (for the integration of software, control system, and electrical control system) and the Immersive Simulation System Department (for the integration of imaging system, sound effects system, and platform motion programming) in 2019. We also took on more personnel to satisfy customers' needs and expand our innovation and R&D capabilities.

Department added	Description
China Business Development Department	<ul style="list-style-type: none"> To adapt to the uniqueness of the Chinese market, whose operators differ from their counterparts in European and American markets, we established the China Business Development Department in 2019 to conduct effective communication and make decisions according to rapid changes in the Chinese market.

2.1.3 Brand Value

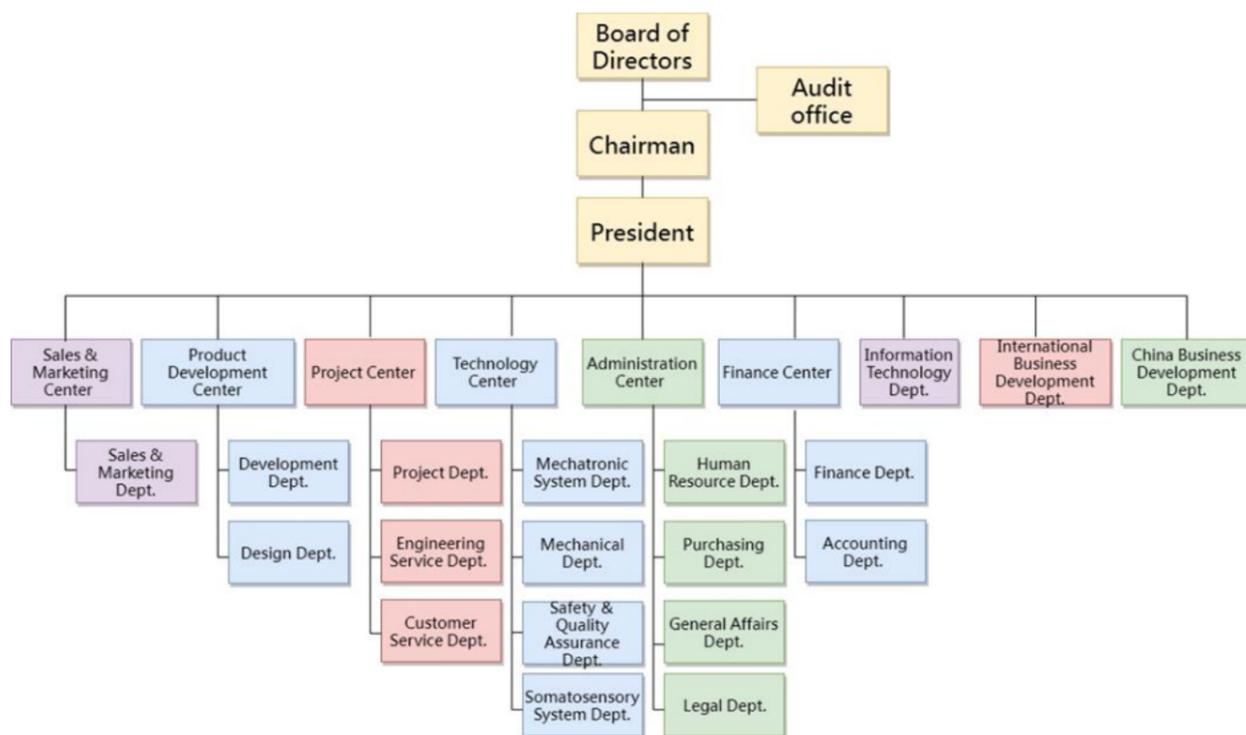
Brogent believes that technology can improve human life. People can experience truth, goodness, and the beauty of the world via technology. We built our brand "BROGENT" that integrates diverse software and hardware technologies with various arts and cultures to help bring joy into people's lives. We market our products around the world based on the core value of our brand "BROGENT": "creating experience".

We have planned to cross over to other fields (such as the high-risk training field) from the entertainment industry in our future. We hope to provide an environment where appropriate training is available so that operational risks are reduced, while achieving the goal of improving human life via our brand "BROGENT."

2.1.4 Product Introduction

Brogent's main products and services include software and hardware R&D, manufacturing and system integration, and the design, planning, and establishment of immersive simulation theaters with the latest form of media. We offer services that range from a single-component system to a fully integrated project. By integrating our core technology with novel 3D immersive simulation technology, we provide various new-generation simulator rides with the latest form of media to theme parks and large-scale amusement and leisure venues around the world.

In the past, our main products in the flying theater market were i-Ride (high-end flying theater) and m-Ride (mid-end flying theater). Recently, our new types of equipment focusing on helping to achieve the dream of flying: v-Ride 360 and Q-Ride have progressively entered the international amusement park market. In addition to manufacturing comprehensive high, mid, and low-end flight simulation equipment, we have also started to adopt technologies for the development of simulation equipment that creates other experiences. Our new market deployment plan is to promote mini-Ride (small equipment) developed in 2019 in the international small amusement park market. As we actively invest in the R&D of new products, we take customers' needs (costs/land/space) into consideration and provide them with a variety of amusement park equipment to choose from.



Please refer to Page 9 of the 2019 Annual Report for more details about duties of each center/department in Brogent.



i-Ride is our flagship simulation product; it features suspended moving seats that are propelled forward into a giant dome screen with a diameter of 20 meters. By providing users with visual, sound, olfactory, tactile, and movement-related effects, this 3D, 4D, and 5D theater gives them an immersive experience.

Main Products and 2019 New Products

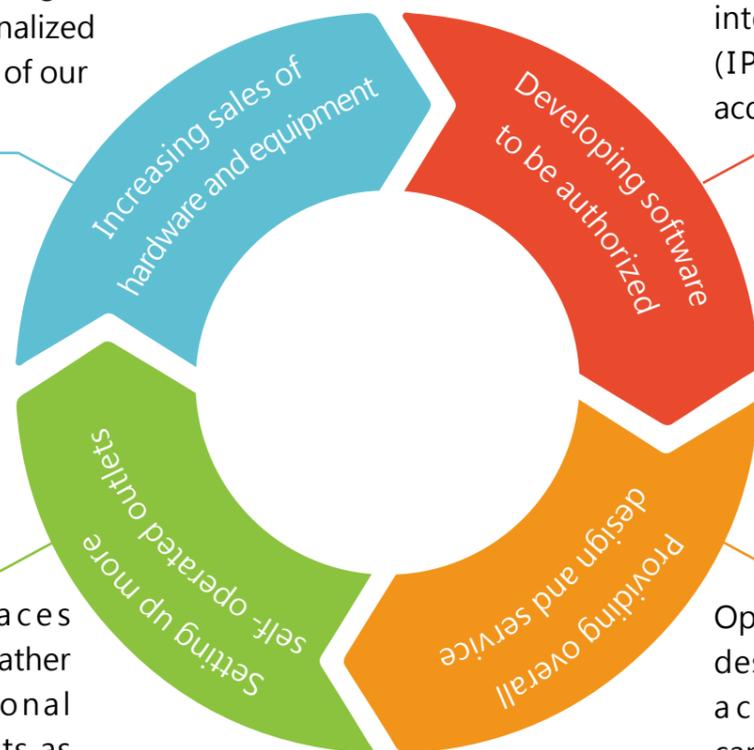
Product type	Product features	Image for illustration purpose
i-Ride	<ul style="list-style-type: none"> • Six degrees of freedom • High resolution fisheye lens • Modular design • Centralized arrangement • An immersive experience with panoramic view • Both old and young can enjoy the ride comfortably and have fun • 4D effects • Quiet and agile motions • Diversified flight experiences 	
m-Ride	<ul style="list-style-type: none"> • Four-axis motion platform • The device rotates 180-degree to start the show • Centralized arrangement • Modular design • High rider-carrying capacity • 4D effects • Diversified flight experiences 	
mini-Ride	<ul style="list-style-type: none"> • Personalized control • To be used with VR or screen • Six degree-of-freedom motion platform • Integration of diverse digital contents including those containing air, land, and sea • Can be connected with one another to create an immersive experience for multiple users, which can be used in the following fields : entertainment, training, and education 	



2.2 Operational Performance

With a professional operations team and strong R&D capabilities, Brogent maintains a steady pace of growth. In 2019, our revenue and order intake reached a record high; our consolidated revenue was NT\$2.08 billion, an increase of 27.05% when compared to that in 2018. Our consolidated gross profit was NT\$1.002 billion (48.17% consolidated gross margin), consolidated net income after taxes was NT\$384 million, and earnings per share was NT\$6.57. In the future, our operations strategy will focus on four aspects: increasing sales of hardware and equipment, developing software to be authorized, providing overall design and service, and setting up more self-operated outlets. This strategy will be the cornerstone of our continuous, steady development

Gradually moving toward personalized development of our product line

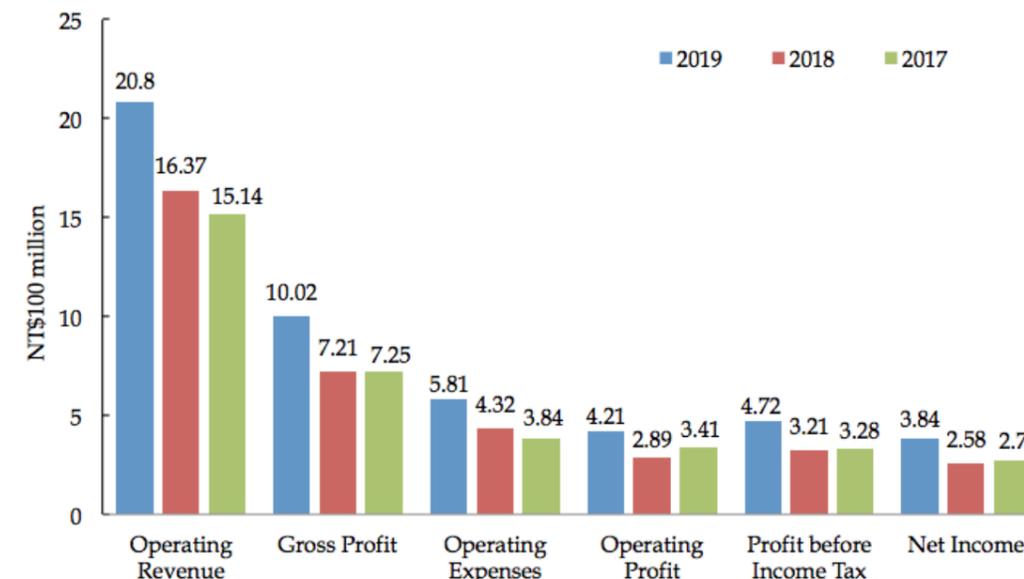


Strengthening video production and intellectual property (IP) creation and acquisition

Optimizing i-Ride design to build and accumulate our capabilities in theme park design

Choosing places where tourists gather and international cities for tourists as preferable locations for setting up self-operated outlets, so as to continuously increase the number of our self-operated outlets across the globe

Revenue for the past three years



Government subsidies received in 2019

Subsidizer	Item	Amount (Unit : NT\$1 million)
Economic Development Bureau, Kaohsiung City Government	Lightning Wings : IP Immersive Simulation Gaming Base Project	14.709
	CityPark VR360 Immersive Simulation Theater Project	7.734
Funds for promoting industrial development	A subsidy received from the Economic Development Bureau of Kaohsiung City Government: investment subsidy for promoting Kaohsiung' s industrial development	5.712
Taiwan Small & Medium Enterprise Counseling Foundation (Taiwan SMECF)	LED Dome Screen Project	7.500

Tax Governance

Brogent upholds the principle of paying taxes honestly as a basis for its tax governance. The five principles of implementing tax policy are as follows:

- Observing laws and regulations: Observe local tax laws and regulations, and file and pay taxes within the specified deadline.
- Information transparency: Disclose information on taxes in the financial statements and annual report according to the law, so that stakeholders can access said information, while information transparency can be ensured.
- Risk control: Effects of taxes must be taken into consideration and financial risks evaluated when making important decisions. Appropriate countermeasures should also be taken and strategies adjusted.
- Reasonable tax mitigation: Enjoy tax incentives and mitigation based on reasonable business grounds and economic substance according to local tax laws and regulations, as well as taxation agreements. Don't adopt methods violating the law for tax reduction and exemption, such as tax evasion and avoidance.
- Communication based on mutual trust: Establish a relationship based on mutual respect with national taxation bureaus via communication based on mutual trust and information transparency.

Brogent's income tax expense in 2019 was NT\$88,091,000, accounting for 4.23% of annual revenue. The effective tax rate was approximately 18.67%, slightly differing from the legal tax rate (20%). The main reason behind this difference is that we credited our R&D expenses against the profit-seeking enterprise income tax payable according to Article 10 of the Statute for Industrial Innovation.

Tax Governance

Year	2017	2018	2019
Profit-seeking enterprise income tax (unit: NT\$1,000)	56,382	62,709	88,091



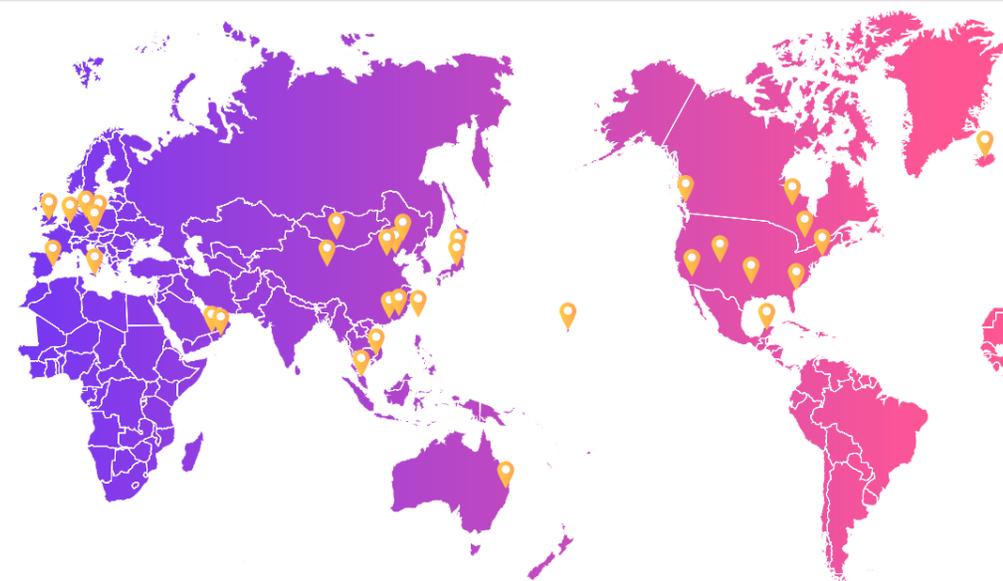
2.3 Global Deployment

Brogent has built more than 35 sets of immersive simulation equipment in China, Taiwan, Hong Kong, Macau, Canada, Japan, the United States, Spain, Germany, the Netherlands, Abu Dhabi, Australia, and Iceland since 2010, accounting for 85% global market share. Marketing our products around the world with our brand name "BROGENT," we have become a leader in the immersive simulation technology market. Every year, more than 15 million tourists get to know Taiwan and the world via flying theaters.

Our clientele includes large theme park operators around the world, such as Merlin (the second largest amusement park operator), whose second largest theme park operator in Europe, Europa-Park, used our i-Ride flying theater system for Voletarium. Moreover, we had collaborated with the well-known chain amusement park, Legoland, to develop Lego Movie Masters of Flight i-Ride using our product, m-Ride (mid-end flying theater). The opening of the facility was held in Legoland in Florida, United States, in 2019, which further established our company as a leader in immersive simulation technology.

Sale of Main Products in 2019 and Market Deployment

1. Actively bring mid-end flying theaters to market; six set of m-Ride have been sold.
2. Achievements: FlyOver Iceland was established in Iceland (a country in Northern Europe not focusing on amusement parks) and the flying theater in Legoland (entering the amusement park supply chain)
3. mini-Ride was exhibited at the IAAPA Expo. Differing from our old market deployment, which focused on large immersive simulation equipment (m-Ride and i-Ride), our new market deployment centers on small or family-based amusement parks.
4. Set up more self-operated outlets. The opening of the flying theater: i-Ride Unlimited Flying Bureau was held at the Taipei Nan Shan Plaza



2.4 Social Care

Upholding the Company' s objective of "creating happiness and bringing it to people," Brogent not only brings happiness to riders by designing various products, but also spreads said ideology to local communities and the entire society through social care. Every year, we create links between our Company' s joyful environment and local communities through collaborating or sponsoring local events.

Summer Camp

Brogent has been providing summer camps to children from the Boyo Social Welfare Foundation since 2015, giving them a chance to leave rural areas. The two-day summer camps take students to explore places of historic interest and scenic beauty in Taiwan. Moreover, they can try Brogent' s latest immersive simulation technology. In July 2019, Brogent led 211 children and 29 teachers from the Boyo Social Welfare Foundation, who come from Pingtung, Taitung, Chiayi, and Changhua, to Taipei Nan Shan Plaza to try i-Ride TAIPEI via the video: Fly High Over Taiwan. The children and teachers got to know Taiwan' s customs and geography via their flight experience. They further visited the National Palace Museum, Taipei Zoo, and Air Force Base to get to know our historical relics, animal life, and air force in person. Participating children said, "I would like to thank the CEO for sponsoring the summer camps, which enables children from rural areas to reach out." "I like the i- Ride experience activity the most. It is fun and very realistic. I hope to see i-Ride in more places."



"Fly High, Autistic Children!" Charity Event

In August 2019, Brogent co-organized the charity event : "Fly High, Autistic Children!" with the Association of Taiwan Clinical Psychologists. It aimed to help autistic children learn to integrate themselves into society and improve their social skills, while giving the public an opportunity to understand them better and provide care to them. Thus, 100 autistic children and their parents were invited to try our i-Ride TAIPEI (Fly High Over Taiwan) at the Taipei Nan Shan Plaza. Children were given the chance to enjoy the experience brought by immersive simulation technology with multiple degree-of-freedom motions via visual, sound, olfactory, and tactile effects; they could fly high over Taiwan to enjoy its natural wonders. To be able to attend to their needs at any time, on-site personnel at i-Ride TAIPEI not only observed their response via monitors, but were also assigned the task of taking a ride with them per session to observe them during the activity and provide necessary assistance. Although some autistic children gripped their fathers' hands due to nervousness, they smiled when they saw familiar places and interacted happily with their fathers sitting next to them. After the experience activity, some autistic children wanted to get to know each attraction in Taiwan that they had flown over. They stayed in the display area for a long time. Participating parents were happier than their children, enjoying the moment of flying together with their children.

Activity name	Number of volunteers	Number of people benefited from the activity	Number of sessions held	Amount invested (NT\$)
2019 Boyo Social Welfare Foundation Summer Camp	10	240	3	1,000,000
"Fly High, Autistic Children!" Charity Event	15	100	1	101,680

CH
3



Leader in simulation technology

Novel technology is our core competency! By integrating our core technology with 3D immersive simulation technology, we have created various new-generation simulator rides with the latest form of media.

3.1 Technological Innovation

Upholding the philosophy of “creativity and intelligence,” Brogent has actively engaged in innovation with unlimited thinking to create simulated sensations and a whole new user experience. We hope to become a leader in simulation technology, helping users realize their dreams to fly.

Management Guidelines

*Customized topics

Major issue	Technological innovation
Material topic	Technological innovation*
Policy/ commitment	<ul style="list-style-type: none"> Upholding the spirit of “creativity and intelligence, innovation and breakthrough,” Brogent has actively engaged in innovation with unlimited thinking. Brogent continues to research and develop innovative technologies based on its policies and core competencies to fit with the trend of the technological era.
Goals and targets (short- term)	<ul style="list-style-type: none"> Develop high-, mid-, and low-end products using novel technologies. Continue to acquire government-industry-academia collaboration subsidy projects.
Actual management actions	<ul style="list-style-type: none"> Make adjustments to departmental functions for the Product Development Center and the Technology Center, while expanding recruitment to improve our R&D capacity. Make contacts with numerous parties in seek of government-industry-academia collaboration opportunities.
2019 goal achievements (short-term)	<ul style="list-style-type: none"> The product development of high-end V-Ride dome (304s) was completed. Three mid- to low-end products were completed, i.e., an e-sports game with Brogent’s own IP and a six-axis racing simulator and a six-axis flying simulator with Brogent’s own technologies. The implementation of Kaohsiung City’s Immersive Simulation Technology Park project. The development of LED dome screen was completed using the subsidy from the Industrial Development Bureau of the Ministry of Economic Affairs. The design and development of sustainable products were completed.

Major issue	Technological innovation
Material topic	Technological innovation*
Major issue Goals or directions (medium- term and long-term)	<ul style="list-style-type: none"> Collaborate with domestic research institutions and academic units to acquire leading and innovative technologies. Accelerate the development of prototypes. On the basis of the core immersive simulation technology, Brogent expands its development of mid-sized and miniaturized simulator rides to extend the application of such equipment to education and skills training. Optimize the functions of our best-selling products and develop new products to meet market demands. Improve the technological innovation management mechanism and reward methods.
Responsibility	<ul style="list-style-type: none"> Performance management system: Evaluate goal achievements every six months and connect the results to performance. Proposal improvement program administration guidelines: Conduct regular selections to review creative or improvement proposals made by colleagues; outstanding proposals are publicly praised and awarded. Patent application and management guidelines: outstanding project proposals and applications are selected and awarded.
Resources invested	<ul style="list-style-type: none"> Labor force : <ul style="list-style-type: none"> ✓ Two employees were assigned to establish the Document Control Center to handle innovation management and document quality control; project management system was introduced to assist product development and knowledge management. ✓ Assigned 30% of all the R&D labor force to R&D and technological innovation. Funds : <ul style="list-style-type: none"> ✓ Depending on the annual revenue, the R&D budget of the following year is estimated to be 5%–10% of the annual revenue; the R&D goals and directions of the following year are drafted at the product R&D meetings.
Grievance mechanism	<ul style="list-style-type: none"> Brogent’s official website (http://www.brogent.com/zh-tw/contact-us.html) provides communication channels, such as business conduct report and feedback.
Specific actions	<ul style="list-style-type: none"> Brogent has regularly participated in three IAAPA Expositions (in the United States, Europe, and Asia) to showcase its latest products and technologies; feedback from clients and other competitors during the expositions, as well as products and technologies showcased by other companies in the expositions, were collected to serve as reference for future R&D and technological innovation. Temporary working groups were assembled to extensively analyze new products or technologies published by competitors.

Major issue	Technological innovation
Material topic	Technological innovation*
Evaluation mechanism for management guidelines	<ul style="list-style-type: none"> Final reports and reviewing meetings were conducted for R&D projects, special projects, and other plans. An inspection department is assigned to regularly inspect the implementation procedure and indicators of the innovation technology R&D issues.
Results of management guideline evaluation	<ul style="list-style-type: none"> The CEO convenes inter-departmental management meetings to regularly communicate and review performance.

Three-Stage Strategy for Technological Innovation

Brogent's technological innovation management strategy consists of three stages: personal procedure, organizational procedure, and company culture. In addition, the strategy is divided into short-, medium-, and long-term planning to facilitate the design of products that meet market demands in the future.



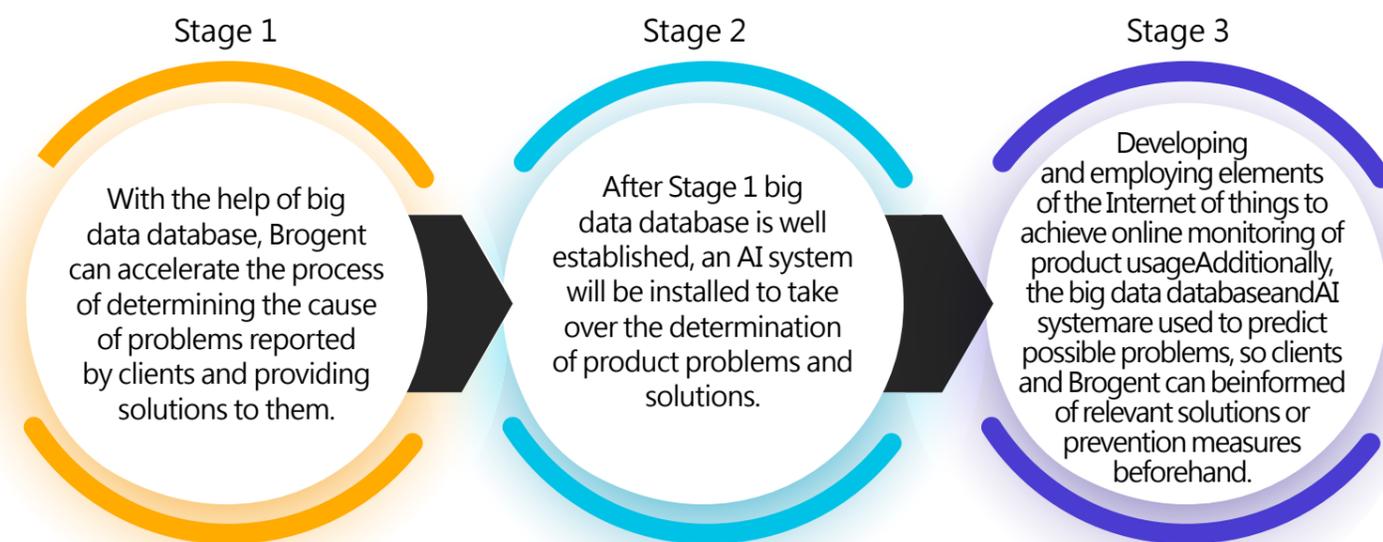
3.1.1 Adapting to Technology Trends

Upholding the spirit of "creativity and intelligence, innovation and breakthrough," Brogent has actively engaged in innovation with unlimited thinking to create simulated sensations and a whole new user experience. We also continue to pay attention to technology trends.

Development Strategies for Big Data, Artificial Intelligence, and the Internet of Things

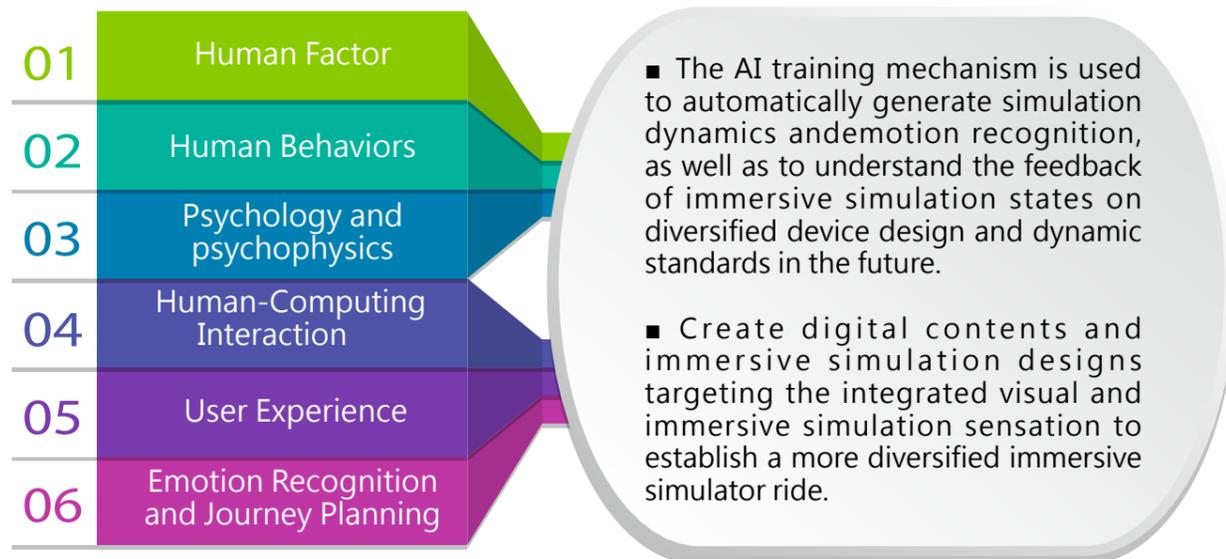
To keep up with the development of a new era of networks: big data, artificial intelligence (AI), the Internet of things, and 5G technology, we have actively invested in manpower and resources to adapt to the development of smart technologies across the globe. We hope to effectively use big data and 5G technology to create a more diversified, innovative, and immersive user experience, while increasing our overall brand value.

Brogent has begun to collect client-end product usage information. Signal data during product usage



Development Strategies for the Human Factor Immersive Simulation Technology

To adapt to relevant changes brought by the technological era, as the leading figure in the immersive simulation technology industry, Brogent is well aware that human factors must be integrated with immersive simulation technology to achieve further development in the field. Brogent established the Design Department in 2019 for the R&D of human factor immersive simulation technologies.



5G High-Speed Internet Layout

The current 4G internet is not fast enough to offer users a fine and real-time picture quality experience. Therefore, the VR and AR product experiences are not real enough. To achieve better results, Brogent continues to develop interactive technology with picture quality of 4K and above, while hoping that the establishment of 5G high-speed internet can help to achieve high-quality audiovisual real-time experiences. Therefore, Brogent is keeping a close eye on mature and employable VR and AR products on the market that can help to develop extremely lifelike interactive experience technology. Moreover, to achieve high-speed and low-latency high-quality real-time images, Brogent has collaborated with various technically leading units to establish a 5G communication environment to verify relevant technologies for the products, such as wireless network and edge computing. We hope to achieve the goal of bringing an experience like that in the movie Ready Player One.

3.1.2 Innovation and R&D Management

Brogent's R&D team consists of our Technology Center, Product Development Center, and Project Center. We hope to continue to make breakthroughs in the immersive simulation technology industry. Every year, we regularly plan education and training courses for our R&D team, as well as participate in seminars, in order to ensure that we fully grasp the issues, trends, and techniques of globally leading immersive simulation technologies. Moreover, we collaborate with domestic and international organizations to improve our expertise in product development and industrial competitiveness.

We base our innovation and R&D on project R&D and creative proposals put forward by our employees. A product development database has been built based on the R&D results. Meanwhile, we have formulated the Regulations Governing the Management of R&D Practices of the Product Development Center to strictly control our R&D contents and processes, in order to achieve our goal of satisfying clients' needs to the greatest extent possible.

Innovative collaboration: R&D projects	Encouraging innovation: Creative proposals put forward by employees	Innovative practices: Taking the lead in immersive simulation technology
<ul style="list-style-type: none"> • Introduce popular technologies through industry-academia-research collaboration; obtain market validation and user feedback through actual operational testing; and build a product development database based on this know-how, which will be the cornerstone of our immersive simulation technology. 	<ul style="list-style-type: none"> • Use "a creative idea mailbox" to collect all the creative ideas from employees and encourage them to come up with creative ideas by offering incentives for them to apply for having their ideas patented. 	<ul style="list-style-type: none"> • Taking the lead in the product technology industry • The only company in the industry with the ability to integrate cross-field technologies

Establish Product Data Management System

To optimize the R&D operating procedure and effectively conduct product data management (PDM), the existing R&D system is combined with the PDM system to enable the integration and employment of the bill of material (BOM) and enterprise resource planning (ERP) systems to enhance the design of collaboration work to improve efficiency.

Brogent invested NT\$12 million to introduce the PDM system, professional analysis software and hardware, design software, and license renewals to improve equipment performance and work efficiency. The installation and testing of the PDM system and related training have been completed, and the PDM system was officially introduced in May. Currently, the system is employed by two projects for integrated operation; the data of all projects are being input into the database to facilitate employment and management.

PDM System Functions

Centralized Platform	<ul style="list-style-type: none"> Centralized and specific data storage and management. Establish a collaborative working environment for the design team, including workflow and notification of changes.
Authority Control	<ul style="list-style-type: none"> Restriction of improper use of documents by users. Data transparency control.
History Record	<ul style="list-style-type: none"> Secure data integrity and record all changes to images and the text. Version control and differential query.
Data Relevance	<ul style="list-style-type: none"> Establish relevance among documents. Query data are used in trajectories and the generation of correct BOM
Search and Share	<ul style="list-style-type: none"> Document attributes are used to establish data searching index. Inquire about document shareability for data sharing.

Investment in Technology and Product R&D

Brogent has always spared no efforts to invest in R&D. In 2019, the number of our technology R&D personnel was 80; the total amount of funds invested in R&D was NT\$172,403,000, accounting for 8% of the 2019 annual revenue. The R&D funds are mainly used in developing mid-and small-sized equipment, i.e., m-Ride and Q-Ride, respectively. Additionally, the funds are also used in the continuous R&D of forward-looking technologies and innovative applications, as well as the implementation of productionization design research and systematic management, to maintain the leading status of Brogent' s products and technologies.

3.1.3 Product and Technology Development

With ergonomics-based immersive simulation technology at the core of our services, we have integrated new types of technologies based on our existing products and technologies, while continuing to improve and innovate user experience via market feedback.

Short-term goal

- Combine various technologies and designs centering on immersive experience and using a immersive simulation platform, such as AR, VR, theatrical special effects, moving light control, synchronous sound/light/images, human-machine interaction, image identification, and gamification. We will then create immersive stories and theme voice over/music for said technologies and designs to provide immersive entertainment experiences.

Medium-term and long-term goals

- Focus on three directions of technological development: e-sports, arcade game, and personalization. Starting with B2B model and centering on ergonomics-based immersive simulation technology, we will create VR immersive experiences.
- In addition to the integration and deployment of technologies, such as AR, VR, MR, and 5G MEC, we will also improve our R&D in ergonomics-based immersive simulation technology, hoping to apply it in more fields, in addition to creating new-generation gaming entertainment experiences.

Brogent' s main products are the flying theaters: i-Ride, m-Ride, and Q-Ride. To adapt to various client expectations and market trends, our R&D team continues to improve product performance, reduce costs, and reinforce product quality control. Therefore, after gathering external and internal feedback from clients and the engineering department, respectively, our R&D team proposes improvement measures and initiate R&D projects to achieve improvements and continue to innovate and upgrade our products (i-Ride 2.5 and Q-Ride 2.0). Upholding the spirit of excelsior, we continue to offer better products to our clients and move toward sustainable designs.

I-Ride2.5	Q-Ride 2.0
User Experience (UX) Optimization: Adjusting the user interface (UI) to reduce onsite operation labor force and training costs, as well as largely reduce the potential hazards caused by improper operation.	Productionization Design of the Machine in a Project: Brogent has designed its first completely productionized simulator ride by taking into account safety, costs, and market demands according to sales feedback, as well as other factors, such as materials, manufacturing processes, ergonomics, and appearance.

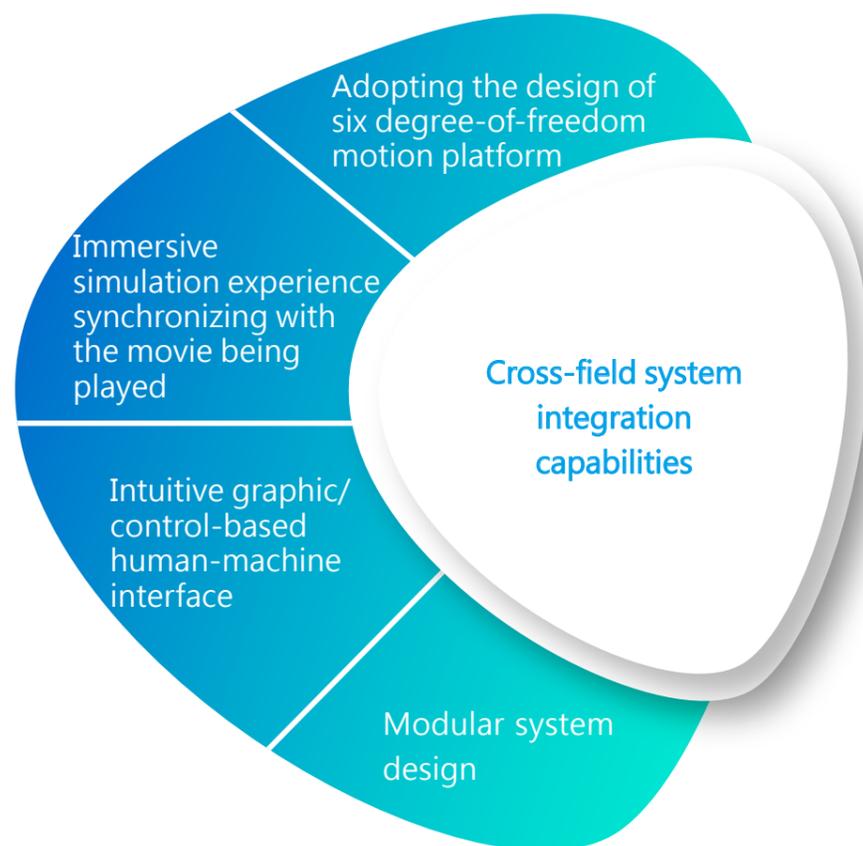


Overall benefits from product optimization

- Overall costs are reduced and the products weigh less.
- Focus on common parts for multiple products, so the design can benefit multiple products.
- Modification measures for old designs are provided in the process to respond to previous client demands.
- Reexaminations and calculations are made on the basis of the new design; the maintenance perspective is taken into account to perfect products.

The only company in the industry with the ability to integrate cross-field technologies

With Brogent's exclusive cutting-edge integration technology, the motion editing software and algorithms adopt ergonomics-based immersive simulation perspective to perfectly integrate videos and platform motions and prevent early or delayed actions. In this way, Brogent is able to offer a more realistic experience to the audience.



3.1.4 Industry-government-academia Collaboration

As a primary member in the immersive simulation industry chain, Brogent takes initiatives in participating in industry-government-academia collaboration and working with other business partners to create an operation environment for collaborative development and mutual prosperity. In doing so, Brogent seeks to reinforce its capacity in continuous innovation and drives the development of the immersive simulation technology industry and sustainability of talent cultivation.

Collaboration partner	Content
National Sun Yat-sen University	<ul style="list-style-type: none"> • Use parallel computing and develop an infinite vehicle control system for the self-contained system; conduct R&D on amusement parks' light gun interactive systems based on image identification. • Design and analyze 3+1-axis rotatable sports platform. Successfully acquired a project from the Ministry of Science and Technology and the trial is scheduled to be in 2020. • LED dome screen cooling and theater thermal flow field simulation analysis. • Electroencephalography (EEG) wireless brain wave detector model for 12 people and brain wave research. • (ECG) wireless heart rate/ heart beat detector model for 12 people.
National Tsing Hua University	<ul style="list-style-type: none"> • AR/VR technology and art development.
National Cheng Kung University	<ul style="list-style-type: none"> • Human factor-based immersive simulation parameter research and emotional journey planning.
Southern Taiwan University of Science and Technology	<ul style="list-style-type: none"> • Cooperate in Q-Ride VR animation and content production for Lightning Wings • Human factor-based smart immersive simulation research software control.
Cutting Edge	<ul style="list-style-type: none"> • Cooperate in producing VR 360-degree videos for Q-Ride
Industrial Development Bureau, Ministry of Economic Affairs	<ul style="list-style-type: none"> • Taiwan Industry Innovation Platform Program: Immersive 8K 3D LED Dome Screen Theater.
Industrial Technology Research Institute	<ul style="list-style-type: none"> • Immersive Simulation Technology Base: Immersive Simulation Park project.

3.1.5 Obtaining Patent Rights around the World

Brogent amended the Patent Application and Management Guidelines in 2019. We have also set up the Legal Department to handle patent application and maintenance. By expanding patent deployment and improving patent quality, the Department can stabilize our company's development. We have cumulatively obtained 72 patent rights around the world (7 of them were obtained in 2019). In the future, we will continue to strengthen our R&D capabilities in immersive simulation technology and develop innovative products, while setting up rigorous patent deployment to protect our clients' and our own rights, as well as provide more competitive products and services.

Patent title	Description of applications
Slingshot simulator	<ul style="list-style-type: none"> Increase the interactivity, activity, and fun when using the slingshot simulator under various scenarios, such as AR, VR, and MR, through its real-time sensing.
Immersive, interactive glasses	<ul style="list-style-type: none"> When using the immersive, interactive glasses, players can rapidly switch between light transmittance modes according to different interactive scenarios. Using them in high light transmittance mode increases safety, while players will be able to see their surroundings. Using them in low light transmittance mode enables players to feel immersed in the scenarios.
Immersive simulation device with simulation of turning operations	<ul style="list-style-type: none"> A simulator focusing on immersive simulation experience with simulation of turning operations: its axial direction and system complexity have been optimized to simulate a motorcycle or an aquatic motorbike turning in a circle.
Immersive simulation device with simulation of skid turn	<ul style="list-style-type: none"> The design of immersive simulation experience with simulation of skid turn has been enhanced; the device can be used in motorcycle simulator game or training.
VR operating system and methods of operation	<ul style="list-style-type: none"> With a focus on interactive immersive simulation equipment, this VR operating system is designed to be easily integrated into different application scenarios.
Synchronous playing system of VR images and methods of operation	<ul style="list-style-type: none"> For vehicle-mounted system with a track, detection/sensing and route computing algorithms are provided to give players a visually and somatosensation-based simulated experience through time synchronization.
Fastening device	<ul style="list-style-type: none"> A safe mechanism designed to prevent riders from falling from heights because of nervousness or shaking.
Immersive simulation device with different riding directions	<ul style="list-style-type: none"> This device breaks away from the traditional way of watching a movie from a single angle. It enables riders to watch a movie from three angles; they can acquire different immersive simulation experiences as they watch a movie from said angles when riding the device.

Patent title	Description of applications
Dual-axis immersive simulation device	<ul style="list-style-type: none"> The design of a dual-axis platform mechanism develops into that of a two degree-of-freedom or above platform mechanism.
Rotary Dynamic Simulation Device and Audiovisual Apparatus Using the Same	<ul style="list-style-type: none"> Replacing the push type device, this rotary dynamic simulation device has created different immersive simulation effects and methods of riding. It takes riders less time to get on/off the device.
Rotary Dynamic Simulation Device and Audiovisual Apparatus Using the Same	
Immersive simulation elevator simulation device	<ul style="list-style-type: none"> Combine the use of rotary tables, lifting devices, and multiple cabin spaces to create a simulated effect of an elevator.
Dome screen projection system	<ul style="list-style-type: none"> Lower the height of the steel structure of the dome screen by adjusting the design of the dome screen catwalk and the projector location.
Fastening device (Improved structure of compression springs)	<ul style="list-style-type: none"> Through improving the structure of compression springs, the costs of fastening device assembly are reduced and efficiency in assembly increased.
E-sports gaming chair	<ul style="list-style-type: none"> A type of e-sports gaming chair that offers a feeling of suspension created by flying.

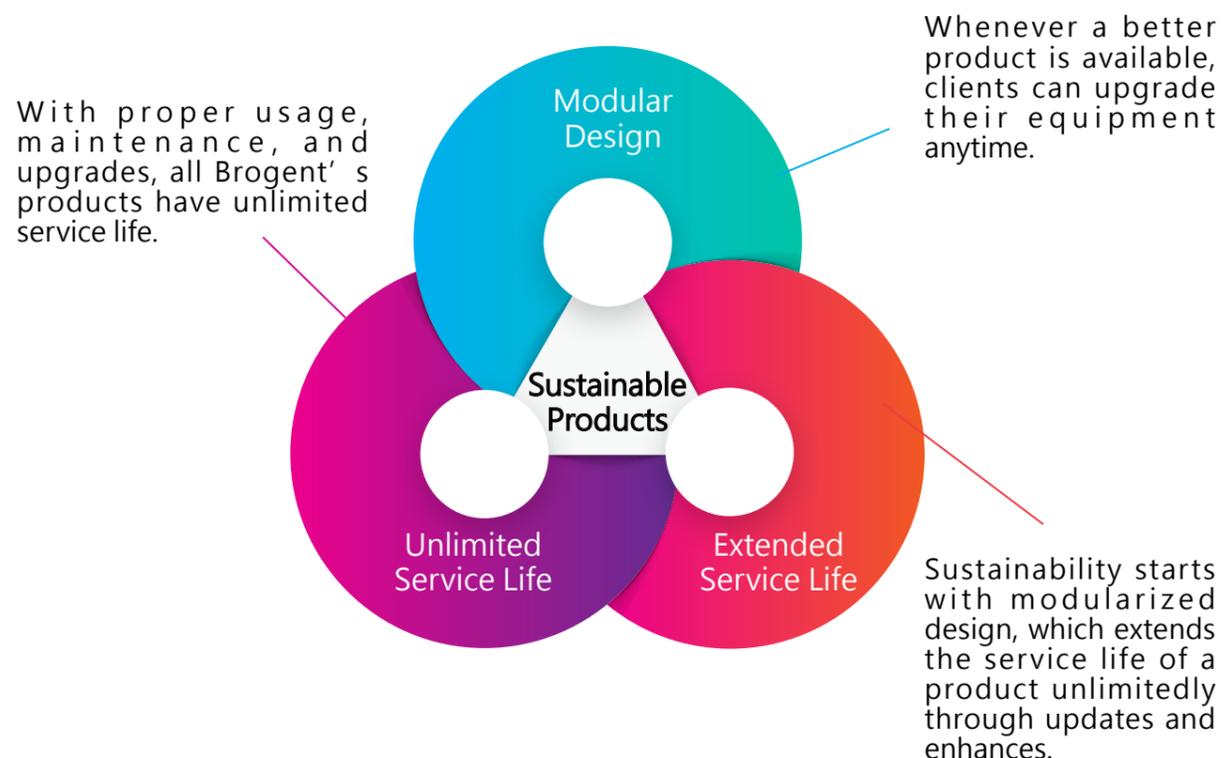
3.1.6 Sustainable Product Design

Brogent has always been concerned with environmental protection and energy saving design issues; we have developed a design philosophy around low energy consumption and avoid overdesigning. Moreover, we have a keen sense for data, such as power consumption and load, while reviewing and comparing the specifications of different equipment of the same category. We have incorporated sustainable product design concepts, such as unlimited service life, modularized design, and extended service life.

Our products are highly customizable. When discussing product specifications with the clients, we always actively suggest using sustainable products that contribute to energy saving and carbon reduction. For example, we often recommend sustainable energy saving design, such as adopting high-performance energy-saving motors, using LED lights for decorative illumination, employing laser projection system, and opting for a district heating and cooling system as the AC system.

Sustainable Product Design Ideas

Sustainability is Brogent’s product design idea. The objective of said design is to reduce the use of raw materials and the generation of waste during manufacturing. This design idea is integrated into our sustainable development strategy to fulfill our CSR.



Sustainable Product Implementation Actions

Item	Content
Low-carbon/energy-saving products	<ul style="list-style-type: none"> • Prioritize local suppliers to minimize product weights and carbon emissions of transportation. • Choose power supplies with low energy consumption. • Adopt edge computing to reduce power consumption for data transmission.
Reduce environmental impact	<ul style="list-style-type: none"> • Develop and introduce indoor facilities to densely populated areas to mitigate traffic loads and prevent environmental impacts of large facilities. • Employ sustainable design for appearance, materials, and components. Adopt modular design thinking and engineering document control system to enable the reuse and reassembly of manufactured objects and reduce labor force costs for making changes. • Adopt low-lead coating and subtractive design. Use 3D printing to make prototypes and employ adding processes to largely reduce material waste and processing costs. Moreover, Polylactic acid (PLA) material is used to be environmentally friendly.

3.2 Product Quality and Safety

With the spirit of “pursuing excellence,” we have met and satisfied our clients’ needs by providing them with high-quality and safe products, as well as efficient services. We have also created mutual benefits for our clients, shareholders, employees, and society.

Management Guidelines

Major issue	Product quality and product safety
Material topics	Customer Health and Safety (GRI 416-1 and 416-2); Marketing and Labeling (GRI 417-2 and 417-3)
Policy/commitment	<ul style="list-style-type: none"> • All products are designed to abide by regulations concerning amusement rides around the world; certifications of safety design were acquired before manufacturing. • Meet customer demands and maintain adequate quality control to ensure the safety and health of the consumers and bring joyful experiences to the users.
Goals and targets (short-term)	<ul style="list-style-type: none"> • The products and services have caused zero incidents of health and safety regulatory violations. • All the manufactured equipment met design standards and manufacturing certifications in various countries (e.g., ASTM, GB, and EN). • Manufacturing regulations for customized and non-customized equipment were established. • The standard operating procedure (SOP) of quality and safety examination for all products was established and introduced.
Actual management actions	<ul style="list-style-type: none"> • Reference the plan, do, check, act quality management procedure of ISO standards to improve product production process and product quality. • Establish Safety Evaluation for New Products, which includes selection, testing, and verification, to ensure that the products will not malfunction under operation conditions and restrictions.
2019 goal achievements (short-term)	<ul style="list-style-type: none"> • The number of violations of products or services against health and safety regulations: 0 • Acquire certifications from different countries, such as those by ASTM, Underwriters Laboratories Inc. (UL), GB, and EN: 10 cases. • Product upgrades of i-Ride 2.5 and Q-Ride 2.0 were completed according to client and market demands.
Major issue Goals or directions (medium-term and long-term)	<ul style="list-style-type: none"> • Plan to conduct an update on the latest version of amusement ride regulations around the world to facilitate subsequent procedures regarding certifications under the new regulations. • Plan to introduce a quality control (QC) system for management purposes. • Professional and examination skills training for the staff.

Major issue	Product quality and product safety
Material topics	Customer Health and Safety (GRI 416-1 and 416-2); Marketing and Labeling (GRI 417-2 and 417-3)
Responsibility	<ul style="list-style-type: none"> Incentives for all staff to innovate, improve, and enhance work efficiency: Outstanding proposals are selected every year and winners are awarded prize money by the CEO; the awarded proposals will be made public in knowledge sharing. Incentives for all project teams: Outstanding project teams are selected every year and winners receive certificates and prize money at the Company's year-end party from the CEO in front of all the staff and their family members.
Resources invested	<ul style="list-style-type: none"> To encourage our staff to take initiatives in learning professional skills, Brogent grants them full funds for taking relevant classes to improve their testing skills and ensure product quality. <ul style="list-style-type: none"> ✓ For example, ISO 9712 Non-Destructive Testing Personnel Level 2 visual testing (VT), magnetic testing (MT), penetrant testing (PT), and ultrasonic testing (UT) certifications. ✓ For example, obtain or renew professional licenses of certified welding inspector by the American Welding Society (AWS CWI) or Level 2 VT by the American Society for Nondestructive Testing (ASNT VT-2).
Grievance mechanism	<ul style="list-style-type: none"> Relevant product issues or customer feedback will be compiled by the Customer Service Department and then assigned to related departments to resolve said issues and provide solutions to the customers.
Specific action	<ul style="list-style-type: none"> In response to unexpected changes, Brogent convened contingency meetings with relevant departments to minimize potential risks and perform risk management.
Evaluation mechanism for management guidelines	<ul style="list-style-type: none"> Product quality control: According to the Product Quality Control Regulations, regular internal audits are implemented and relevant errors noted to be handled and corrected. Product quality and safety: International certifications are obtained through third-party inspection agencies in various countries (CSEI, UL, TÜV); relevant errors are noted to be handled, corrected, and replied.
Results of management guideline evaluation	<ul style="list-style-type: none"> Regular management meetings and project management meetings are convened to coordinate different departments and handle relevant issues or deficiencies.

3.2.1 Certification Management

Brogent has established the Product Quality and Safety Management Regulations to ensure all its products meet the quality requirements and safety standards at all production stages. All hardware has obtained global certifications (ASTM, UL, GB, and TÜV) and all software has been strictly tested at all development stages to ensure its quality. Brogent aims to create high-quality products and high-end technologies via strict management measures.

Equipment Safety and Environmental Protection Regulations

Category	Within the United States and Canada	Within the European Union (EU)	Within China
Simulator ride design and manufacturing	<ul style="list-style-type: none"> Meet ASTM F2291 design certification requirements ASTM F1193 quality assurance program UL508A quality certification for electric appliances 	<ul style="list-style-type: none"> Meet EN 13814 amusement rides safety regulations; the design and manufacturing obtained the German TÜV SÜD certification. 	<ul style="list-style-type: none"> Meet GB 8408 amusement ride safety regulations; the design and manufacturing obtained the CSEI certification issued by China's General Administration of Quality Supervision, Inspection and Quarantine.
Simulator ride coating system	<ul style="list-style-type: none"> Adopts the EU's ISO 12944 standards and meets relevant environmental protection requirements. 	<ul style="list-style-type: none"> Adopts the EU's ISO 12944 standards and meets relevant environmental protection requirements. 	<ul style="list-style-type: none"> Adopts the JB/T 5000.12 standards and meets relevant environmental protection requirements.
Galvanized bolts for simulator rides	<ul style="list-style-type: none"> Adopt the EU's RoHS standards and meet relevant environmental protection requirements. 	<ul style="list-style-type: none"> Adopt the EU's RoHS standards and meet relevant environmental protection requirements. 	<ul style="list-style-type: none"> Adopt the EU's RoHS standards and meet relevant environmental protection requirements.
Seat belts	<ul style="list-style-type: none"> Meet the ASTM F2291 passenger restraint system design requirements. 	<ul style="list-style-type: none"> Meet the EN 13814 passenger restraint system design requirements. 	<ul style="list-style-type: none"> Meet the GB 8408 seat belt design requirements.

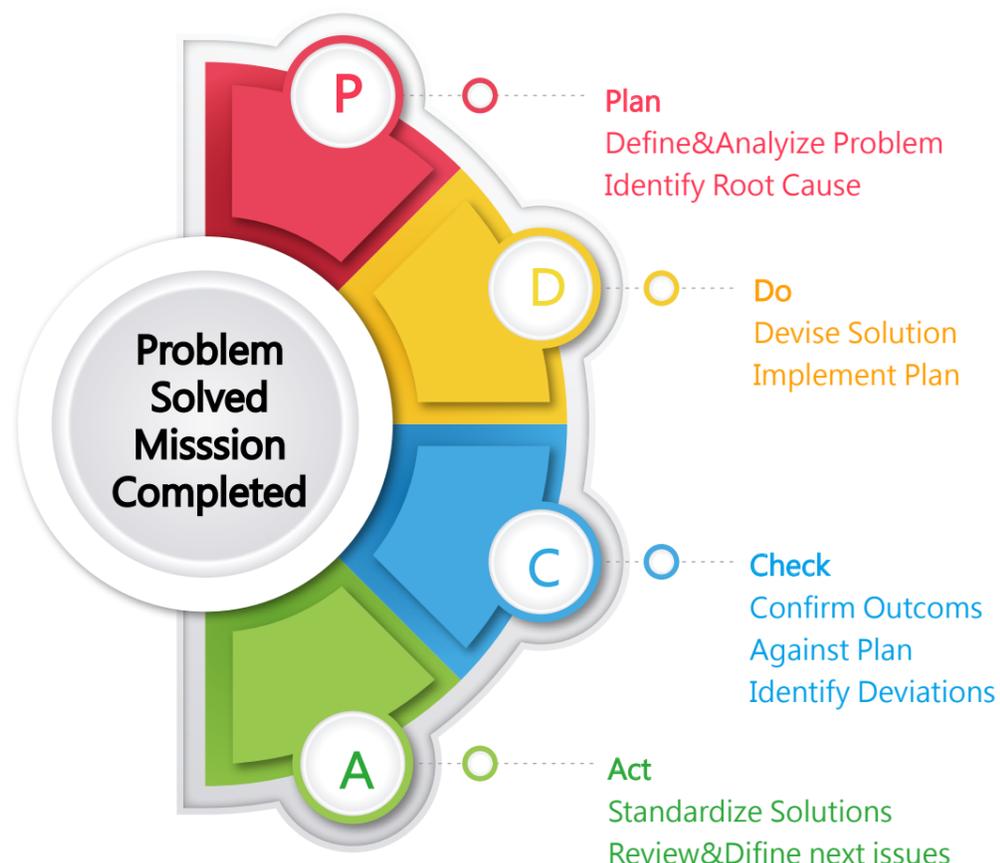
International Certifications

International	Obtained	In process	Planning
ASTM F2291	1	3	2
UL 508A	2	1	2
GB 8408(CSEI)	5	7	12
EN 13814(TV)	6	4	1
Total	14	15	17

Note: "Obtained" refers to the total certifications obtained over the years; "in process" refers to the certifications obtained up until the end of 2019; and "planning" refers to the number of certifications to be obtained.

3.2.2 Quality Management Process

From product design and production to products leaving the factory, Brogent performs quality control in accordance with the Quality Assurance Management Guidelines and Document Management Guidelines. Meanwhile, we have hired a third-party certification agency in accordance with the Project Management Regulations to certify our design, production, and onsite installation, in order to ensure product quality and safety. All our products observe the standard equipment design process and comply with laws and regulations of various countries and special safety requirements. We have adopted the Plan-Do-Check-Act (PDCA) cycle quality management method and established an internal review mechanism for major projects, laying a foundation for making improvements to our products in the future.



Product Development Procedure



Five Major Stages of Quality Management

STEP 01 incoming quality control (IQC)

- Once the factory prepared all the materials, the Quality Control (QC) checks the certification of raw materials for criteria, such as physical and chemical properties and impact value, to ensure that they meet all the requirements of the design drawings.
- A third-party inspection agency should perform a pre-processing UT to confirm the interlayer of steel sheets; flaw detection and testing should be performed inside steel bars to ensure all materials meet the requirements of design and relevant regulations. Testing reports are mandatory.

STEP 02 Input process quality control (IPQC)

- The factory must perform a self-check on the design precision of all processed pieces; the QC and a third-party inspection agency should perform MT on the surface of all workpieces.
- After the steel structure is welded, the factory must perform a self-check on workpiece dimensional accuracy and the QC and a third-party inspection agency should perform VT and MT on the weld to ensure that the regulatory requirements are met; testing reports are mandatory.
- Once the equipment has passed all inspections, sand blasting and coating that follow must meet the ISO 12944 standards. Said procedures must be performed on a test piece that will be sent to a lab for salt spray test before officially applying to the product.

STEP 03 Final quality control (FQC)

- The factory completes equipment pre-assembly and performs a performance/function test on the machine while QC personnel checks whether the equipment meets the design and performance requirements.

3.3 Customer Management and Service

Brogent's clientele consists of mainly foreign theme parks and large-scale amusement- and leisure venues. Brogent provides all clients with tailor-made products and perfect solutions. Our outstanding operation results all stem from providing products that exceed expectations and creating values for the clients.

Management Guidelines

*Customized topics

Major issue	Client relationships and products and services
Material topic	Client services*
Policy/commitment	<ul style="list-style-type: none"> Maintain good reciprocal interactions with clients and offer immediate and long-lasting product services. Provide multiple communication channels to clients while protecting their privacy and confidential information.
Goals and targets (short-term)	<ul style="list-style-type: none"> Make sure that clients' business can be inaugurated on time and ensure safe and reliable product operations. Enter the entertainment market of different scales at different stages. Quickly respond to, and handle, issue to increase customer satisfaction.
Actual management actions	<ul style="list-style-type: none"> Focus on customer services by working closely with clients from the beginning of a project to the opening of an amusement park. Regularly participate in various expositions and schedule visits with clients. Establish an SOP regarding errors and troubleshooting Q&A for clients in the manual. For all reasonable requests that clients proposed within the warranty period, Brogent will invest funds, labor force, and technologies to fulfill them. For example, modifying the design of seat belt covers to reduce the time needed for passengers to fasten the seat belts and improve operational efficiency.
2019 goal achievements (short-term)	<ul style="list-style-type: none"> In 2019, the operational goal achievement rate reached higher than 90%. In 2019, there were no operation interruption incidents. A 24-hour customer service team was assembled to handle problems occurred in different time zones. Help to pass the European TUV safety unit annual re-inspection. Set up safety stock for important parts. The m-Ride and i-Ride were completed in 2019 and all clients are updated with relevant information regularly.

STEP 04 Factory acceptance test (FAT)

- According to the requirements set forth in the contract and regulations, a performance/function test must be performed on the entire machine. The QC personnel should check whether the design and requirements of the contract are met and submit relevant testing reports.

STEP 05 Outgoing quality control (OQC)

- The QC personnel will check the boxing lists to ensure all parts, components, and accessorized tools are included and safety protection and packaging are in proper condition before sealing and shipping.



Major issue	Client relationships and products and services
Material topic	Client services*
Major issue Goals or directions (medium-term and long-term)	<ul style="list-style-type: none"> Our future goals are to develop novel amusement equipment that meets major safety regulations worldwide, as well as increase our market share. Offer a more efficient solution for annual check-ups and maintenance. Reduce equipment maintenance costs without compromising safety or reliability.
Responsibility	<ul style="list-style-type: none"> Assess the general performance by making an association with personal KPI and give incentives or help to improve accordingly.
Resources invested	<ul style="list-style-type: none"> Work with the Technology Center on developing equipment that meets market expectations. Make way to the global market with a team of seven.
Grievance mechanism	<ul style="list-style-type: none"> After-sales services provided by engineers and departmental heads. After understanding customer complaints, the Business Development Department and After-Sales Service Department should work together to analyze and resolve issues.
Specific actions	<ul style="list-style-type: none"> Customer satisfaction survey. Participate in relevant amusement park industry events to increase brand exposure.
Evaluation mechanism for management guidelines	<ul style="list-style-type: none"> Internal audits and management by objectives (MBO). Biweekly internal meetings to discuss and improve relevant issues. Internal KPI evaluation. Customer satisfaction feedback.
Results of management guideline evaluation	<ul style="list-style-type: none"> Communicate with relevant departments within the Company to achieve improvements; regular tracking of improvement progresses must be made.

3.3.1 Professional Customer Service Team

Brogent offers excellent after-sales services, including a professional customer service team, equipment monitoring and preventive maintenance, and training sessions regarding product operations. We provide a smooth and efficient channel for failure reports to ensure all customer demands can be handled and responded immediately. Additionally, when a client needs operating instructions, the customer service team can perform remote troubleshooting; if it cannot be done online, Brogent will send a specialist to the site to ensure that all difficulties encountered by the client can be met with immediate feedback and solutions.

3.3.2 After-sales Service

The Customer Service Department is established under Brogent's Sales and Marketing Center to take charge of all clients' maintenance and warranty requests, including maintenance and warranty projects, incident reports, maintenance and warranty orders, components inquiry and quotation, technical consultation, and onsite services. Moreover, various types of communication channels, including e-mail, phone calls, and instant messages are available for the clients to contact the Customer Service Department.

To ensure the quality of all after-sales services and client satisfaction level, as well as extending the value chain of all products and services, Brogent established the Maintenance and Warranty Management Guidelines. The Guidelines standardize all work specifications regarding the after-sales maintenance and warranty of each product and service within and after the warranty period, as well as those for products without warranty, to reinforce the quality and content of the after-sales service. The maintenance and warranty operating procedure is as follows: Based on the incident reported by the client, the Customer Service Department will first analyze and identify the fundamental cause. Then, according to the warranty terms and conditions of the contract, internal technical improvement will be made or the supplier will be asked to fulfill the warranty. Finally, product quality will be improved at the same time to meet the demands of different clients.

Product Development Procedure



CH 4



SUSTAINABLE MANAGEMENT GOVERNANCE

Brogent upholds transparent operation to ensure its shareholders' rights and establishes honest and reliable management governance with a healthy and efficient board of directors.

4.1 Corporate Governance

Brogent follows the Corporate Governance Practice Principles and the Code of Ethical Conduct for Directors and Managerial Officers to establish an effective corporate governance structure and relevant ethical standards and items for healthy corporate governance. Out of respect for the rights and interests of all stakeholders, Brogent identifies all stakeholders and gets to understand their expectations and demands via adequate communication and stakeholder engagement. Then, based on said understanding, Brogent properly responds to important CSR issues of concern to the stakeholders.

In addition, to practice CSR and contribute to the balanced and sustainable development of economy, society, and ecosystem, the Brogent CSR Practice Principles were established. The Finance Center was assigned to be in charge of promoting CSR, as well as proposing and implementing CSR-related policies or systems; it should also report to the Board of Directors.

Management Guidelines

Major issue	Corporate governance
Material topic	Nominating and selecting the highest governance body (GRI 102-24)
Policy/commitment	<ul style="list-style-type: none"> Honest, law-abiding, and valuing shareholders' rights and interests, Brogent focuses on sustainable management through an excellent and healthy corporate governance system to meet its stakeholders' expectations.
Goals and targets (short-term)	<ul style="list-style-type: none"> Strengthen the structure and operation of the Board of Directors, while enhancing its functions. Increase non-financial information disclosure.
Actual management actions	<ul style="list-style-type: none"> Fair, just, and open selection of board members. Conduct yearly board assessment. Arrange relevant training courses for board members according to the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies. Continue to implement CSR and publish CSR reports.
2019 goal achievements (short-term)	<ul style="list-style-type: none"> The total number of hours of training received by board members is 63. The 2018 CSR report was published.

Major issue	Corporate governance
Material topic	Nominating and selecting the highest governance body (GRI 102-24)
Major issue Goals or directions (medium-term and long-term)	<ul style="list-style-type: none"> Strengthen the functions of all functional committees. Improve corporate governance assessment performance. Identify operational risks and formulate adaptive strategies.
Responsibility	<ul style="list-style-type: none"> The Board of Directors should supervise the management and operation of the Company.
Resources invested	<ul style="list-style-type: none"> Members of the Board directors: seven directors and three supervisors.
Grievance mechanism	<ul style="list-style-type: none"> The Code of Ethical Conduct for Directors and Managerial Officers was established. Internally: Audit Office. Externally: Report through Brogent' s website (http://www.brogent.com/zh-tw/contact-us.html)
Specific action	<ul style="list-style-type: none"> At least one board meeting per quarter.
Evaluation mechanism for management guidelines	<ul style="list-style-type: none"> Conduct inspections on the operation of the Board of Directors through internal audits. Corporate governance accreditation.
Results of management guideline evaluation	<ul style="list-style-type: none"> In 2019, Brogent' s corporate governance accreditation results ranked at the 21%–35% interval of all listed companies in Taiwan.

Governance Structure

The highest governance unit of Brogent is the Board of Directors, which, by exercising the powers and responsibilities conferred by the Company Act, the Articles of Incorporation, and resolutions of shareholders' meetings, oversees the Company' s operations, formulates the Company' s policies, identifies operational risks, and sets forth directions for socially responsible development. The Chairman of the Company was served by Mr. Chih-Chuang Chen from May 13, 2019 to May 27, 2020. After the re-election of directors at the regular shareholders' meeting on May 28, 2020, the Chairman and President was served by Mr. Chih-Hung Ouyang, who is responsible for supervising the implementation of internal audit and control, developing the Company' s medium- and long-term business strategies, setting directions for business development and market deployment, controlling and evaluating the operational performance of subsidiaries, and making decisions on economic,

environmental, and social-related issues. We hold our managerial officers and directors to the highest ethical standards of integrity and have formulated regulations, including the Ethical Corporate Management Best Practice Principles, the Code of Ethical Conduct for Directors and Managerial Officers, and the Operating Procedure for Prevention of Insider Trading, to guide our managerial officers and directors in exercising the due care of a good administrator when conducting business for the Company.

Operation of the Board of Directors

The Board of Directors in 2019 was composed of seven directors and three supervisors who possess diverse professional backgrounds and practical and academic experiences in operations, technology, and finance. Two of the seven directors are independent directors. The Board convenes at least one regular meeting every quarter; in 2019, nine Board meetings were convened, with an attendance rate of 92.22%. For the operation of the Board of Directors, the supervisors are invited to attend the Board meetings and perform supervisory duties. Under the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies, the Board regularly engages in continuing education to ensure its understanding of regulatory amendments and emerging issues to enhance the effectiveness of corporate governance.

Members of Board Directors and Courses Taken

Title	Name	Gender	Position	Attendance at the Board meetings	Courses taken in 2019
Chairman	Chih-Chuan Chen	Male	Vice President, Investment Administration Division, RT-Mart International	100%	<ul style="list-style-type: none"> Sanction and export control – the solution for US-China Trade Conflict <ul style="list-style-type: none"> Assessment of the Board of Directors' performance
(Current) Chairman	Chih-Hung Ouyang	Male	Chairman/President, Brogent Technologies Inc.	100%	<ul style="list-style-type: none"> Exploring the responsibility of Directors and Supervisors for illegal cases from securities market How to oversee the establishment of internal control and corporate governance by Directors and Supervisors

Title	Name	Gender	Position	Attendance at the Board meetings	Courses taken in 2019
Director	Chung-Ming Huang	Male	Director, Brogent Technologies Inc.	44.44%	<ul style="list-style-type: none"> Corporate Governance Practices: Exploring the application trend and analyzing the practical issues of "Total Value Management" Exploring the types and legal liabilities of "Employee Fraud"
Director	Chin-Huo Huang	Male	Chairman, Fu Ying Metal Industrial Co., Ltd.	88.89%	<ul style="list-style-type: none"> Exploring the responsibility of Directors and Supervisors for illegal cases from securities market How to oversee the establishment of internal control and corporate governance by Directors and Supervisors
Director	Chun-Hao Cheng	Male	Director, Brogent Technologies Inc.	100%	<ul style="list-style-type: none"> Exploring the responsibility of Directors and Supervisors for illegal cases from securities market How to oversee the establishment of internal control and corporate governance by Directors and Supervisors
Independent Director	Chin-Wen Chuang	Male	Dean, College of Electrical and Information Engineering, I-Shou University	100%	<ul style="list-style-type: none"> Exploring the responsibility of Directors and Supervisors for illegal cases from securities market How to oversee the establishment of internal control and corporate governance by Directors and Supervisors

Title	Name	Gender	Position	Attendance at the Board meetings	Courses taken in 2019
Independent Director	Shun-Jen Cheng	Male	Vice President, Cheng Shiu University	100%	<ul style="list-style-type: none"> Exploring the possibility of Directors and Supervisors for illegal cases from securities market How to oversee the establishment of internal control and corporate governance by Directors and Supervisors Corporate Governance Series Forum
Supervisor	Yung-Liang Huang	Male	Director, Wing Yue Advertising Company	100%	<ul style="list-style-type: none"> Exploring the responsibility of Directors and Supervisors for illegal cases from securities market How to oversee the establishment of internal control and corporate governance by Directors and Supervisors
Supervisor	Yi-Hsiang Huang	Male	Professor, Department of Finance, National University of Kaohsiung	88.89%	<ul style="list-style-type: none"> Exploring the responsibility of Directors and Supervisors for illegal cases from securities market How to oversee the establishment of internal control and corporate governance by Directors and Supervisors
Supervisor	Ken-Huang Lin	Male	Professor, Department of Electrical Engineering, National Sun Yat-sen University	100%	<ul style="list-style-type: none"> Exploring the responsibility of Directors and Supervisors for illegal cases from securities market How to oversee the establishment of internal control and corporate governance by Directors and Supervisors

Note : On May 28, 2020, the Board of Directors elected Mr. Chih-Hung Ouyang as Chairman of the Board; Chih-Chuan Chen, Chin-Huo Huang, and Chun-Hao Cheng as directors; and three independent directors: Lewis Li, Chih-Poung Liou, and Jih-Ching Chiu

Age of Board members

Board	Age of members of the governance unit				
	Below 30 years	31 - 40 years	41 - 50 years	Over 51 years	Average age
Number of people	-	-	-	7	61

Note : The statics are based on ages of board members between May 28, 2020 and May 27, 2023.

Operation of the Remuneration Committee

To improve the remuneration system for directors, supervisors, and managerial officers, the Remuneration Committee has been set up in accordance with the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock Is Listed on the Taiwan Stock Exchange or the Taipei Exchange. The Articles of Incorporation have also been established. The Remuneration Committee faithfully performs its duty of overseeing the remuneration system for directors, supervisors, and managerial officers and submitting its proposals for the deliberation of the Board.

The Remuneration Committee consists of three members, two of whom are assumed by independent directors of the Company. All members elect the independent directors as the convener and chairman of committee meetings, which are held at least twice a year and at any time as necessary.

Members of the Remuneration Committee

Title	Name	Number of expected attendances	Number of actual attendances	Number of attendances by proxy	Actual attendance rate%
Independent Director	Chin-Wen Chuang	3	3	0	100
Independent Director	Shun-Jen Cheng	3	3	0	100
External Committee Member	Rong-Da Liang	3	3	0	100

Note : The table shows members of the Remuneration Committee in 2019. Starting from June 19, 2020, members of the Remuneration Committee are Lewis Lee, Chih-Poung Liou, and Jih-Ching Chiu.

Operation of the Audit Committee

To strengthen corporate governance and operation, Brogent established the Audit Committee in 2020 to effectively monitor internal control, examine financial reports, and evaluate and guide audit-related work in the Company.

Member of the Audit Committee

Title	Name
Independent Director	Lewis Lee
Independent Director	Chih-Poung Liou
Independent Director	Jih-Ching Chiu

Results of Governance

Brogent attaches great importance to operational fairness and transparency, actively improves corporate governance frameworks and ensures shareholders' equities, and undertakes corporate governance, operational integrity, and CSR activities and management. In 2017, we ranked at the 66%–80% interval of all listed companies for our corporate governance at the 4th Corporate Governance Accreditation. In 2018, because of measures taken to preserve shareholders' rights and actively strengthen corporate governance, our corporate governance accreditation results rank improved by two intervals and fell at the 36%–50% interval of all listed companies at the 5th Corporate Governance Accreditation. In 2019, we continued to strengthen our board structure and operation, improve our board functions, and enhance our non-financial information disclosure quality, resulting in our further advancement at the 6th Corporate Governance Accreditation; we ranked at the 21%–35% interval of all listed companies in Taiwan. This achievement fulfilled our goals regarding sustainable management strategy for corporate governance and demonstrated our determination to perfect our corporate governance.

4.1.1 Operational Integrity

Brogent has formulated the "Ethical Corporate Management Best Practice Principles," the "Code of Ethical Conduct for Directors and Managerial Officers," the "Operating Procedure for Prevention of Insider Trading," and the "Reporting Policy of Unlawful or Unethical Actions" as guidance for our directors, supervisors, managerial officers, and employees to uphold integrity, observe the laws, and fulfill their fiduciary duties in conducting business activities to maintain operational soundness.

All of Brogent's suppliers are required to sign an "Integrity Pledge," in which

they declare that they will not bribe or promise to reward Brogent employees with whom they have contact as a result of business dealings. In addition, if an employee requests or accepts improper benefits from a third party, or directly or indirectly benefits themselves or other related parties in violation of pertinent integrity provisions, any such violation can be reported through the official reporting window on our Company's website, as has been set out in the Reporting Policy of Unlawful or Unethical Actions. We are committed to maintaining strict confidentiality with respect to the source of the report and to investigating all information, as well as taking special measures to protect whistleblowers, so as to reduce such incidents as corruption and malfeasance.

The Legal Department organized two sessions on advocacy of the Code of Conduct for all personnel on September 18th and October 22, 2019 to implement the knowledge and ideology of honest management.

© To find out more information about Brogent's operational integrity and relevant regulations, please refer to the following links:

Ethical Corporate Management Best Practice Principles	Code of Ethical Conduct for Directors and Managerial Officers	Operating Procedure for Prevention of Insider Trading	Reporting Policy of Unlawful or Unethical Actions
			

Regulatory Compliance

The basic responsibility of Brogent is to operate in compliance with the law. In the process of corporate governance, product development, manufacturing, installation, testing, and after-sales service, we strictly abide by the regulatory requirements of competent authorities and have established corresponding standard operating procedures within our Company. In addition, to ensure compliance with laws and regulations globally, our Administration Center has dedicated legal staff to ensure the compliance of our Company's business with, and keep track of, changes in global laws and regulations, communicate information, and assist in contract management to minimize the risk of regulatory violations.

4.1.2 Risk Management

Management Guidelines

Major issue	Risk and crisis management
Material topics	Key impacts, risks, and opportunities (GRI 102-15) Effectiveness of risk management processes (GRI 102-30) Financial implications and other risks and opportunities due to climate change (GRI 201-2)
Policy/commitment	<ul style="list-style-type: none"> Conduct careful evaluations beforehand and review and improve afterward to protect the Company's interests.
Goal and target (short-term)	<ul style="list-style-type: none"> Strengthen and modify internal control systems to retain their effectiveness.
Actual management actions	<ul style="list-style-type: none"> Act according to the principle of risk spreading and ensure that the investment portfolio generates maximum profit. Analyze all operating activities and only take actions after receiving approval from the management.
2019 goal achievements (short-term)	<ul style="list-style-type: none"> Adjust the regional weight for Europe and the US; in 2019, the weight increased by 12.34%. Maintain R&D capacity. Strengthen information security control.
Major issue Goal or direction (medium-term and long-term)	<ul style="list-style-type: none"> Consider future industrial growth and overall economic changes; adaptive strategies must be adjusted when necessary.
Responsibility	<ul style="list-style-type: none"> Senior executives of respective centers are responsible for managing major issues; personal merit rating is associated with said responsibility and a reward and punishment system implemented to go with.
Resources invested	<ul style="list-style-type: none"> Increase R&D budgets and purchase additional R&D system tools. Purchase additional information security control equipment.
Grievance mechanism	<ul style="list-style-type: none"> Report upward level by level through direct supervisors. Report grievances through Brogent's email address (http://www.brogent.com/zh-tw/contact-us.html).
Specific action	<ul style="list-style-type: none"> Regularly convene management meetings.

Major issue	Risk and crisis management
Material topics	Key impacts, risks, and opportunities (GRI 102-15) Effectiveness of risk management processes (GRI 102-30) Financial implications and other risks and opportunities due to climate change (GRI 201-2)
Evaluation mechanism for management guidelines	<ul style="list-style-type: none"> Regularly conduct internal audits to bring up necessary risk control issues.
Results of management guideline evaluation	<ul style="list-style-type: none"> Ensure that Brogent's R&D capacity remains competitive in the industry. Achieve information security control goals and meet all information security requirements.

Brogent's risk management is divided into internal audit, internal control, and risk analysis, each of which implements risk prevention measures per the Company's risk management policies. We have formulated risk assessment guidelines and management strategies based on risk categories, whereby our Audit Office carries out inspection and evaluation.

Internal Audit

Our Audit Office is directly accountable to the Board of Directors with the purpose to implement annual audit plans approved by the Board. The supervisor of our Audit Office is internal personnel according to company policies. The audits are done in accordance with the manager performance evaluation and remuneration policies, systems, standards, and structures established in the Organizational Regulations of the Remuneration Committee. We prepare audit plans in accordance with relevant regulations of competent authorities, as well as corporate risk assessment results, while assisting the Board and managerial officers in conducting project audits, assessing the deficiencies of the internal control system, tracking the status of improvement measures, and reporting the audit results to the Board on a regular basis to ensure effective and sustained implementation of the internal control system.

Internal Control

The internal control system has been established on the basis of five interrelated elements: control environment, risk assessment, control activities, information and communication, and supervision. At the beginning of each year, our Audit Office evaluates the status of each unit's self-assessment of its internal control and, upon review, issues a "Statement of Internal Control," which then serves as a basis for the Board of Directors and the President to assess the overall effectiveness of the internal control system and formulate management strategies.

The year 2019 is a year with effective implementation of internal control; all

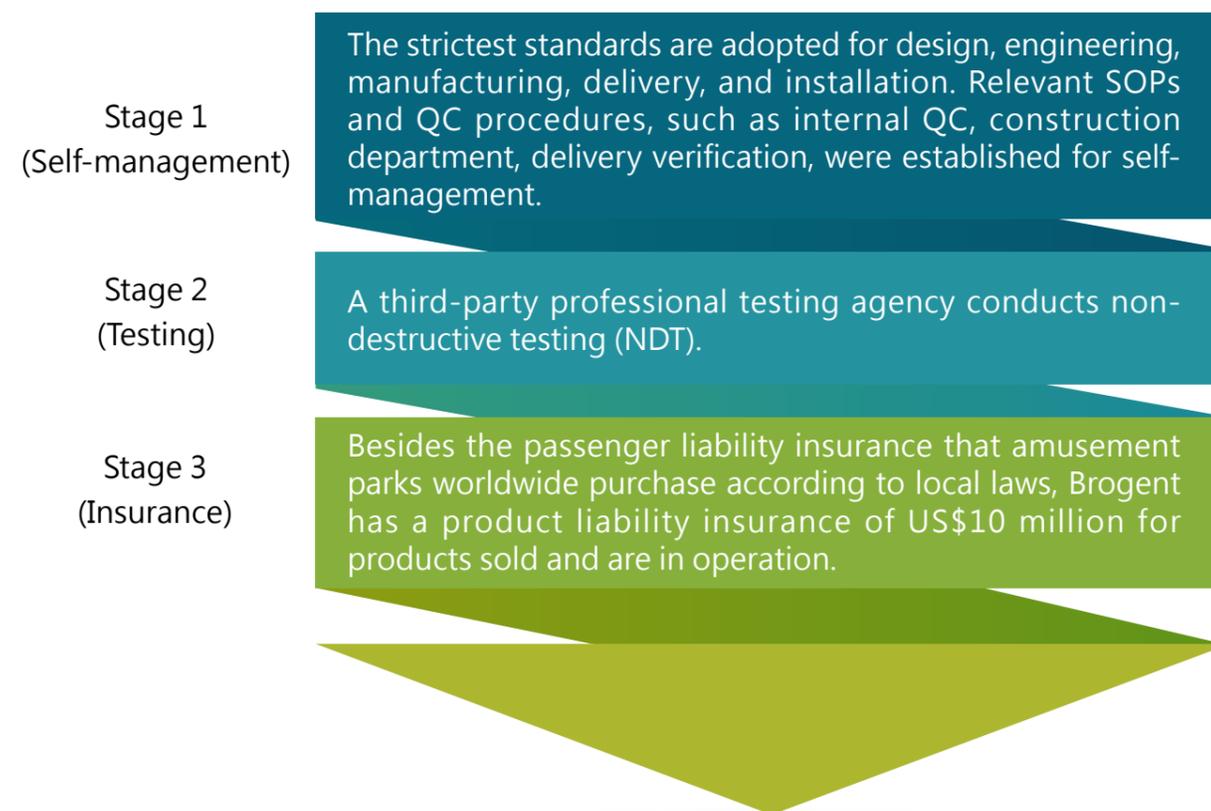
deficiencies generated in internal control were human errors and the system is relatively healthy. The audits revealed no major deficiencies.

Risk Analysis

On the basis of the Risk Evaluation Guidelines, Brogent assesses and manages all potential risks that may affect company operation and establishes adaptive strategies early on to minimize their impact on the Company' s sustainable management.

Product Liability Risk

The Risk Evaluation Guidelines revealed that the greatest potential risk of Brogent' s operation is amusement ride accidents. In response to this risk, Brogent established the following risk control strategy :



Other risks

Risk category	Risk description	Control measures
Financial risks	Exchange Rate Risks	<ul style="list-style-type: none"> Perform sensitivity analysis of foreign currency exchange rate risks on a regular basis, and monitor market movements and information on foreign exchange
	Interest Rate Risks	<ul style="list-style-type: none"> Perform sensitivity analysis of interest rate risks on a regular basis to control fixed-income investments and fixed-rate borrowings
	Price Risks	<ul style="list-style-type: none"> Perform sensitivity analysis of price risk of financial instruments periodically on the basis of changes in fair value at the end of the financial reporting period; measure the financial assets and liabilities at fair value through profit or loss
	Credit Risks	<ul style="list-style-type: none"> Take into account risk assessment of individual customers
	Liquidity Risks	<ul style="list-style-type: none"> Maintain cash and cash equivalents, along with highly liquid, marketable securities and adequate bank financing lines, required for operations
Environmental Risks	Extreme Climate Damage	<ul style="list-style-type: none"> Establish disaster prevention groups to respond to issues arising from extreme climate.
	Government Policy & Electricity Shortage	<ul style="list-style-type: none"> Gradually reduce power consumption by adopting remote centralized AC control system.
	Pandemic	<ul style="list-style-type: none"> A Crisis Management Team was formed with personnel from different departments and a relevant operating procedure established to draw up disease prevention and emergency response plans in case of the spread of the pandemic.
Supply Chain Risks	Suppliers must comply with the quality requirements for top amusement parks worldwide.	<ul style="list-style-type: none"> Continuous search for qualified new suppliers. Help current suppliers improve their QC systems.
Information Security Risks	Safeguard of Information Security and Protection of Confidential Data	<ul style="list-style-type: none"> Establish the Information Security Committee and plan to introduce ISO27001 system and certification. Implement information security emergency response drills.

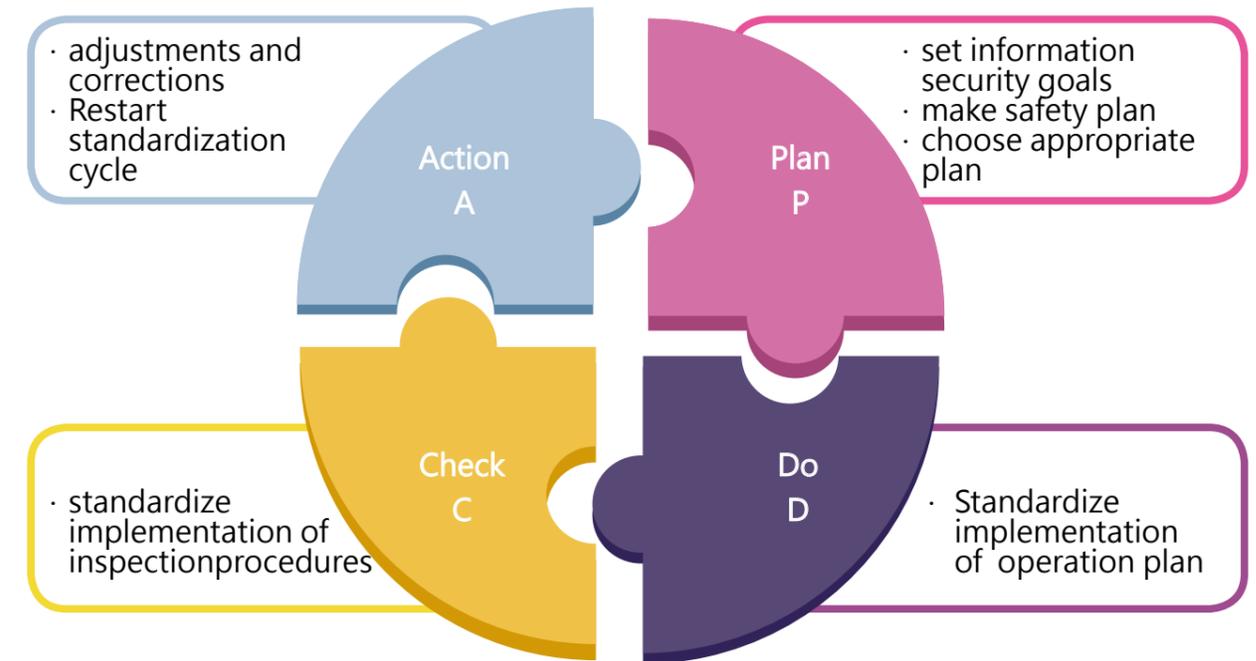
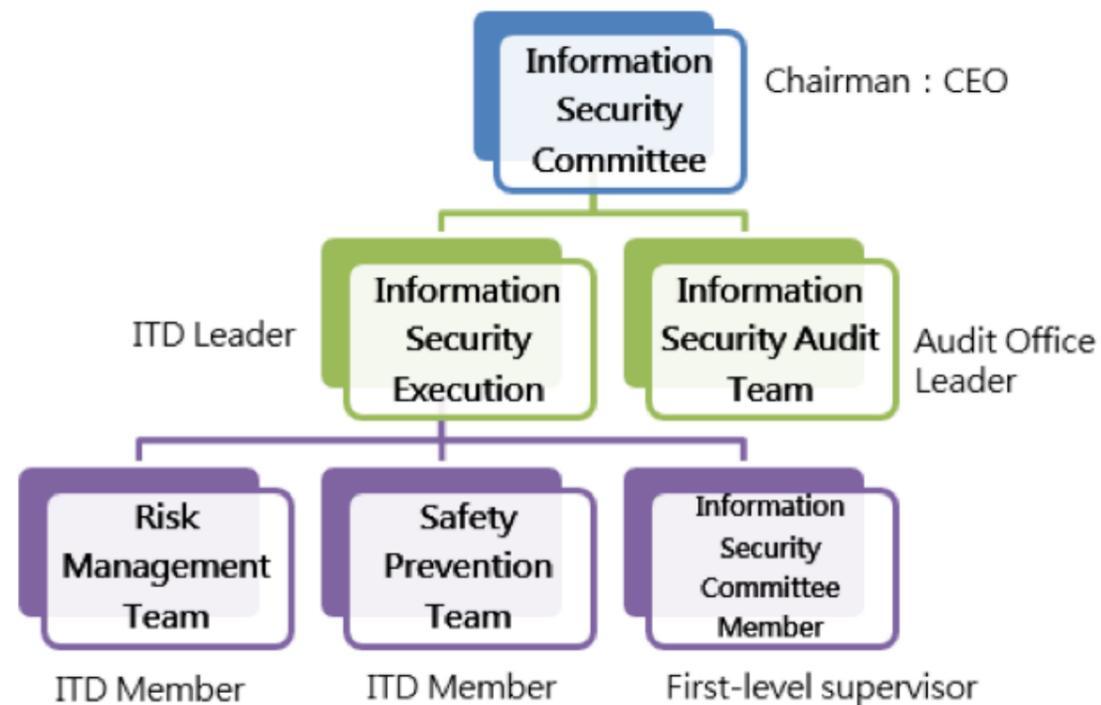
4.1.3 Information Security Management

Information Security Strategies

Brogent continues to improve information security management and reinforce information protection abilities to ensure that data, such as confidential information of the company, business secrets, and personal information, are properly protected and that all regulations of the Personal Data Protection Act are complied. In addition, all information operations comply with both international information security standards and relevant information security regulations in Taiwan and abroad.

Information Security Management Structure

Brogent plans to form the Information Security Committee in the third quarter of 2020, in order to minimize information security risks and impacts, while improving the Company's ability to continue its operation. The Information Security Committee convenes meetings once a year and the President shall serve as the chair of the Committee. Referencing the spirit of ISO 27001 information security management standards, Brogent adopts the PDCA management method to ensure the achievement and continual improvement of information security management goals.



Concrete Measures Regarding Information Security

Brogent adopts the incremental strategy for information security and endeavors to make management policies and guidelines consistent with the implementation of information security. In addition, continual improvements of information security measures and training methods are implemented to increase the frequency of unusual incident reports and enable the incorporation of information security measures and concepts into the organizational culture.

In terms of information security measures, network access control (NAC), intrusion prevention system (IPS), data loss prevention (DLP), asset management system (AMS), security information and event management (SIEM), anti-spam system, active directory (AD) and group policy, high availability (HA) system, endpoint antivirus, backup and restore system, and wireless intrusion prevention system (WIPS) are fully introduced and an emergency response drill done each quarter to verify the effectiveness of each system.

Funds Invested in Information Security

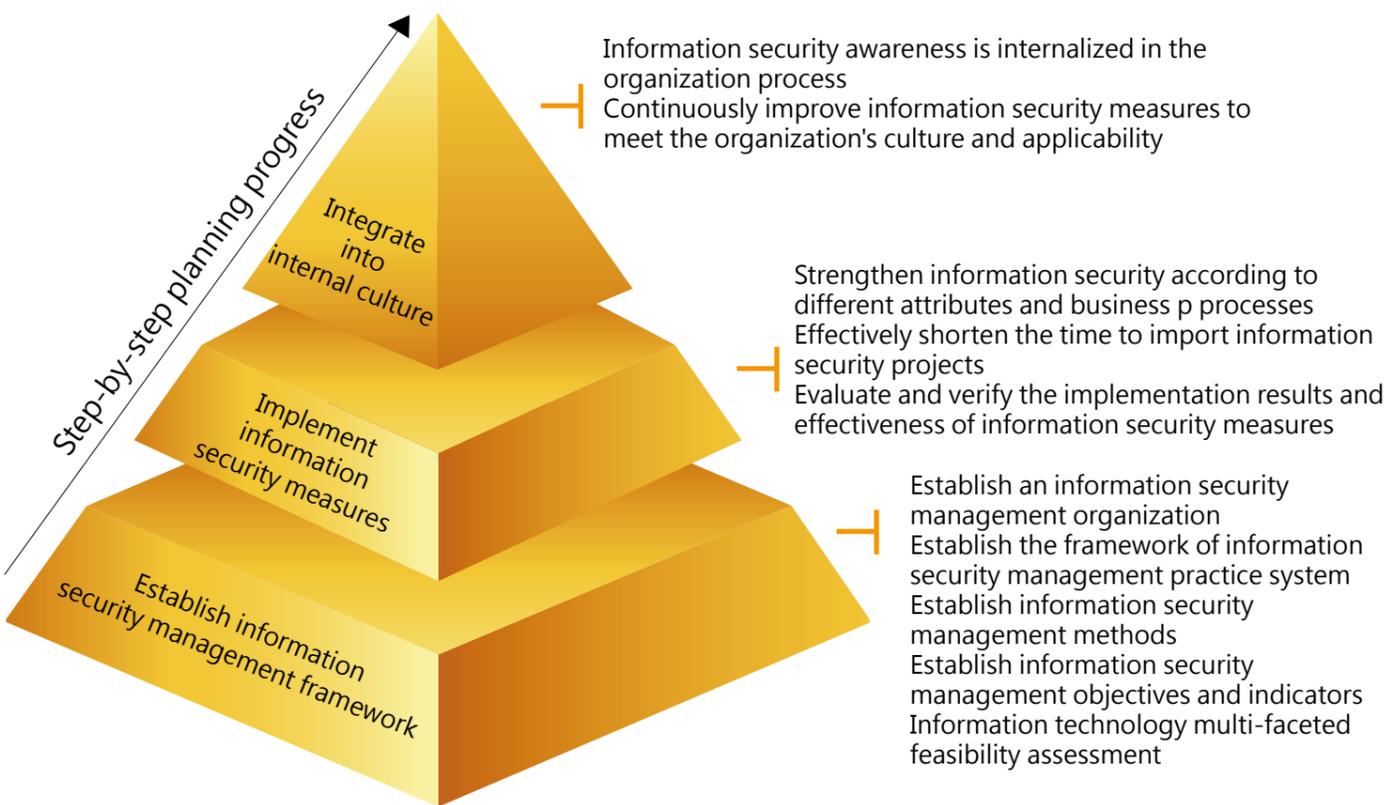
Brogent invests an average of more than NT\$2.5 million annually in information security, including the introduction and optimization of information equipment or systems and on-the-job training of information technology staff. The objective of said investment is to improve the Company's overall protection and information security capabilities.

Information Security Emergency Response Drills

Emergency response drills for AD, email, virtual machine (VM), and enterprise resource planning (ERP) took place in the four quarters of 2019, respectively. The results revealed that system restoration performed properly and all data are intact.

Information Security Incidents

In January 2019, Brogent suffered distributed denial-of-service attacks (DDoS) from multiple IPs of unknown sources abroad. The situation was resolved with the activation of single-point connection limit; said attacks did not cause any losses to either the Company or clients.

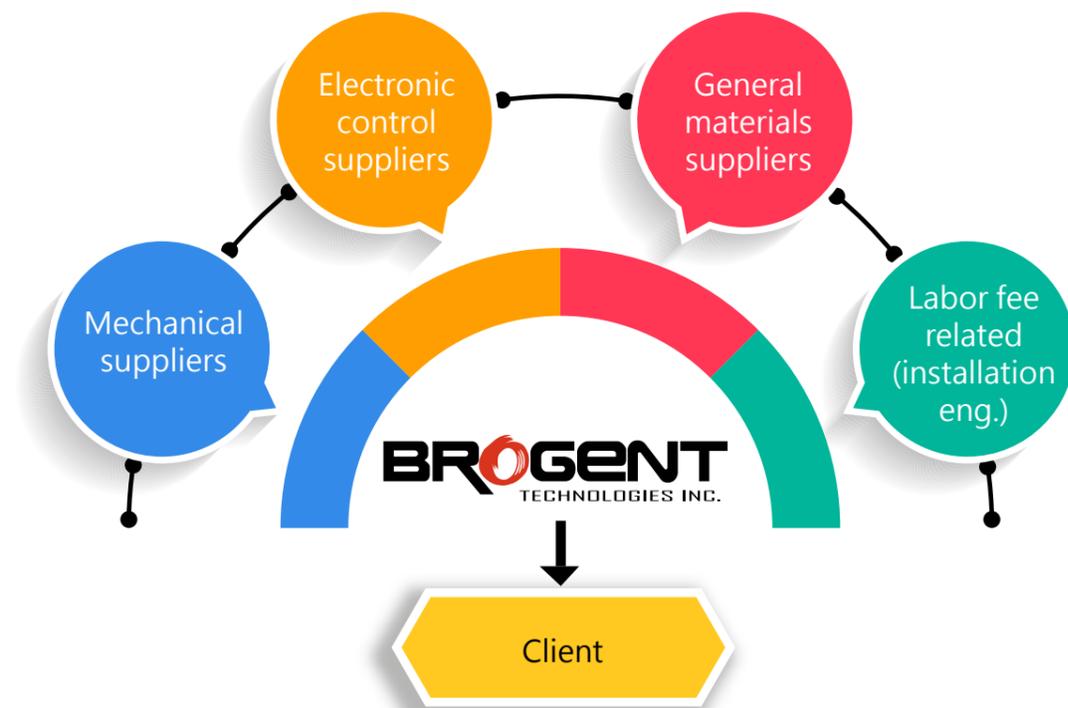


4.2 Supply Chain Management

Brogent's simulator rides are developed via the synchronized integration of multiple systems and high-end technologies. To manufacture stable and safe products, mechanical manufacturing, electrical control, audiovisual system, and safety certification system in the upstream industry chain must be integrated to successfully create various new-generation entertainment facilities with the latest form of media. Brogent has established complete supply chain management regulations and measures, including supplier management principles, new supplier review system, supplier risk classification, and supplier management (including evaluation and consultation). In addition, Brogent focuses on issues of quality and safety, endeavoring to optimize the supplier cooperation models, guide suppliers to grow together, work together to improve immersive simulation technology, and fulfill CSR to achieve sustainable operations.



Simulator Ride Industry Chain



Brogent rose in Taiwan and takes initiatives in supporting high-quality and reliable local suppliers. By actively collaborating with local Taiwanese suppliers, Brogent hopes to promote industrial development concerning immersive simulation technology and economic growth.

Supply Chain Management Performance in 2019

1. The number of local purchases took up 93.7% of that of all purchases. The main reason behind overseas purchases is to comply with local regulations, such as the China Compulsory Certification (CCC).
2. Implemented supplier training (QC training): The numbers of suppliers and personnel receiving said training were 4 and 30, respectively.
3. Regulations concerning labor safety and human rights were added to the purchase contract.
4. The following integrity clauses were added:
 - 4-1. New suppliers must sign and return the Integrity Pledge when filling out the Supplier Survey for filing purposes before being eligible for any transactions.
 - 4-2. An integrity clause was added to Article 15 of the purchase contract. All suppliers are urged to follow.
 - 4-3. Brogent has established a reporting channel on our website (<http://www.brogent.com/zh-tw/contact-us.html>). Please refer to the Reporting Policy of Unlawful or Unethical Actions section under CSR. Any relevant abnormal incidents may be reported and a designated person from Brogent will be in charge of relevant cases.



Apart from some suppliers, who were expanding their plants, no major changes or adjustments were made to the organization, scale, structure, ownership of all suppliers of major and minor equipment in 2019. Transactions with other general suppliers were normal; no abnormal situations, such as low quality or late delivery due to malignant bankruptcy or other issues, occurred.

4.2.1 Supplier Management Principles

Brogent chooses qualified suppliers and sets Quality, Schedule, and Cost as the three primary factors of the management principles to ensure a steady supply of materials and high-quality engineering.

4.2.2 Supplier Cooperation Regulations

Brogent's new supplier evaluation takes into account the capital, operation situation, production capacity, and actual performance for preliminary reviews. The results of the preliminary review determine whether an on-site inspection is necessary. When working with a new supplier, purchase contracts or orders are made depending on the case, while the supplier is required to hire legal workers and provide adequate insurance to all employees to ensure their basic labor rights. Through reviewing purchase contracts, Brogent prevents cases of child labor, discrimination, or forced labor in the purchase activities to ensure the basic human rights of all workers.

In terms of existing suppliers, Brogent conducts annual supplier evaluations with human rights issues specified in the Labor Standards Act as key evaluation items to review whether a supplier has fulfilled relevant responsibilities stated in a contract. In the case of any violation against the purchase contract, the supplier has to take all legal liabilities and Brogent will suspend all payments until the situation is improved.

4.2.3 Supplier Risk Management

Brogent divides suppliers into those providing general materials and those taking outsourced projects. By 2019, Brogent worked with a total of 744 suppliers. According to the risk analysis of the purchase management procedure, as well as purchase risks and purchase prices identified in the management procedure, Brogent classifies suppliers into four risk quadrants and applies different management methods accordingly. In recent years, Brogent has merged various suppliers with key technologies into subsidiaries to further optimize the cooperation model, reduce the risk of exclusive purchasing, and improve management control.

2019 supplier Evaluation Results

Brogent has a total of 744 suppliers, including those engaging in general purchases and non-project construction purchases. According to Brogent’s Supplier Evaluation and Management Regulations, suppliers with a transaction amount of NT\$500,000 or more than 5 transactions within 3 years will have to be evaluated. Statistics showed that from 2017 to 2019, only 208 suppliers were qualified for evaluation. Then, the evaluation screening principles were applied and the evaluation done on 4 suppliers. The evaluation is a comprehensive evaluation; all details are reviewed individually. Therefore, staff from different departments must pay visits to the suppliers and all evaluated suppliers must reply to a self-evaluation query. The evaluation is a small-scale and precise evaluation, rather than a general survey; the number of evaluated suppliers is maintained at 4 to 5 each year. Slight adjustments may be made according to purchase amount.

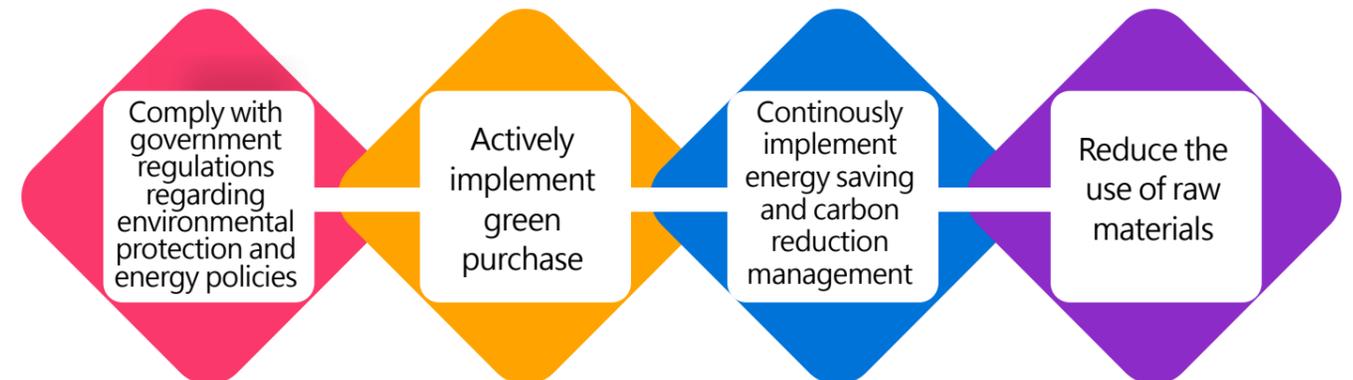
In 2019, a total of 4 suppliers underwent the evaluation; the results revealed that the average score falls between 78 and 79, i.e., all the 4 suppliers are classified as Class B suppliers. The majority of them collaborate on purchase cases involving long delivery period or high unit price; therefore, the collaboration level of each supplier relies on the average score from QC, purchase, and project departments. As a result, most suppliers fall in Class B, which is the upper middle level.



4.3 Environmental Protection Responsibility

4.3.1 Environmental Commitment

To take on corporate green responsibility, Brogent endeavors to practice environmental protection management, actively implement energy saving policies, and provide relevant resources to achieve the following commitments:

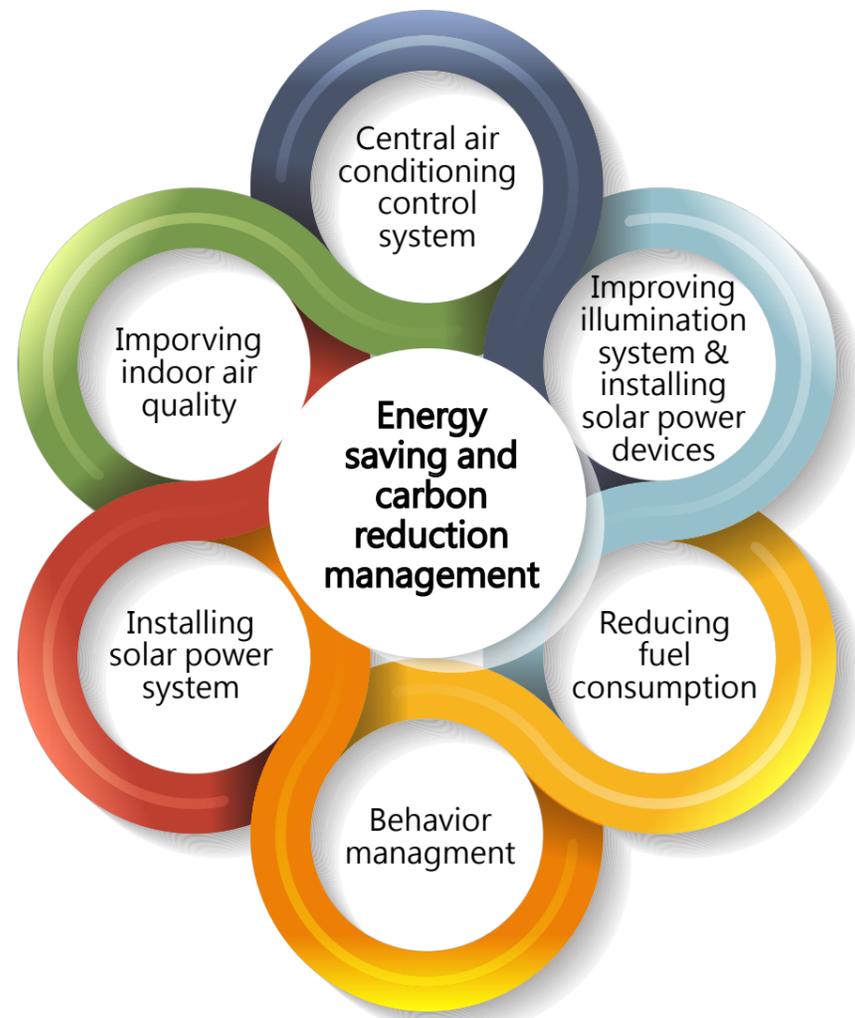


Environmental Management Strategies

Implement energy management	Implement water resource management	Effective resource management
<p>Goal : Continual implementation of energy saving and carbon reduction management in hope of achieving 1% greenhouse gas emission reduction annually.</p> <p>Measures : 1. Employ a centralized air conditioning control system and LED lights to effectively reduce power consumption year by year 2. Prioritize electric or hybrid cars for company vehicles to reduce gasoline consumption. 3. Set up electric scooter battery charging areas.</p>	<p>Goal : Reduce the waste of water resources.</p> <p>Measures : Adopt a rainwater harvesting system and an irrigation system in all office buildings to reclaim water resources.</p>	<p>Goal : Focus on increasing the reuse rate of each resource and reduce unnecessary waste to contribute to the sustainable development of the environment.</p> <p>Measures : 1. Implement the ERP system to achieve paperless office and effectively manage waste classification to increase the reuse rate. 2. Implement raw material use management.</p>

4.3.2 Energy Management

Purchased electricity and gasoline are the main energy sources in Brogent' s operation process. Said energy is used in air conditioners, illumination system, and company vehicles. Energy saving measures have been adopted to reduce energy consumption and environmental impact.



- 1. Central air conditioning control system: Opt for energy saving machines and employing centralized control system for temperature control.
- 2. Illumination system improvement: Replace all illumination facilities in the factories with LED lights, which can save more than 50% energy.
- 3. Reducing fuel consumption: Prioritize electric or hybrid cars for company vehicles to reduce gasoline consumption. Set up electric scooter battery charging areas.
- 4. Behavior management: Switch off unnecessary power supplies, such as electronic appliances and lights in office aisles.
- 5. Supporting the government' s green energy policy by installing solar power system to contribute to the use of renewable energy
- 6. Improve indoor air quality : Grow more indoor plants and increase natural ventilation.

2019 Energy Consumption

Energy type	Amount of energy consum	Amount in Gigajoule (GJ)
Purchased electricity (MWh)	1,201.038	4,323.7368
Gasoline (KL)	11.03	360.14

Note : According to the Emission Factor 6.0.4 published on the Bureau of Energy' s website, the heating value of gasoline is 7,800 kcal/l and that of electricity is 3,600 GJ/MWh.

Greenhouse Gas Emission

Brogent' s greenhouse gas emission in 2019 was 666.19 tons/CO₂e, of which Scope 1 (direct) emission was 26.04 tons/CO₂e (about 4%) and Scope 2 (indirect) emission was 640.15 tons/CO₂e (about 96%). In addition, the greenhouse gas emission intensity was calculated based on annual income (million NT\$). In 2019, Brogent' s emission intensity was 0.32 /CO₂e/million NT\$, which is 13% lower than that in 2018.

Year	Greenhouse gas scope	Energy type	Greenhouse gas emission (Ton/CO ₂ e)	Total (Ton/CO ₂ e)	Energy intensity (CO ₂ e/ Million NT\$)
2018	Scope 1	Gasoline	26.12	608.75	0.37
	Scope 2	Electricity	582.63		
2019	Scope 1	Gasoline	26.04	666.19	0.32
	Scope 2	Electricity	640.15		

Note : The electricity emission factor (0.533 Kg CO₂e/Wh) is quoted from the Bureau of Energy, Ministry of Economic Affairs; the gasoline emission factor is quoted from the Greenhouse Gas Emission Factor Management Table (version 6.0.4) by the Environmental Protection Administration, Executive Yuan.

2019 Energy Saving and Carbon Reduction Project

The energy saving strategy implemented in 2019 was to prioritize the purchase of hybrid cars as company vehicles. Hybrid cars saved approximately NT\$6,821 yearly on costs; the total energy saved was 7.83GJ.

Energy saving plan	Type of energy saved	Base year	Amount of energy saved	Amount of energy saved in gigajoule (GJ)	Yearly cost savings (NT\$)
Prioritize hybrid cars as company vehicles	Gasoline (KL)	2016	0.24	7.83	6,821

Note : The unit conversion reference is as follows: the heating value conversion factor for automotive gasoline = 7,800 Kcal/L.

Installation of Renewable Energy Power Generation Equipment

In response to Taiwan's green energy policy, Brogent installed a solar power system in 2016 and has been selling the renewable energy power generated by this system to the Taiwan Power Company. In 2019, the total power generated by Brogent's solar power system was 13,837 kwh, which contributed to Taiwan's renewable energy development.



Green Building Certification

Brogent's new construction of the Phase 2 R&D Testing and Experience Center (a steel structure office and large-scale building with a basement and six floors above ground) received the Green Building Label from the Ministry of the Interior on December 16, 2016.

We plan to apply for green building certification in Phase 3 building construction and expect to obtain four or more labels. The installation of a solar power generation system is also planned.



Brogent's R&D Testing and Experience Center received Green Building EEWB-BC Certification.



4.3.3 Water Resource Management

Brogent's water use primarily consists of domestic use in office buildings, which does not have any huge impact on water sources. To improve water use efficiency, we have established relevant measures concerning water management. For example, faucets, urinals, and toilets with water saving labels are installed in all the bathrooms in the office; a rainwater harvesting storage system is established to reclaim rainwater for plant watering. All the measures help us make proper use of water resources.

2019 Water Consumption and Water Consumption Intensity

Year	2018	2019
Water consumption (m ³)	9,563	12,416
Average number of people in the office (person)	155	172
Water consumption intensity (m ³ /person)	61	72



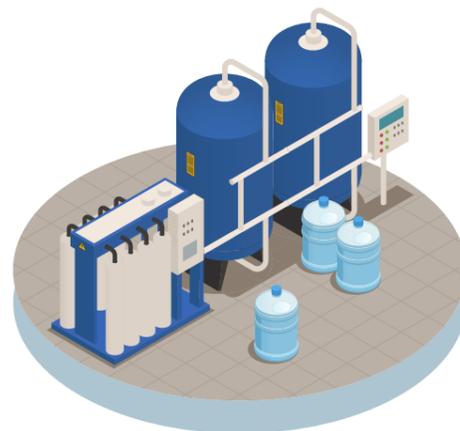
Wastewater treatment : independent pipelines for rainwater



Rainwater harvesting storage system



Wastewater treatment : independent pipelines for wastewater



4.3.4 Waste Management

Brogent's primary business is the design and export of simulator rides. Our products and equipment are manufactured by subcontractors and then transported to Brogent for pre-assembly and testing before being delivered to clients for installation, testing, inspection, and acceptance. Therefore, waste generated by Brogent is general industrial waste, which is handled by a qualified company (Tidies Environmental Service Corp.) commissioned by us. The contract states that said company will handle a ton of waste for Brogent each month. The average volume of garbage processed within Brogent is approximately 0.86 tons/month after our employees and cleaners classify garbage.

In compliance with government policy, a trash can for general waste and one for recyclable waste are placed in the garbage collection area on each floor. After the cleaning personnel classify and arrange the recyclable waste, a recyclable waste collection company will process the waste. Recycling incentives will be given to cleaning staff to encourage them to classify and recycle waste.



CH 5



WORKPLACE CULTURE

Valuing employees is at the core of our philosophy. We promise to build a friendly workplace where we share profits and grow with our employees.

5.1 Employees : Our Most Valuable Asset

With “valuing employees” at the core of our philosophy, we have created a happy, friendly, safe, and healthy working environment to bring out our employees’ potential. Upholding integrity with sincerity at work, our employees have demonstrated outstanding performance. Moreover, regarding salary and benefits, as well as developing employees’ capabilities, we have provided them with a robust benefits package and competitive salary, while offering training related to job competencies to them so that they can bring their specialty into full play. Over the last 19 years, we have grown sturdily because of efforts made by our excellent employees, who are not only full of vitality and creativity, but also possess multiple specialties. In the future, we will continue to fulfil our corporate responsibility and help our employees grow with us.



- Emphasizing a healthy and safe workplace

- Implementing human rights
- Building a diverse workforce

- A robust benefits package
- A comprehensive salary structure

Management of Human Rights

Brogent strictly observes Taiwan’s labor laws and regulations, as well as international regulations related to human rights. We protect our employees’ legal rights and value their human rights. We won’t discriminate against any employee because of his/her race, sex, age, political party, religion, or disability. We have formulated our Human Rights Policy to eliminate employment inequality and discrimination, creating a diverse and tolerant healthy workplace. Moreover, we have established reasonable working hours based on labor conditions and channels for smooth labor-management communication, as well as supported our employees’ career development by providing diversified training to them, so as to protect their rights and fulfil our corporate social responsibility.

Diverse and tolerant	<ul style="list-style-type: none"> • We won’t discriminate against any employee because of his/her sex, race, socioeconomic status, age, marital status, family conditions, language, religion, political party, nationality, appearance, or physical/mental disability.
Healthy workplace	<ul style="list-style-type: none"> • We will provide all our employees with a healthy and safe working environment where everyone respects each other. We will also help them maintain physical/mental health and work-life balance.
Reasonable working hours	<ul style="list-style-type: none"> • Formulate specifications regarding working hours and extension of working hours, as well as regularly check on and manage employees’ attendance.
Respecting employees	<ul style="list-style-type: none"> • No forced labor, discrimination, and harassment; respect privacy; and offer proper salary and benefits.
Privacy protection	<ul style="list-style-type: none"> • Observe the Personal Data Protection Act, respecting and protecting the confidentiality of employees’ personal data, as well as clients’ and all the stakeholders’ privacy.
Labor-management communication	<ul style="list-style-type: none"> • Establish channels for smooth communication, set up a suggestion box, and regularly convene labor-management meetings to ensure both parties’ rights.
Employee training	<ul style="list-style-type: none"> • Support our employees’ career development by providing diversified training to them.

Smooth Communication

Brogent has actively promoted a good labor-management relationship by offering multiple channels for smooth labor-management communication. In addition to convening labor-management meetings according to the law, we have also irregularly held relevant system advocacy meetings to convey employees’ rights to them. We have established a smooth and effective appeal mechanism for employees, so as to ensure the equality and transparency of the appeal procedure. Moreover, we have actively responded to, and handled, their appeals. We haven’t received any appeals from our employees in the last three years. Furthermore, we have established a welfare committee to actively engage our employees in communication and care about their needs, while providing them with multiple welfare options.

Communication Channels for Employees and Communication Performance

Communication channels for employees	Communication performance
Labor-management meetings	<ul style="list-style-type: none"> Convened quarterly, at which we give an explanation on issues raised by our employees to seek consensus between us and our employees. In 2019, we held four meetings.
Welfare Committee	<ul style="list-style-type: none"> The Committee holds discussion about organizing various activities and establishing employee clubs. In 2019, it held eight meetings.
System advocacy meetings	<ul style="list-style-type: none"> Advocate the 2019 code of conduct, explain the system of appointing new executives, and hold the employee assembly. In 2019, we held five meetings.
Reporting mechanism	<ul style="list-style-type: none"> In the event of violating the code of integrity, our stakeholders can report such violation on our website and provide supporting evidence. Please click the link below to report a violation: http://www.brogent.com/zh-tw/contact-us.html No employee complaints were received in 2019.

Unpaid Parental Leave

In compliance with the government policy, Brogent has made every effort to help employees in need apply for unpaid parental leave, supporting them at the important stage of their life.

Statistics on Applications for Unpaid Parental Leave in 2019

Item	Women	Men	Total
Number of employees qualified for applying for unpaid parental leave in 2019	2	9	11
Number of employees applying for unpaid parental leave in 2019	2	1	3
Number of employees to be returned to work following unpaid parental leave in 2019 (A)	1	1	2
Number of employees to be returned to work and those returning to work following unpaid parental leave in 2019 (B)	1	1	2
Number of employees returning to work following unpaid parental leave in 2018 (C)	3	1	4
Number of employees returning to work following unpaid parental leave in 2018 and those working for one year in 2019 (D)	2	1	3
Return-to-work rate (%) = B/A	100%	100%	100%
Retention rate (%) = D/C	67%	100%	75%

Comfortable Working Environment

As a dynamic and innovative technology company, Brogent offers spacious and comfortable working environment and a recreation center installed with multiple fitness equipment, blood pressure monitors, scales, and foosball tables. In 2019, various equipment, such as massage chair, inversion table, and weight training equipment, were added to help employees combat work-related fatigue and stress while brainstorming and pursuing innovative ideas for new products. Additionally, to prevent sports injuries caused by improper use of said equipment, professional trainers are contracted to teach correct workout ideas and equipment usage; a total of three sessions were held.

5.2 Salary and Benefits

Brogent considers employees as our important assets. We have strived to provide our employees with competitive salary and a robust benefits package. In addition to protecting their right to participate in labor and health insurances, as well as to contribute to their labor pension, according to the law, we have also established a comprehensive remuneration system and a performance management system. Our performance management system combines the objectives of our company's operational performance and employees' personal performance. We review our employees' performance to provide them with equal opportunities to get promoted or receive incentives. Moreover, we place them in the right positions to help them improve themselves, creating a happy learning environment and enhancing their development.

5.2.1 Competitive Remuneration

To attract and retain talents, as well as maintain our competitiveness in the market, the average salary of our junior employees is NT\$43,000, which is 1.86 times Taiwan's minimum wage in 2019. Moreover, year-end bonus and remuneration are provided based on employees' performance.

We observe the principle that women and men are entitled to equal pay for doing equal work. Our employees are paid reasonably. In 2019, there was difference in pay between male and female employees because of their education and work experience; also, male employees accounted for the majority of R&D and technical workforce. Consequently, the average salary of male employees was slightly higher than that of female employees.

Brogent officially implemented the Transfer Management Regulations on November 25, 2019, which clearly stated the relevant operating procedure for the purpose, responsibility, and motive of employee transfer. In addition, the Regulations correspond to the Remuneration Management Regulations and Employee Progression and Promotion Regulations.

Number of full-time non-executive employees, their gross salary, their average salary, and their median salary

Item	2018	2019	Difference
Number of full-time non-executive employees (person)	140	157	Increased by 12.1%
Gross salary of full-time non-executive employees (NT\$1,000)	134,745	163,851	Increased by 21.6%
Average salary of full-time non-executive employees (NT\$1,000)	962	1,015	Increased by 5.5%
Median salary of full-time non-executive employees (NT\$1,000)	Note	932	—

Note : The information on median salary of full-time non-executive employees in 2019 was first declared in 2020 according to the amendment to Article 3 of the Taiwan Stock Exchange Corporation Rules Governing Information Filing by Companies with TWSE Listed Securities and Offshore Fund Institutions with TWSE Listed Offshore Exchange-Traded Funds and the newly included "Checklist of information on salary of full-time employees who are not in a managerial position."

Pay ratio in 2019	Executive ^{Note}	Non-executive
Females	0.9	0.76
Males	1	1

Note : A departmental head of the 11th senior grade and above

5.2.2 A Robust Benefits Package

Brogent offers a number of benefits to our employees: insurances, bonuses, training, recreational activities, and convenience services. Our package covers employees' actual needs of food, clothing, housing, transportation, education, and entertainment. In addition, the Regulations Governing Emergency Relief for Employees Who Are Getting Married, Holding Funerals, or Are Hospitalized were established to provide them with necessary aid and care in crisis.

Benefit type	Content
Life insurance	<ul style="list-style-type: none"> Group insurance: Provide medical expense insurance claims to employees; family members of employees may join the insurance program at their own expense. Employers' liability insurance: Employees who have an accident when on duty can make relevant insurance claims. Brogent ensures that all employees are fully protected. International business travel insurance: Insurance claims available for unexpected emergency when on business trips abroad, along with unlimited abroad emergency relief.

Benefit type	Content
Health insurance	<ul style="list-style-type: none"> In compliance with the law, new employees will be signed up for labor insurance and national health insurance on their first day at work.
Subsidy for employee club	<ul style="list-style-type: none"> Subsidies for all kinds of club activities. A club may be formed with a minimum of 10 members; it will receive a basic monthly subsidy of NT\$1,500. For a club with 20 members, the subsidy goes up to NT\$3,000, and so on. Subsidize partial registration fee for participation in an external competition.
Subsidy measures concerning pension	<ul style="list-style-type: none"> Contribute 6% of employees' monthly salary as labor pension to their personal accounts on a monthly basis in accordance with the Labor Standards Act.
Stock rights	<ul style="list-style-type: none"> Issue stock option certificates to employees with outstanding performance.
Education and training	<ul style="list-style-type: none"> Encourage employees to take internal and external education and training courses fully subsidized by the Company to improve their competitiveness in the workplace and occupational development.
Thoughtful services and facilities	<ul style="list-style-type: none"> Services: Flexible working hours, ordering boxed lunches for employees, and providing free coffee, snacks, and postal services. Facilities: Employee parking spaces for cars and scooters, lactation rooms, and unisex toilets. Coffee machines, microwaves, and fridges are placed on each floor.
Public recognition of senior staff	<ul style="list-style-type: none"> Publicly praise employees who have completed 5, 10, and 15 years of service and award them with badges and memorial coins to thank them for their long-term contribution to the Company.
Bo-le Award selection	<ul style="list-style-type: none"> To encourage employees to achieve the objectives of the Company through teamwork and bring positive effects and growth to their teams and the Company, Brogent organizes annual Bo-le Award selection of outstanding teams. The winning teams are publicly commended and awarded with prize money at the year-end party.
Improvement proposal	<ul style="list-style-type: none"> Brogent encourages employees to actively participate in the promotion of company business and improvement of operating procedures, while taking initiatives in proposing innovative ideas or concrete suggestions to optimize company management and improve operational performance and competitiveness. Outstanding proposals will be publicly commended every quarter and prize money will be given to the proposal makers after a review of all the proposals.
Model employee	<ul style="list-style-type: none"> Each year, Brogent recommends outstanding employees to participate in the selection of model employees in the park so that they can obtain extra points for their personal career records.

Benefit type	Content
Regular health check-up	<ul style="list-style-type: none"> Offer a fully-funded health check-up every two years to all our employees. After the health check-up, we will arrange for doctors to come in for our employees to have free consultation sessions.
Thoughtful facilities	<ul style="list-style-type: none"> Numerous workout equipment and massage chairs, video games, TVs, and foosball tables are installed, along with comfortable sofa chairs. Beverage vending machines are installed. Blood pressure monitors are placed for all employees to perform self-checks anytime. Free massage experience sessions for employees in birthday month.
Group activities	<ul style="list-style-type: none"> Recreational activities: quarterly departmental get-together party, indoor sports day, Family Day, Movie Appreciation Day, and year-end party (employees can invite their family and friends to the party). Festival activities: Mid-autumn Festival activities, Christmas Party, and Valentine's Day activities. Annual domestic/international employee travel: Subsidies for domestic trips and opportunities for overseas employee trips (Dreamworld, Australia in 2019).
Subsidy for kindergarten fee	<ul style="list-style-type: none"> To alleviate the economic burden of parenting, Brogent provides our employees with a subsidy for the kindergarten registration fee of NT\$15,000 per semester per child.
i-Ride free pass and employee discount	<ul style="list-style-type: none"> Free ride for employees: All Brogent's employees can ride for free on weekdays and weekends upon showing their company badges. Employee discount: All employees can purchase tickets for i-Ride TAIPEI and i-Ride KAOHSIUNG with a discounted price of NT\$300 and NT\$220, respectively.

Retire with Peace of Mind

The retirement pension plan Brogent has for the employees include benefits stated in Taiwan's Labor Standards Act and the appropriation plan stated in the Labor Pension Act.

Defined Benefit Plans

In accordance with the Labor Standards Act, the Company has formulated regulations on employee retirement which stipulate that retirement pensions are calculated on the basis of an employee's number of years of service and the average recurring salary for the six-month period prior to retirement. Brogent makes monthly contributions to the labor pension reserve funds, which are deposited in labor pension accounts in a government-designated financial institution and managed by the Brogent Labor Pension Fund Supervisory Committee. The balance of the pension reserve funds is not reflected under assets in the Company's financial statements. As of December 31, 2019 and December 31, 2018, the balances of the pension funds were NT\$2,099,000 and NT\$1,783,000, respectively.

Unit: NT\$1,000

Content	December 31, 2019	December 31, 2018
Present value of a defined benefit obligation	10,851	9,959
Fair value of plan assets	-2,112	-1,794
Accrued pension liabilities account	8,739	8,165

Defined Contribution Plans

In accordance with the Labor Pension Act (the Act), Brogent employees, who were covered by the Labor Standards Act prior to the enforcement of the Act, may choose to be continuously covered by the retirement mechanism in the Labor Standards Act or by the pension system of the Act; their seniority prior to their application to the Act will be reserved. Brogent makes monthly contributions equal to 6% of each employee's monthly salary and deposits the amounts in employees' labor pension accounts in the Bureau of Labor Insurance. The contributions are recognized as expenses of the current period.

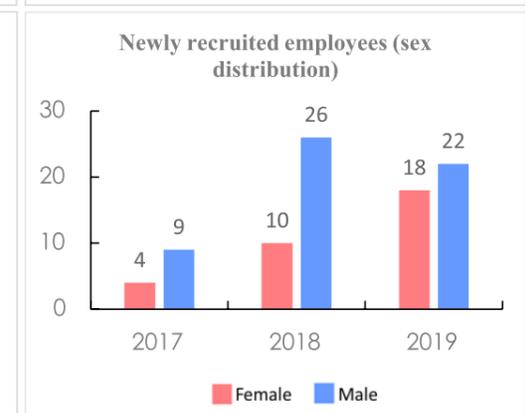
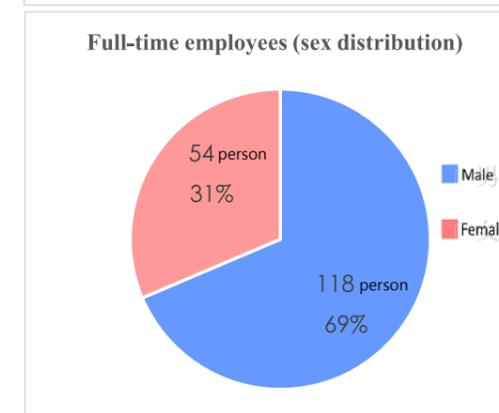
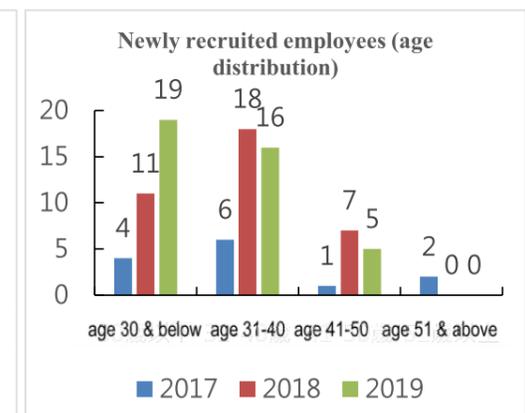
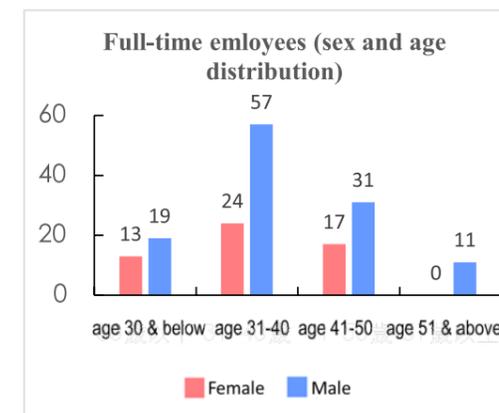


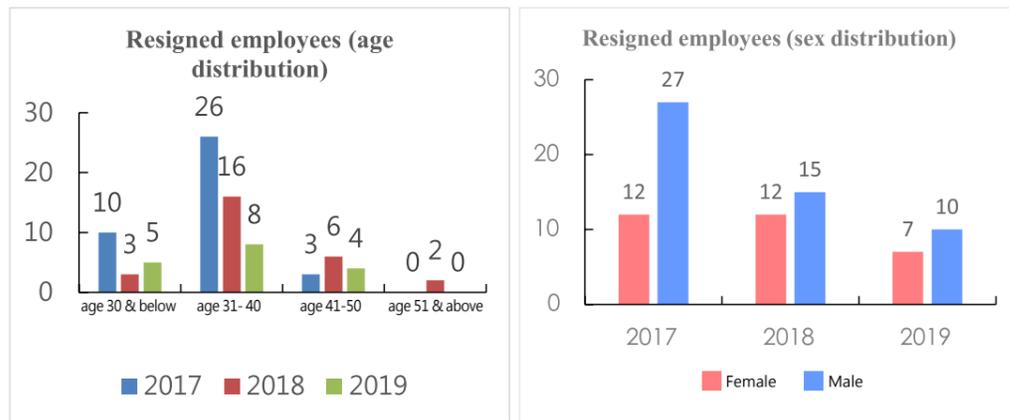
5.3 Talent Development

5.3.1 Talent Composition

By the end of 2019, the total number of our employees was 172. Currently, we only have full-time employees, no temporary or part-time employees. The talent composition shows 118 men (69%) and 54 women (31%). In terms of age group, employees under the age of 40 account for about 66% of the total workforce, indicating that Brogent is a young, dynamic, and innovative company. In terms of turnover, the employee turnover rate has been declining for the past 3 years, 25.1% in 2017, 18.1% in 2018, and 10.4% in 2019, which means that Brogent is able to meet employees' expectations regarding Salary and Benefits, Training and Development, and Team Atmosphere/Corporate Culture, whereby talented employees are retained. In addition, Brogent employs local residents in key operational locations (Taiwan), with 100% of senior management and center supervisors employed locally.

Item	Number of people in 2019
Number of executives	7
Number of executives who are local residents (Taiwan)	7
Ratio (%)	100





Recruitment

Brogent recruits talent through job banks; it also posts job vacancies on social media platforms, such as LinkedIn and Facebook. In addition, it maintains contact with career centers of universities and colleges and participates in job fairs or job matchmaking activities held on National Sun Yat-sen University Campus. When a job opening becomes available, our staff will also recommend friends or relatives to apply for the job. We establish a talent pool for unsuccessful interviewees, who will be contacted when a suitable job opening becomes available.

All applicants need to pass document review, professional capability assessment, occupational and language proficiency tests, and attitude assessment. We hope that all newly recruited employees identify themselves with us, reaching their career peak with their jobs here and sharing honors and achievements with us.

5.3.2 Building a Diverse Workforce

Brogent cultivates talents through diverse learning channels. With a dual development scheme for professional and management competencies, employees are able to grow and improve their own abilities. Our training courses include supervisor training, professional training, general training, and digital learning. We have systematically planned training courses needed by our employees for their career development, as well as education and training courses for their lifelong learning. In 2019, the total number of hours of education and training received by our employees reached 5,757. On average, each employee received 33 hours of education and training.



Total hours of employee training in 2019: a breakdown by gender and seniority of position

Total number of hours of education and training received by employees (hour)	Executives	Non-executives	Total number of hours of training
Women	210	1,206	1,416
Men	437	3,904	4,341
Total number of hours of training	647	5,110	5,757

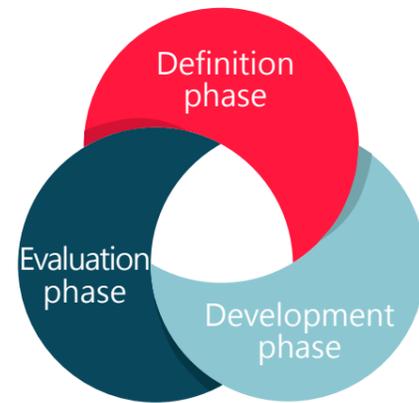
Categories of education and training courses offered in 2019

Course category	Course name	Number of hours	Number of classes offered	Total number of employees receiving training
New recruit training (classroom)	Introduction to company culture and products	1.5	3	27
New recruit training (online)	Introduction to company regulations	2	1	34
Management course (classroom)	Situational leadership	7	1	23
Management course (classroom)	Accountable execution	7	1	21
Company regulations	Code of conduct	2	2	147
General course	Presentation skills	7	1	31
General course (online)	The future of immersive simulation technology; creating the ultimate consumer experience	0.5	1	110

5.3.3 Performance Evaluation

Employee Performance Evaluation

To encourage our employees to pursue continuous innovation and growth, we align our employees with our organizational goals and achieve these goals through a strategic and integration-based performance management system. We have also effectively improved employee performance and achieved our operational goals.



Phase and content of performance evaluation

Phase	Content
Definition	<ul style="list-style-type: none"> Brogent defines "performance" every January. Employees' work objectives of the current year, indicators to measure their performance, and weighting of the indicators should be jointly set by executives and the employees.
Development	<ul style="list-style-type: none"> Brogent conducts mid-term evaluation twice a year (May and September), during which executives give feedback to employees regarding their performance and teach them.
Evaluation	<ul style="list-style-type: none"> Brogent's executives and employees should discuss and complete "target performance" and "work attitude and occupational competency assessment" in the performance evaluation form every December. The executives should give final evaluation comments.

Total number of periodic appraisals on employee performance in 2019: a breakdown by gender and seniority of position

Periodic appraisals on employee performance (number of times/year)	Executives	Non-executives	Total number of periodic performance appraisals
Wome	1	117	118
Men	6	48	54
Total number of periodic performance appraisals	7	165	172

Total number of employee career development evaluations in 2019: a breakdown by gender and seniority of position

Employee career development evaluations (number of times/year)	Executives	Non-executives	Total number of career development evaluations
Wome	1	117	118
Men	6	48	54
Total number of career development evaluations	7	165	172

Executive Performance Evaluation

The professional guidance provided by Brogent's senior management and their managerial efficiency are the keys to our persistence in improving the competitiveness of our products in the immersive simulation technology industry. By performing their managerial duties well, senior management can bring about stable operational performance. Therefore, we have established an internal evaluation mechanism that connects review of managers' salary to their work performance; the approval criteria consist of three aspects: financial index, quality and risk, and leadership and management.

- Revenue and profit
- Success rate of budget target
- Sales growth rate



- Compliance with laws and regulations

- Corporate governance performance
- Talent development and cultivation

5.4 Workplace Safety and Health

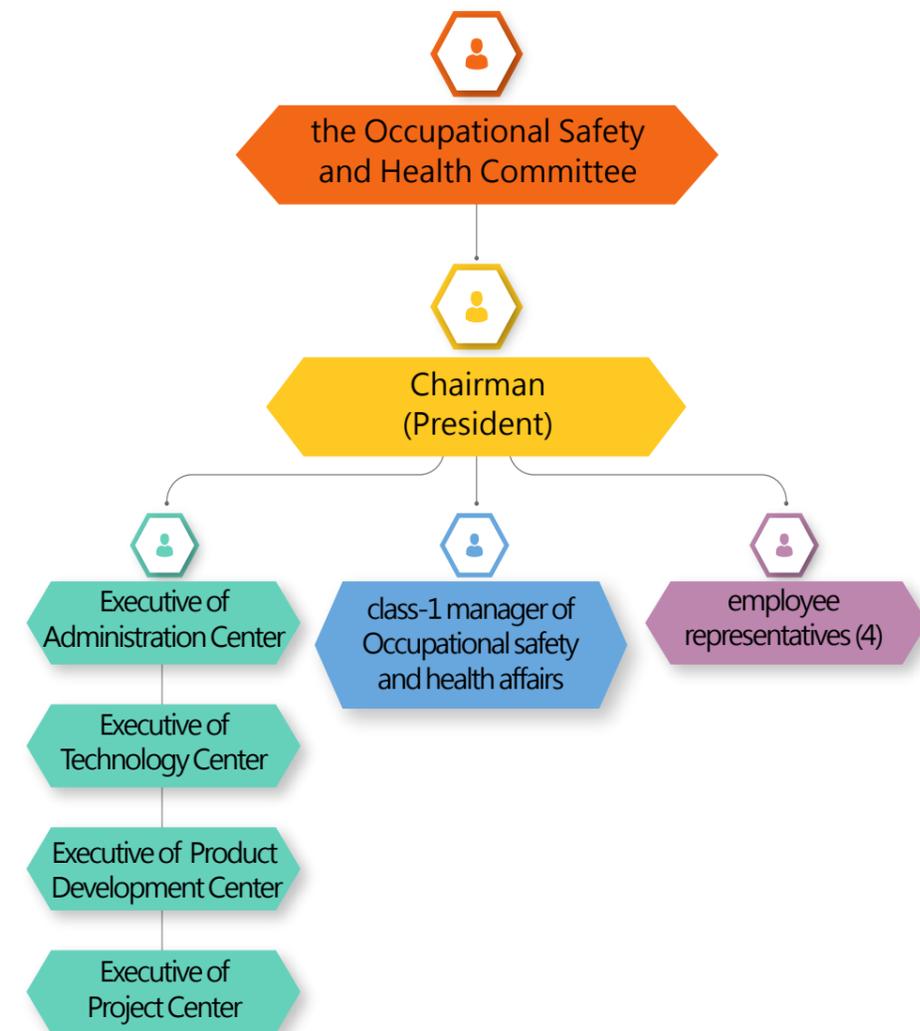
5.4.1 Workplace Safety and Health Management

Brogent complies with the requirements of the Occupational Safety and Health Act, as well as other laws and regulations. In accordance with the Occupational Safety and Health Act and other pertinent regulations, Brogent carries out precautionary and preventive measures and safety promotion programs, as well as continuously improves the safety and health system and performance to meet the Company's current needs. All employees (including contractors) are required to partake in relevant activities to improve their health and safety awareness and knowledge so that they understand their rights and obligations when they engage in health and safety work. Supervisors at all levels are also responsible for giving instructions and supervision so as to safeguard labor rights and interests, while creating a safe, friendly, and suitable work environment.

Occupational Safety and Health Committee

Brogent has established an Occupational Safety and Health Committee in accordance with the Occupational Safety and Health Act. This Committee comprises a total of ten members: the President, executives of each department and the administration department, and employee representatives. A total of four committee members are employee (or labor) representatives, making up 40% of the Committee. The Occupational Safety and Health Committee is in charge of establishing and improving occupational safety policies, and must convene regular meetings to review occupational safety and health management affairs and advocate relevant ideas. A total of four meetings were convened in 2019 and the resolutions of each meeting were made aware for the employees. In 2019, we achieved our goal of Zero-Accident Workplace; none of our employees or contractors had occupational injuries or diseases.

Occupational Safety and Health Committee



Board Meeting Resolutions in 2019

- New versions of relevant regulations confirmed include the Labor Safety and Health Manual, the Occupational Safety and Health Management Plan, the Regulations for Contractor Occupational Safety and Health, the Safety and Health Self-Inspection Plan, the Emergency Response Plan, and the Regulations for Hazardous Machinery and Equipment, which have been announced, upon ratification, for the compliance of employees.
- Safety promotion programs, such as Construction Environment Management and Waste Disposal, Scaffold Operation Safety (fall protection), Electric Power Safety (prevention of electric shock accidents), and the Use of Personal Safety Gear (helmets, safety shoes, goggles, safety cables, etc.), are to be regularly conducted and emphasized to employees and contractors on construction sites both in Taiwan and abroad to prevent the occurrence of safety incidents.

- The typhoon response plan has been revised. Relevant preventative measures are to be properly carried out before the landfall of a typhoon. In the event of serious damage or destruction, a report is to be made immediately via the notification mechanism, and appropriate handling of the situation ensured.
- Self-Defense Firefighting Group Training is to be held every six months. Notification and evacuation drills are to be carried out by staff assigned by each department in conjunction with the Experience Center; the drill results are to be submitted to the fire brigade for filing for future reference in accordance with relevant provisions.
- Company amusement facilities in operation are to be inspected by professional bodies every six months; inspection records are to be submitted to the competent authority for the issuance of safety permits.
- Other major resolutions include the ensuring of air quality in the office, periodic sampling of drinking water, the formulation of traffic regulations in the work area and traffic and access control before and after working hours, application instructions and requirements for R&D project venues, contractor access management and requirements, and so on.

Occupational Safety Education Training for Contractors in 2019

Trainee	Name of construction project	Education training and planning	Goal
Contractors	Second and third floors of Building A interior decoration	Informing contractors of the work environment and hazard factors; training in scaffolding, electrical and other relevant operations	Prevention of safety incidents
	Second and fourth floors of Building A interior decoration		
	Fifth and sixth floors of Building C interior decoration		

2019 Occupational Safety Training Topics

No.	Training course	Number of sessions	Trainee	Number of participants
1	Occupational safety training for new recruits (1.5 hours)	3	New recruits	27
2	Self-defense firefighting group training for the first half of 2019 (4 hours)	1	Assigned staff	29
3	Self-defense firefighting group training for the second half of 2019 (4 hours)	1	Assigned staff	29

No.	Training course	Number of sessions	Trainee	Number of participants
4	Online training on occupational safety and health (1 hour)	1	Company-wide	34
5	Training on project sites safety practices (1 hour)	3	Project personnel	23
6	Training on overhead traveling crane operation (2 hours)	1	Operatives	6
Total				148

Healthy and Safe Workplace

Brogent implements strategies and programs to promote occupational health and safety, including : the establishment of lactation rooms, childcare discounts for employees through contracted childcare centers, and the installation of fitness equipment in the air corridor staff recreation center. Brogent also conducts comprehensive and timely reviews on the appropriateness of regulations related to occupational safety (including the Labor Safety and Health Manual, the Occupational Safety and Health Management Plan, the Regulations on Contractor Occupational Safety and Health, the Safety and Health Self-Inspection Plan, the Emergency Response Plan, and the Regulations for Hazardous Machinery and Equipment), while making revisions accordingly. The Company is planning to offer on-site health care services in 2020 to provide employees with guidance on reducing occupational injuries and medical consultations.

Measures taken by Brogent to ensure a safe and healthy work environment for employees include : “carrying out periodic maintenance of central air conditioning systems to ensure indoor air quality,” “posting large safety warnings at testing sites, warehouses, and other work sites,” “installing speed limit signs and improving anti-skid properties of underground driveways,” “periodically disinfecting indoor floors and elevators, as well as disinfecting outdoor environment in accordance with the scheduling of the park,” “implementing self-inspection instructions and maintenance checks before, during, and after using hazardous machinery,” and “implementing fire safety equipment maintenance and management plans, setting up firefighting groups, and periodically conducting fire drills.”

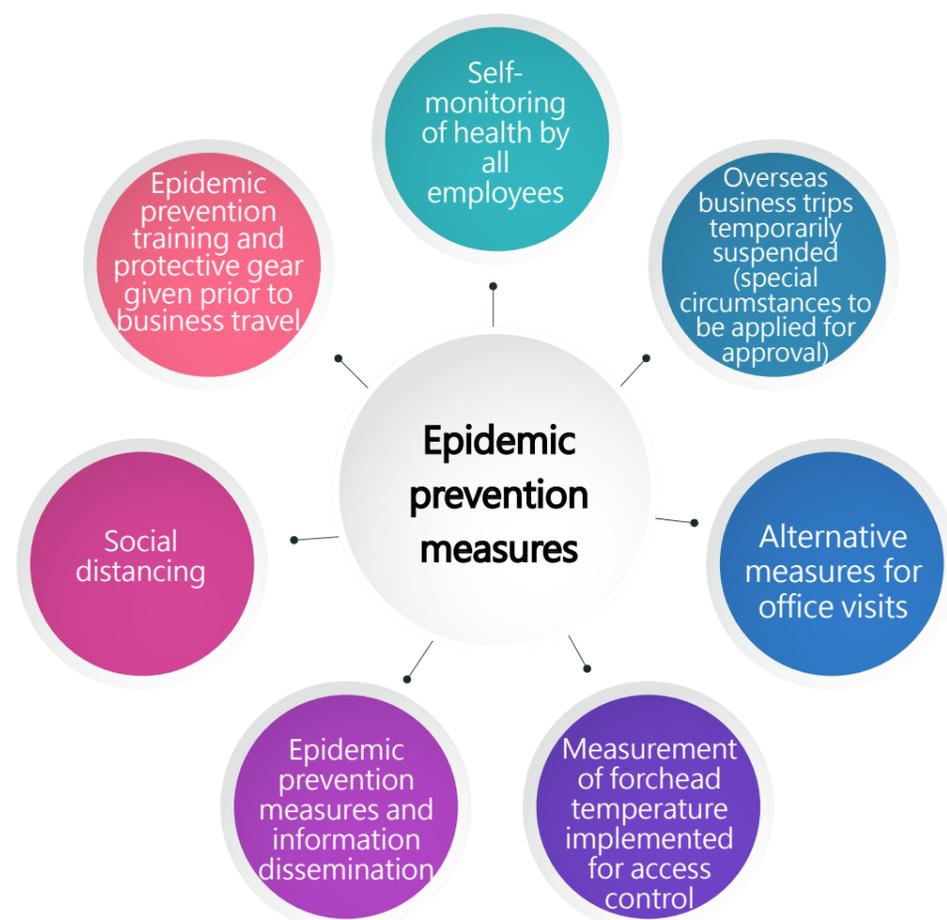
Employee health check-up

Brogent offers a fully-funded health check-up every two years to all our employees. The 2020 health check-up program will be rolled out in succession. After the health check-up, we will arrange for doctors to come in for our employees to have free consultation sessions in order to have a better understanding and tracking of their health check results.

Novel coronavirus epidemic prevention

In response to the novel coronavirus that broke out in 2019, Brogent immediately formulated and announced the “2019 Brogent Group Coronavirus Prevention and Response Plan,” setting out response measures on the basis of various types of possible impacts. At the same time, a crisis management team, consisting of the CEO, heads of centers, and departmental heads from the IT, HR, and Administration Departments, was formed with detailed description of each member’s responsibilities.

In addition, the CEO also issued a letter to all employees, thanking them for their efforts and stating clearly that the Company’s pay raise and compensation distribution plan for the year was not going to be impacted. Brogent remains steadfast in its stance to protect its employees and will not allow its employees to be exposed to high-risk work environments. When the pandemic took hold of the world in March 2020, Brogent immediately recalled its employees who were on overseas business trips and facilitated the requirements of their home quarantine or self-monitoring of health by not requesting them to report to work after their return to Taiwan and by providing them with additional allowances. Going forward, should employees be required to go overseas for projects in regions where the risk of the pandemic is under reasonable control, Brogent will also put relevant measures in place to safeguard the safety of employees.



Appendix

Conversion Table of GRI Standards Regarding Disclosure Items

No.	Disclosure Item	Corresponding Chapter	Page
GRI102 : General Disclosures 2016			
Organizational profile			
102-1	Name of organization	2.1 Company Profile	38
102-2	Activities, brands, products, and services	2.1 Company Profile	38
102-3	Location of headquarters	2.1 Company Profile	38
102-4	Location of operations	2.1 Company Profile	38
102-5	Ownership and legal form	2.1 Company Profile	38
102-6	Markets served	2.1 Company Profile	38
102-7	Scale of the organization	2.1 Company Profile	38
102-8	Information on employees and other workers	5.3.1 Talent Composition	119
102-9	Supply chain	4.2 Supply Chain Management	95
102-10	Significant changes to the organization and its supply chain	No changes in Brogent this year	-
102-11	Precautionary principle or approach	4.1.2 Risk Management	88
102-12	External initiatives	Brogent did not participate in any external initiatives this year.	-
102-13	Membership of associations	2.1 Company Profile	38
Strategy			
102-14	Statement from senior decision-maker	Letter from the Chairman	5
102-15	Key impacts, risks, and opportunities	4.1.2 Risk Management	88
Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	4.1 Corporate Governance	80
Governance			
102-18	Governance structure	4.1 Corporate Governance	80
102-19	Delegating authority	4.1 Corporate Governance	80
102-20	Executive-level responsibility for economic, environmental, and social topics	4.1 Corporate Governance	80
102-21	Consulting stakeholders on economic, environmental, and social topics	CH1Open and Transparent Communication	24
102-22	Composition of the highest governance body and its committees	4.1 Corporate Governance	80
102-23	Chair of the highest governance body	4.1 Corporate Governance	80
102-24	Nominating and selecting the highest governance body	4.1 Corporate Governance	80

No.	Disclosure Item	Corresponding Chapter	Page
102-27	Collective knowledge of the highest governance body	4.1 Corporate Governance	80
102-30	Effectiveness of risk management processes	4.1.2 Risk Management	88
102-33	Communicating critical concerns	1.1 Stakeholder Interactions and Engagement	26
102-34	Nature and total number of critical concerns	1.2 Major Issue Analysis and Management	31
102-35	Remuneration policies	Refer to III Corporate Governance Report in the 2019 Annual Report	-
102-36	Process for determining remuneration	Refer to III Corporate Governance Report in the 2019 Annual Report	-
Stakeholder engagement			
102-40	List of stakeholder groups	1.1 Stakeholder Interactions and Engagement	26
102-41	Collective bargaining agreements	Did not sign any collective bargaining agreements.	-
102-42	Identifying and selecting stakeholders	1.1 Stakeholder Interactions and Engagement	26
102-43	Approach to stakeholder engagement	1.1 Stakeholder Interactions and Engagement	26
102-44	Key topics and concerns raised	1.1 Stakeholder Interactions and Engagement	26
Reporting practice			
102-45	Entities included in the consolidated financial statements	About this Report	3
102-46	Defining report content and topic Boundaries	About this Report	3
102-47	List of material topics	1.1 Stakeholder Interactions and Engagement	26
102-48	Restatements of information	About this Report	3
102-49	Changes in reporting	About this Report	3
102-50	Reporting period	About this Report	3
102-51	Date of most recent report	About this Report	3

No.	Disclosure Item	Corresponding Chapter	Page
102-52	Reporting cycle	About this Report	3
102-53	Contact point for questions regarding the report	About this Report	3
102-54	Claims of reporting in accordance with the GRI Standards	About this Report	3
102-55	GRI content index	About this Report	3
GRI103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	1.2 Major Issue Analysis and Management	31
103-2	The management approach and its components	1.2 Major Issue Analysis and Management	31
103-3	Evaluation of the management approach	1.2 Major Issue Analysis and Management	31
GRI200: Economic Disclosures			
GRI201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	2.1 Company Profile	38
201-2	Financial implications and other risks and opportunities due to climate change	Climate Risk Governance and Strategies	21
201-3	Defined benefit plan obligations and other retirement plans	5.2.2 A robust benefits package	115
201-4	Financial assistance received from government	2.2 Operational performance	48
GRI 202: Market presence 2016			
201-1	Ratios of standard entry level wage by gender compared to local minimum wage	5.2.1 Competitive remuneration	114
201-2	Proportion of senior management hired from the local community	5.3.1 Talent composition	119
GRI205: Anti-corruption 2016			
205-2	Communication and training about anti-corruption policies and procedures	4.1.1 Operational Integrity	86
205-3	Confirmed incidents of corruption and actions taken	No such incidents in 2019	-
GRI 206: Anti-competitive Behavior 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No such incidents in 2019	-
GRI300: Environmental Disclosures			
GRI302: Energy 2016			
302-1	Energy consumption within the organization	4.3.2 Energy management	102
302-3	Energy intensity	4.3.2 Energy management	102
302-4	Reduction of energy consumption	4.3.2 Energy management	102

No.	Disclosure Item	Corresponding Chapter	Page
GRI303: Water 2016			
303-1	Water withdrawal by source	4.3.3 Water resource management	106
GRI305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	4.3.2 Energy management	102
305-2	Energy indirect (Scope 2) GHG emissions	4.3.2 Energy management	102
305-4	GHG emission intensity	4.3.2 Energy management	102
GRI307: Environmental Compliance 2016			
307-1	Non-compliance with environmental laws and regulations	No such incidents in 2019	-
GRI400: Social Disclosures			
GRI401: Employment 2016*			
401-1	New employee hires and employee turnover	5.3 Talent composition	119
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.2.2 A robust benefits package	115
401-3	Parental leave	5.1 Employee-friendly workplace	110
GRI 403: Occupational Health and Safety 2016			
403-1	Workers representation in formal joint management-worker health and safety committees	5.4.1 Occupational safety and health management	124
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	No such incidents in 2019	-
GRI404: Training and Education 2016			
404-1	Average hours of training per year per employee	5.3.2 Talent cultivation	120
404-2	Programs for upgrading employee skills and transition assistance programs	The transition assistance program, which supports employees who are retiring or whose employment contract is to be terminated, was used twice (person/time)	-
GRI405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	4.1 Corporate governance 5.3.1 Talent composition	80 119
GRI 416: Customer Health and Safety 2016			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No such incidents in 2019	-

No.	Disclosure Item	Corresponding Chapter	Page
GRI 417: Marketing and Labeling 2016			
417-2	Incidents of non-compliance concerning product and service information and labeling	No such incidents in 2019	-
417-3	Incidents of non-compliance concerning marketing communications	No such incidents in 2019	-
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No such incidents in 2019	-
GRI419: Socioeconomic Compliance 2016			
419-1	Non-compliance with laws and regulations in the social and economic area	One un-penalized incident in 2019	-

Disclosure Items of the “Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports”

Item	Disclosure item	Corresponding chapter	Page
Article 3	The report shall “include relevant environmental, social and corporate governance risk assessments and lay out the performance indicators to manage the material topics identified.”	4.1.2 Risk Management	88
Article 4.4 (A)	The “number of its full-time employees who are not in a managerial position, the average and medium of the salaries of the full-time employees who are not in a managerial position, and the difference of the three figures from the previous year”	5.2.1 Competitive Remuneration	114
Article 4.4 (B)	The “company’ s governance around climate-related risks and opportunities, actual and potential climate-related impacts, how to identify, assess and manage climate-related risks, and metrics and targets used to assess and manage relevant climate-related issues”	Climate Risk Governance and Strategy	19

Glossary of Terms for Immersive Simulation Technology

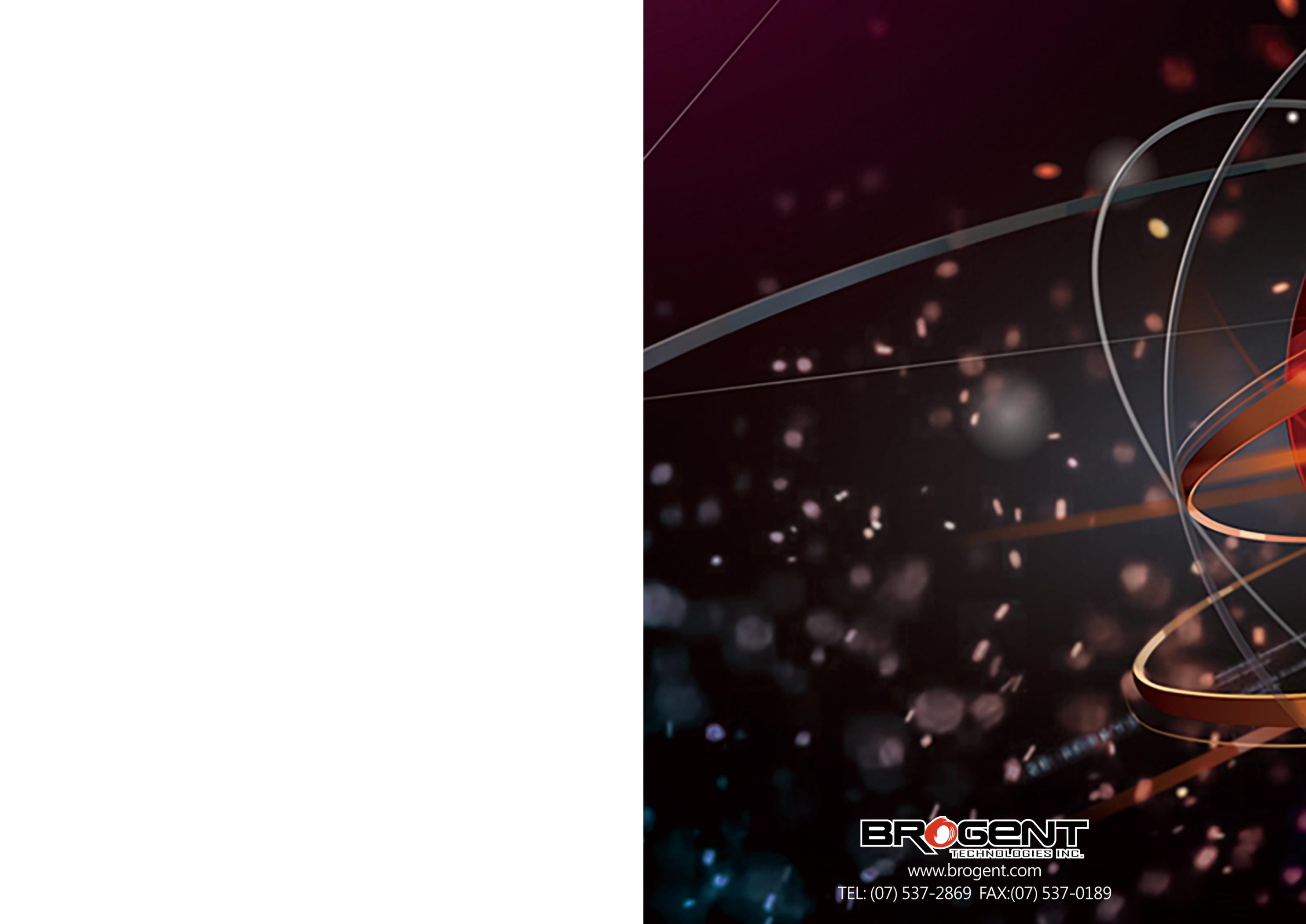
Term	Description
i-Ride flying theater	<ul style="list-style-type: none"> An i-Ride flying theater is a large-scale indoor simulator ride. In an i-Ride flying theater, passengers, whose seats are pushed towards a giant dome screen to about 14 to 26 meters from it, swing with the vehicle with dangling feet and are immersed in the experience through the five senses of sight, hearing, smell, touch, and motion, as well as special effects, such as mist and scents that go along with the content of the film in play.
Augmented reality (AR)	<ul style="list-style-type: none"> Augmented reality allows a person to have an interactive experience of the real and virtual worlds, where virtual objects are added to the real space and presented through the combination of software and camera streaming images in real time. For example, the world's most popular game Pokémon GO is an application of AR, where Pokémon virtually appear on the roads of the GPS on the phone screen.
Virtual reality (VR)	<ul style="list-style-type: none"> Virtual reality is a technology that makes use of computer simulation and three-dimensional, high-definition 3D space technology. For example, Brogent i-Ride theater makes use of a huge dome screen, which allows multiple people to be immersed in the flight experience at the same time. Through a human-machine interface, this technology enables users to experience, traveling and interacting in a seemingly real world.
Mixed reality (MR)	<ul style="list-style-type: none"> Mixed reality is the merging of real and virtual worlds to produce, by blending AR and VR technologies, a new environment and visualization that meets the general perception of virtual images to allow users to interact both in virtual and real worlds in real time.
Artificial intelligence (AI)	<ul style="list-style-type: none"> Artificial intelligence is intelligence demonstrated by machines that, through learning, can exhibit the same level of judgment, analysis, and even actual behavior as a human. In immersive simulation technology applications, physiological information can be collected through various sensors, as well as image and voice recognition devices, in an experience activity, while different feedback interactions can be tailored for each player when using AI technology, allowing them to experience and enjoy a more realistic simulation environment.
Mobile edge computing (MEC)	<ul style="list-style-type: none"> Mobile edge computing is a framework that combines cloud and endpoint computing services. By integrating computing performance, MEC technology allows the transferring of complex computing on physical equipment and its costs to cloud services, which can help to reduce the cost of terminal equipment. Thanks to 5G mobile network services, MEC technology also meets future application trends of real time, low latency, and high bandwidth.
Immersive experience	<ul style="list-style-type: none"> An immersive experience is a certain state of atmosphere experienced and enjoyed by participants through their senses and perceptions. A fully immersive experience gives users a feeling of being in a virtual world.

BROGENT TECHNOLOGIES INC.

CORPORATE SOCIAL RESPONSIBILITY REPORT

2019





BROGENT
TECHNOLOGIES INC.

www.brogent.com

TEL: (07) 537-2869 FAX:(07) 537-0189