

Stock code:5263

Brogent Technologies Inc.

2023 Annual Shareholders' Meeting Minutes

Time: 9:00AM, Wednesday, May 31, 2023

Venue: No. 9, Fuxing 4th Road, Qianzhen District, Kaohsiung City

(Assembly Hall, Building A, Brogent Technologies)

Total Outstanding Brogent shares: 64,530,176 shares

Total shares represented by shareholders present in person or by proxy: 46,966,060 shares

(among them 14,269,925 shares voted via electronic transmission), percentage of shares

held by shareholders present in person or by proxy: 72.78%

Chairman: Chih-Hung Ouyang , the Chairman of the Board of Directors

Presenters: Chih-Hung Ouyang (C.E.O.),

Chin-Huo Huang (Director),

Shen-Hao Cheng (Director),

Lewis Lee (Independent Director & Audit Committee Convener),

Chih-Poung Liou (Independent Director)

Jih-Ching Chiu (Independent Director),

Chiu-Yen Wu (CPA of Deloitte & Touche. Taiwan),

Li-Chi Yeh (Lawyer of Formosan Brothers),

Sui-Chuan Lin (C.F.O.)

Minutes Recorder: Shu-Ching Lin

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

A. Chairman's Address (omitted)

B. Reports

I: The 2022 Business Report is hereby submitted for review.

Explanation: Please refer to Attachment 1 for the Business Report.

II: The 2022 Audit Committee Audit Report is hereby submitted for review.

Explanation: Please refer to Attachment 2 for the Audit Committee Audit Report.

III: The Proposal for 2022 Cash distribution of Capital Surplus.

Explanation: 1. It is proposed to distribute NT\$93,776,126 from capital surplus of the issuing premium of the par value of the common share pursuant to Article 241 of the Company Act. A cash dividend of NT\$1.5 per share is to be distributed based on the 62,517,417 shares outstanding.

2. The distribution will be based on the list of shareholders registered as of the record date of cash distribution of capital surplus. The aforementioned cash distribution will be paid to the rounded-down full NT dollar.

3. The Chairman is authorized to separately determine related matters such as the Dividend Record Date and Distribution Date.

4. If the number of total shares outstanding is affected by changes in the company's share capital or other reasons, such that the ratios of the cash dividends are affected and must be adjusted, the Board of Directors authorized the Chairman to handle it with full authority.

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

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

| Type | Third domestic unsecured convertible bonds | Fourth domestic unsecured convertible bonds |
|--|---|---|
| Issue date | 2020.10.12 | 2020.10.15 |
| Par value | NT\$100,000 | NT\$100,000 |
| Issue price | Issued by 101.64% of par value | Issued by par value |
| Total value | NT\$700,000,000 | NT\$500,000,000 |
| Interest rate | 0% | 0% |
| Expiration date | 5 year Expiration date: Oct. 12, 2025 | 4 year Expiration date: Oct. 15, 2024 |
| Assurance institution | None | None |
| Repayment | Except for the repayment by the company, sell of the bond holders or person who convert, when it comes to expiration, the company will repay per par value along with interest by cash. | Except for the repayment by the company, sell of the bond holders or person who convert, when it comes to expiration, the company will repay per par value along with interest by cash. |
| Outstanding principal | NT\$97,700,000 | NT\$175,500,000 |
| Till April 2, 2023 book closing date amount of the corporate bonds convertible into shares | Amount of execution on conversion bonds: NT\$602,300,000; total (converted) common shares: 5,736,023 | Amount of execution on conversion bonds: NT\$324,500,000; total (converted) common shares: 3,046,743 |
| The possible dilution conditions and influence on shareholders' equity caused by the issuance and conversion and the terms of issuance | No great influences yet | No great influences yet |

C. Ratifications

Item 1: The 2022 Business Report and Financial Report are hereby submitted for ratification. (Proposed by the Board of Directors)

Explanation: 1. The Company's 2022 Financial Report has been audited by CPAs Chiu-Yen Wu and Li-Yuan Kuo of Deloitte & Touche. The Financial Report and Business Report have been forwarded to the Audit Committee for review, and the written Audit Report is submitted for approval.

2. The Company's 2022 Business Report (please refer to Attachment 1) and Financial Report (please refer to Attachment 3).

3. The reports are hereby submitted for ratification.

Resolution: The balloting outcome including votes exercised through electronic voting: 43,406,288 pro votes, accounting for 96.83% of the aggregate total votes; 13,853 disapproval votes, 0 invalid vote, abstention/ Non-voting votes: 1,405,071 votes. The present issue is duly resolved exactly as proposed.

Item 2: The 2022 Deficit Compensation Statement is hereby submitted for ratification. (Proposed by the Board of Directors)

Explanation: 1. The Company's 2022 Deficit Compensation Statement is as follows:

| BROGENT TECHNOLOGIES INC. | | |
|--|--------------|---------------|
| Deficit Compensation Statement | | |
| 2022 | | UNIT : NT\$ |
| Item | Amount | |
| | Subtotal | Total |
| Deficit un-compensated at the beginning of 2022 | | (181,725,079) |
| ADD(LESS) : | | |
| Remeasurement of Investments accounted for using equity method | (553,751) | |
| Reversal of Special reserve | 14,857,302 | |
| Net loss in 2022 | (60,726,218) | |
| Accumulated deficit | | (46,422,667) |
| Deficit un-compensated at the end of 2022 | | (228,147,746) |
| Legal reserve | | 127,421,032 |
| Capital surplus | | 100,726,714 |
| End of 2022 | | 0 |

Chairman:



General Manager:



Accounting Manager:



2. The reports are hereby submitted for ratification.

Resolution: The balloting outcome including votes exercised through electronic voting: 43,395,781 pro votes, accounting for 96.81% of the aggregate total votes: 22,348 disapproval votes, 0 invalid vote, abstention/ Non-voting votes: 1,407,083 votes. The present issue is duly resolved exactly as proposed.

D. Matters for Discussion and Votes

Item 1: A vote is hereby called for the comprehensive re-election of Directors.

(Proposed by the Board of Directors)

- Explanation: 1. The terms of the Company's current Directors shall reach three years on May 27, 2023 and a re-election shall be held at this Shareholders Meeting in accordance with regulations.
2. The Directors and Supervisors elected today shall serve a term of three years from May 31, 2023 to May 30, 2026. The terms of the original Directors shall expire upon the completion of the election in this Annual Shareholders Meeting.
3. According to Article 14 of the Company's Articles of Incorporation, eight Directors (including four Independent Directors) are elected on a candidate nomination system. The list of candidates for Directors and Independent Directors information is as follows:

Directors list

| | |
|-----------------------|--|
| Name | Chih-Hung Ouyang |
| Education | Electrical Engineering, National Sun Yat-sen University |
| Experience | R&D Engineer, Acer Incorporated Project Manager, Ai West Co., Ltd. President, Micro Sova Co., Ltd. |
| Number of shares held | 3,807,191 shares |

| | |
|-----------------------|---|
| Name | Chang chun Investment Co., Ltd. Representative Chih-Chuan Chen |
| Education | M.B.A., National Taiwan University |
| Experience | Juridical Person Director Representative of Miho International Cosmetic Co., Ltd. Juridical Person Director Representative of MEGA GROWTH VENTURE CAPITAL CO., LTD. Vice President, Investment Administration Division, RT-Mart International |
| Number of shares held | 2,150,271 shares |

| | |
|-----------------------|---|
| Name | Chin-Huo Huang |
| Education | Chang Hua Industrial Vocational High School |
| Experience | Chairman, Fu Ying Metal Industrial Co., Ltd. |
| Number of shares held | 1,149,442 shares |

| | |
|-----------------------|---|
| Name | LARGOU MORI CO., LTD. Representative Shen-Hao Cheng |
| Education | The doctorate degree of Meiji University /Graduate School of Commerce. |
| Experience | LARGOU MORI CO., LTD. Chairman |
| Number of shares held | 1,724,888 shares |

Independent Directors list

| | |
|-----------------------|--|
| Name | Lewis Lee |
| Education | National Chengchi University, Department of Accounting. |
| Experience | Partner, PwC, Taiwan. |
| Number of shares held | 0 shares |

| | |
|-----------------------|-------------------------------------|
| Name | Chih-Poung Liou |
| Education | LL. M., University of Tokyo (Japan) |
| Experience | Managing Partner, Stellex Law Firm. |
| Number of shares held | 0 shares |

| | |
|-----------------------|--|
| Name | Jih-Ching Chiu |
| Education | Ph.D., CSIE, Chiao-Tung University, |
| Experience | Associate Professor, National Sun Yat-sen University |
| Number of shares held | 0 shares |

| | |
|-----------------------|---|
| Name | Keng-Shin Lin |
| Education | College of Medicine, Taipei Medical University |
| Experience | Chief Physician, Kaohsiung Municipal Kai-Syuan Psychiatric Hospital |
| Number of shares held | 0 shares |

4. Submitted for election.

Election Results:

Directors:

| Account No. or ID NO. | Name | Number of votes |
|-----------------------|---|-----------------|
| 2 | Chih-Hung Ouyang | 56,403,675 |
| 7396 | Chang chun Investment Co., Ltd. Representative Chih-Chuan Chen | 49,458,268 |
| 78 | Chin-Huo Huang | 47,987,319 |
| 10698 | LARGOU MORI CO., LTD Representative Shen-Hao Cheng | 44,178,882 |

Independent Directors

| Account No. or ID NO. | Name | Number of votes |
|-----------------------|-----------------|-----------------|
| S12046**** | Lewis Lee | 38,924,783 |
| B12046**** | Chih-Poung Liou | 37,098,865 |
| T12084**** | Jih-Ching Chiu | 36,588,936 |
| E12124**** | Keng-Shin Lin | 35,906,452 |

Item 2: The proposal for lifting the ban on competition between newly elected Directors and their representatives is hereby submitted for discussion.
(Proposed by the Board of Directors)

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

2. To make use of the expertise and related experience of the Company's Directors, the lift of the ban on competition between newly elected Directors and their representatives is hereby submitted for approval the 2023 Annual Shareholders Meeting in accordance with the law.

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

| Title | Name | Other Positions |
|----------|--|--|
| Director | Chih-Hung Ouyang | Chairman, Fu Wu Investment Ltd. Chairman, Brogent Global Inc. |
| Director | Chang chun Investment Co., Ltd. Representative Chih-Chuan Chen | Vice President, Investment Administration Division, RT-Mart International Juridical Person Director Representative of MEGA GROWTH VENTURE CAPITAL CO., LTD. Juridical Person Director Representative of MIHO INTERNATIONAL COSMETIC CO., LTD. Juridical Person Director Representative of Mirror Vision INC. |
| Director | Chin-Huo | Chairman, Fu Ying Metal Industrial |

| | | |
|-------------------------|--|---|
| | Huang | Co., Ltd. |
| Director | LARGOU MORI CO., LTD. Representative Shen-Hao Cheng | LARGOU MORI CO., LTD.(TW) Chairman LARGOU MORI CO.,LTD.(JAPAN) Chairman |
| Independent Director | Lewis Lee | Vice director, ZHI CHENG Co-located CPA Firm. Independent Director, POYA International Co., Ltd. Independent Director, ALL RING TECH CO., LTD. Independent Director, ScinoPharm Taiwan, Ltd. |
| Independent Director | Chih-Poung Liou | Managing Partner, Stellex Law Firm. |
| Independent Director | Jih-Ching Chiu | Associate Professor, National Sun Yat-sen University |
| Independent Director | Keng-Shin Lin | Dean of Dr. Lin's Healing Clinic |

4. Submitted for discussion.

Resolution: The balloting outcome including votes exercised through electronic voting: 43,368,948 pro votes, accounting for 96.75% of the aggregate total votes: 29,626 disapproval votes, 0 invalid vote, abstention/ Non-voting votes: 1,426,638 votes. The present issue is duly resolved exactly as proposed.

E. Extempore motions

(No shareholder raised issues at the shareholder meeting.)

F. Meeting adjourned

Meeting adjourned at 9:24 AM Wednesday, May 31, 2023.

Brogent Technologies Inc. Business Report

1) Operating policies

In 2023, Brogent Group will step forward toward the following directions: 1. Product Diversification: Innovative technology to develop diversified new equipment and expand overall market penetration rate. 2. High-end technology: Cooperate with domestic manufacturers to create small LED dome screen, and continue to lay out immersive experience in the Metaverse. 3. Revenue diversification: Expand the global operation base and enhance the digital content film database, and increase the number of film licenses.

The Company's layout in the somatosensory amusement equipment market. In addition to continuous investment in research and development, optimization and expansion of product lines, the pursuit of market coverage, providing complete solutions, cross-domain system integration capabilities, multiple business models, outright sale of the equipment, rental film authorization, and development of operating sites, become a world-class new media entertainment supplier. In the future, Brogent is ready for the opportunity for large-scale entertainment system replacement as the world is lifting all the pandemic restrictions and bringing about a U-shaped recovery in the leisure tourism industry. With the product line of large, medium and small equipment, it is expected to sell the equipment to amusement parks, independent based on flying theaters and various types of entertainment centers.

2) Business Plan Implementation Results

The Company's consolidated net operating revenue in 2022 amounted to NT\$803.766 million, an increase of approximately 2.03% from the net operating revenue of NT\$787.749 million in 2021. The Company's net loss in the current period amounted to NT\$62.398 million, a decrease of 53.20% from the net loss of NT\$133.323 million in 2021.

3) Operating Income and Budget Execution

(1). Operating Income

The categories of consolidated operating revenue in 2022 included project revenue, service revenue, ticket revenue and other operations, and the total amount was NT\$803.766 million. Affected by COVID-19, the progress of projects and orders is relatively delayed, resulting in slow revenue progress.

(2). Operating Expenses

Total consolidated operating expenses in 2022 amounted to NT\$577.780 million, an increase of NT\$21.139 million from the NT\$556.641 million of 2021. The main reason is that the company continues to invest resources in product marketing to increase the market visibility of products and operating bases.

4) Profitability Analysis

The Company's operating expense ratio increased 3.80% and net loss decreased 53.20% compared with 2021, mainly affected by COVID-19 epidemic on market recovery. The Company will maximize shareholder's value through product

diversification, revenue diversification, high-end technology, and strong competitive advantages in 2023.

5) Research and Development

To maintain core competitiveness, Brogent will keep engaging in advanced technological R&D and innovative applications and implement product-centric design and research as well as systematic management to maintain the leading position of products and technologies. The R&D expenses decreased NT\$18.304 million compared with 2021. The main reason is the capitalization of some R&D products, the optimization of product design and manufacturing process. The company adheres to continuous innovation and R&D to obtain national patents. In order to achieve "corner overtaking" through continuous research and development, technology leadership and diversified business models. The goal is to push the group's revenue scale to the level of the world's first-tier entertainment system suppliers.

Chairman:



General Manager:



Accounting Manager:



(Attachment 2)

Brogent Technologies Inc. Audit Committee Audit Report

The Business Report, Financial statements and Deficit Compensation Statement of 2022 prepared by the Board of Directors have been audited and certified by Chiu-Yen Wu and Li-Yuan Kuo of Deloitte & Touche. After reviewing such documents, this Audit Committee found no nonconformity, in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

2023 Annual Shareholders Meeting of Brogent Technologies Inc.

Audit Committee Convener:



March 15, 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Brogent Technologies Inc.

Opinion

We have audited the accompanying consolidated financial statements of Brogent Technologies Inc. (the "Corporation") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2022 is stated as follows:

The recognition of project contract revenue

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

Refer to Notes 4, 5 and 24 for accounting policy on project contract, accounting estimates and assumptions, and details of project revenue.

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

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

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

Other Matter

We have audited the parent company only financial statements of the Corporation as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 15, 2023

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

Brogent Technologies Inc. and Subsidiaries

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

| ASSETS | December 31, 2022 | | December 31, 2021 | |
|--|---------------------|------------|---------------------|------------|
| | Amount | % | Amount | % |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents (Notes 4 and 6) | \$ 721,736 | 15 | \$ 675,485 | 14 |
| Financial assets at fair value through profit or loss - current (Notes 4 and 7) | 118,819 | 2 | 287,613 | 6 |
| Financial assets at fair value through other comprehensive income - current(Notes 4 and 8) | 130,000 | 3 | - | - |
| Financial assets at amortized cost - current (Notes 4, 9 and 32) | 144,788 | 3 | 103,001 | 2 |
| Accounts receivable, net (Notes 4, 5 and 10) | 270,332 | 5 | 216,053 | 4 |
| Contract assets - current (Notes 4, 5 and 24) | 1,303,225 | 26 | 1,172,733 | 25 |
| Current tax assets (Notes 4 and 26) | 891 | - | 325 | - |
| Inventories (Notes 4 and 11) | 320,604 | 7 | 223,297 | 5 |
| Prepayments | 63,702 | 1 | 121,126 | 3 |
| Other current assets | 24,143 | 1 | 18,004 | - |
| Total current assets | <u>3,098,240</u> | <u>63</u> | <u>2,817,637</u> | <u>59</u> |
| NONCURRENT ASSETS | | | | |
| Financial assets at fair value through profit or loss - noncurrent (Notes 4 and 7) | 378,155 | 8 | 291,657 | 6 |
| Financial assets at amortized cost - noncurrent (Notes 4, 9 and 32) | 56,950 | 1 | 54,631 | 1 |
| Investments accounted for using equity method (Notes 4 and 13) | 1,755 | - | 1,506 | - |
| Property, plant and equipment (Notes 4, 14 and 32) | 758,358 | 15 | 976,416 | 20 |
| Right-of-use assets (Notes 4 and 15) | 287,013 | 6 | 308,417 | 7 |
| Intangible assets (Notes 4 and 16) | 196,740 | 4 | 166,000 | 4 |
| Deferred tax assets (Notes 4 and 26) | 90,499 | 2 | 76,444 | 2 |
| Refundable deposits | 19,484 | - | 15,034 | - |
| Other noncurrent assets | 64,179 | 1 | 68,697 | 1 |
| Total noncurrent assets | <u>1,853,133</u> | <u>37</u> | <u>1,958,802</u> | <u>41</u> |
| TOTAL | <u>\$ 4,951,373</u> | <u>100</u> | <u>\$ 4,776,439</u> | <u>100</u> |
| LIABILITIES AND EQUITY | | | | |
| CURRENT LIABILITIES | | | | |
| Short-term borrowings (Note 17) | \$ 321,840 | 7 | \$ 155,085 | 3 |
| Notes payable (Note 19) | 11,772 | - | 1,388 | - |
| Accounts payable (Note 19) | 110,649 | 2 | 87,236 | 2 |
| Contract liabilities - current (Note 24) | 68,223 | 1 | 65,772 | 1 |
| Other payables (Note 20) | 83,290 | 2 | 79,014 | 2 |
| Current tax liabilities (Notes 4 and 26) | 2,490 | - | 6,442 | - |
| Provisions - current (Note 4) | 8,620 | - | 5,122 | - |
| Lease liabilities - current (Notes 4 and 15) | 64,414 | 1 | 60,133 | 1 |
| Current portion of long-term borrowings (Note 17) | 49,334 | 1 | 103,828 | 2 |
| Current portion of bonds payable (Notes 4 and 18) | 219,204 | 5 | 315,027 | 7 |
| Other current liabilities | 3,190 | - | 2,316 | - |
| Total current liabilities | <u>943,026</u> | <u>19</u> | <u>881,363</u> | <u>18</u> |
| NONCURRENT LIABILITIES | | | | |
| Bonds payable (Notes 4 and 18) | 261,577 | 5 | 319,291 | 6 |
| Long-term borrowings (Note 17) | 268,220 | 5 | 227,560 | 5 |
| Deferred tax liabilities (Notes 4 and 26) | 27,010 | 1 | 41,141 | 1 |
| Lease liabilities - noncurrent (Notes 4 and 15) | 257,167 | 5 | 273,676 | 6 |
| Total noncurrent liabilities | <u>813,974</u> | <u>16</u> | <u>861,668</u> | <u>18</u> |
| Total liabilities | <u>1,757,000</u> | <u>35</u> | <u>1,743,031</u> | <u>36</u> |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 23) | | | | |
| Share capital | | | | |
| Ordinary shares | 614,431 | 13 | 573,641 | 12 |
| Advance receipts for ordinary share | 10,743 | - | 36,003 | 1 |
| Total share capital | <u>625,174</u> | <u>13</u> | <u>609,644</u> | <u>13</u> |
| Capital surplus | 2,648,189 | 54 | 2,501,234 | 53 |
| Retained earnings (deficit to be compensated) | | | | |
| Legal reserve | 127,421 | 3 | 127,421 | 3 |
| Special reserve | 14,857 | - | 14,857 | - |
| Accumulated deficit | (243,005) | (5) | (181,725) | (4) |
| Total deficit to be compensated | <u>(100,727)</u> | <u>(2)</u> | <u>(39,447)</u> | <u>(1)</u> |
| Other equity | 21,484 | - | (39,431) | (1) |
| Total equity attributable to owners of the Corporation | 3,194,120 | 65 | 3,032,000 | 64 |
| NON-CONTROLLING INTERESTS (Note 23) | <u>253</u> | <u>-</u> | <u>1,408</u> | <u>-</u> |
| Total equity | <u>3,194,373</u> | <u>65</u> | <u>3,033,408</u> | <u>64</u> |
| TOTAL | <u>\$ 4,951,373</u> | <u>100</u> | <u>\$ 4,776,439</u> | <u>100</u> |

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

Brogent Technologies Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Loss Per Share)

| | 2022 | | 2021 | |
|--|------------------|-------------|------------------|-------------|
| | Amount | % | Amount | % |
| NET OPERATING REVENUE (Notes 4, 5, 24 and 31) | \$ 803,766 | 100 | \$ 787,749 | 100 |
| OPERATING COSTS (Notes 10 and 25) | <u>473,249</u> | <u>59</u> | <u>411,243</u> | <u>52</u> |
| GROSS PROFIT | <u>330,517</u> | <u>41</u> | <u>376,506</u> | <u>48</u> |
| OPERATING EXPENSES (Notes 9, 24 and 25) | | | | |
| Selling and marketing expenses | 74,973 | 9 | 53,715 | 7 |
| General and administrative expenses | 293,387 | 37 | 248,857 | 32 |
| Research and development expenses | 189,445 | 24 | 207,749 | 26 |
| Expected credit loss | <u>19,975</u> | <u>2</u> | <u>46,320</u> | <u>6</u> |
| Total operating expenses | <u>577,780</u> | <u>72</u> | <u>556,641</u> | <u>71</u> |
| OPERATING LOSS | <u>(247,263)</u> | <u>(31)</u> | <u>(180,135)</u> | <u>(23)</u> |
| NON-OPERATING INCOME AND EXPENSES (Note 25) | | | | |
| Interest income | 8,514 | 1 | 5,337 | 1 |
| Other income | 19,022 | 2 | 51,114 | 6 |
| Other gains and losses | 159,954 | 20 | 2,994 | - |
| Finance costs | (23,717) | (3) | (27,063) | (3) |
| Share of profit or loss of associates accounted for using the equity method | <u>(468)</u> | <u>-</u> | <u>(6,029)</u> | <u>(1)</u> |
| Total non-operating income and expenses | <u>163,305</u> | <u>20</u> | <u>26,353</u> | <u>3</u> |
| LOSS BEFORE INCOME TAX | (83,958) | (11) | (153,782) | (20) |
| INCOME TAX BENEFIT (Notes 4 and 26) | <u>(21,560)</u> | <u>(3)</u> | <u>(20,459)</u> | <u>(3)</u> |
| NET LOSS FOR THE YEAR | <u>(62,398)</u> | <u>(8)</u> | <u>(133,323)</u> | <u>(17)</u> |
| OTHER COMPREHENSIVE INCOME (Notes 21 and 23) | | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | | |
| Remeasurement of defined benefit plans | - | - | (350) | - |
| Unrealized gains on investments in equity instruments at fair value through other comprehensive income | 30,000 | 4 | - | - |
| Income tax relating to items that will not be reclassified subsequently to profit or loss | - | - | 70 | - |

(Continued)

Brogent Technologies Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Loss Per Share)

| | 2022 | | 2021 | |
|---|--------------------|------------|---------------------|-------------|
| | Amount | % | Amount | % |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Exchange differences on translation of the financial statements of foreign operations | \$ 30,911 | 4 | \$ (14,229) | (2) |
| Share of the other comprehensive loss of associates accounted for using the equity method | <u>(33)</u> | <u>-</u> | <u>(355)</u> | <u>-</u> |
| Other comprehensive loss for the year, net of income tax | <u>60,878</u> | <u>8</u> | <u>(14,864)</u> | <u>(2)</u> |
| TOTAL COMPREHENSIVE LOSS FOR THE YEAR | <u>\$ (1,520)</u> | <u>-</u> | <u>\$ (148,187)</u> | <u>(19)</u> |
| NET LOSS ATTRIBUTABLE TO: | | | | |
| Owners of the Corporation | \$ (60,726) | (8) | \$ (131,956) | (17) |
| Non-controlling interests | <u>(1,672)</u> | <u>-</u> | <u>(1,367)</u> | <u>-</u> |
| | <u>\$ (62,398)</u> | <u>(8)</u> | <u>\$ (133,323)</u> | <u>(17)</u> |
| TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO: | | | | |
| Owners of the Corporation | \$ 189 | - | \$ (145,203) | (19) |
| Non-controlling interests | <u>(1,709)</u> | <u>-</u> | <u>(2,984)</u> | <u>-</u> |
| | <u>\$ (1,520)</u> | <u>-</u> | <u>\$ (148,187)</u> | <u>(19)</u> |
| LOSS PER SHARE (Note 27) | | | | |
| Basic | <u>\$ (0.99)</u> | | <u>\$ (2.31)</u> | |
| Diluted | <u>\$ (0.99)</u> | | <u>\$ (2.31)</u> | |

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

Broengt Technologies Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

| | Equity Attributable to Owners of the Corporation | | | | | | Other Equity | | Total | Non-controlling Interests | Total Equity | |
|---|--|-------------------------------------|-----------------|---|-----------------|-------------------------|---|---|-------------|---------------------------|--------------|--------------|
| | Ordinary Shares | Advance Receipts for Ordinary Share | Capital Surplus | Retained Earnings (Deficit to be Compensated) | | | Exchange Differences on Translation of Foreign Operations | Unrealized Gain or loss On financial Assets at FVTOCI | | | | |
| | | | | Legal Reserve | Special Reserve | Unappropriated Earnings | | | | | | |
| BALANCE AT JANUARY 1, 2021 | \$ 557,474 | \$ - | \$ 2,021,953 | \$ 127,421 | \$ 14,857 | \$ (48,972) | \$ (26,464) | \$ - | \$ (26,464) | \$ 2,646,269 | \$ 2,758 | \$ 2,649,027 |
| Net loss in 2021 | - | - | - | - | - | (131,956) | - | - | - | (131,956) | (1,367) | (133,323) |
| Other comprehensive loss in 2021, net of income tax | - | - | - | - | - | (280) | (12,967) | - | (12,967) | (13,247) | (1,617) | (14,864) |
| Total comprehensive loss in 2021 | - | - | - | - | - | (132,236) | (12,967) | - | (12,967) | (145,203) | (2,984) | (148,187) |
| Convertible bonds converted to ordinary shares | 16,167 | 36,003 | 480,394 | - | - | - | - | - | - | 532,564 | - | 532,564 |
| Changes in percentage of ownership interest in subsidiaries (Note 12) | - | - | (1,113) | - | - | (517) | - | - | - | (1,630) | 1,630 | - |
| Additional non-controlling interest recognized on issue of employee share options by subsidiaries | - | - | - | - | - | - | - | - | - | - | 4 | 4 |
| BALANCE AT DECEMBER 31, 2021 | 573,641 | 36,003 | 2,501,234 | 127,421 | 14,857 | (181,725) | (39,431) | - | (39,431) | 3,032,000 | 1,408 | 3,033,408 |
| Net loss in 2022 | - | - | - | - | - | (60,726) | - | - | - | (60,726) | (1,672) | (62,398) |
| Other comprehensive income in 2022, net of income tax | - | - | - | - | - | - | 30,915 | 30,000 | 60,915 | 60,915 | (37) | 60,878 |
| Total comprehensive loss in 2022 | - | - | - | - | - | (60,726) | 30,915 | 30,000 | 60,915 | 189 | (1,709) | (1,520) |
| Convertible bonds converted to ordinary shares (Note 18) | 40,790 | (25,260) | 146,205 | - | - | - | - | - | - | 161,735 | - | 161,735 |
| Changes in percentage of ownership interest in subsidiaries (Note 12) | - | - | - | - | - | (554) | - | - | - | (554) | 554 | - |
| Changes in equity of associates accounted for using equity method | - | - | 750 | - | - | - | - | - | - | 750 | - | 750 |
| BALANCE AT DECEMBER 31, 2022 | \$ 614,431 | \$ 10,743 | \$ 2,648,189 | \$ 127,421 | \$ 14,857 | \$ (243,005) | \$ (8,516) | \$ 30,000 | \$ 21,484 | \$ 3,194,120 | \$ 253 | \$ 3,194,373 |

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

Brogent Technologies Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

| | 2022 | 2021 |
|---|-------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before income tax | \$ (83,958) | \$ (153,782) |
| Adjustments for: | | |
| Income and expenses | | |
| Depreciation expense | 145,045 | 117,349 |
| Amortization expense | 31,336 | 33,882 |
| Expected credit loss | 19,975 | 46,320 |
| Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss | (7,537) | (23,991) |
| Finance cost | 23,717 | 27,063 |
| Interest income | (8,514) | (5,337) |
| Share of profit or loss of associates accounted for using the equity method | 468 | 6,029 |
| Net loss (gain) on disposal of property, plant and equipment | (74,931) | 2,036 |
| Net loss on disposal of intangible assets | 703 | - |
| Net loss (gain) on foreign currency exchange | (5,941) | 2,973 |
| Loss on inventories | 1,642 | 1,875 |
| Others | - | (2,458) |
| Changes in operating assets and liabilities | | |
| Financial assets mandatorily classified as at fair value through profit or loss | 170,415 | 100,623 |
| Notes receivable | - | 21,164 |
| Accounts receivable | (55,195) | (47,862) |
| Contract assets | (148,784) | (62,808) |
| Inventories | (98,949) | 12,815 |
| Prepayments | 55,978 | (2,889) |
| Other current assets | (6,939) | 2,604 |
| Notes payable | 10,384 | (10,183) |
| Accounts payable | 23,413 | (12,058) |
| Contract liabilities | 2,451 | (70,982) |
| Other payables | 4,553 | 20,273 |
| Provisions | 3,498 | 2,742 |
| Other current liabilities | 874 | 720 |
| Net defined benefit liabilities | - | (9,644) |
| Cash generated (used in) from operations | 3,704 | (3,526) |
| Income tax paid | (11,683) | (17,019) |
| Net cash used in operating activities | (7,979) | (20,545) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of financial assets at fair value through other comprehensive income | (100,000) | - |
| Purchase of financial instruments at fair value through profit or loss | (61,288) | - |
| Purchase of financial assets at amortized cost | (207,283) | (77,849) |
| Proceeds from sale of financial assets at amortized cost | 169,233 | 169,834 |

(Continued)

Brogent Technologies Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

| | 2022 | 2021 |
|---|-------------------|-------------------|
| Payments for property, plant and equipment | \$ (61,002) | \$ (99,553) |
| Proceeds from disposal of property, plant and equipment | 263,402 | 1,534 |
| Increase in refundable deposits | (4,393) | (1,770) |
| Acquisition of intangible assets | (14,839) | (15,010) |
| Increase in other noncurrent assets | (37,921) | (4,783) |
| Interest received | <u>8,514</u> | <u>5,337</u> |
| Net cash used in investing activities | <u>(45,577)</u> | <u>(22,260)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Increase (decrease) in short-term borrowings | 166,755 | (61,122) |
| Proceeds from long-term borrowings | 224,867 | 120,588 |
| Repayment of long-term borrowings | (240,014) | (145,705) |
| Repayment of the principal portion of lease liabilities | (46,293) | (40,741) |
| Interest paid | <u>(15,237)</u> | <u>(13,363)</u> |
| Net cash generated from (used in) financing activities | <u>90,078</u> | <u>(140,343)</u> |
| EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES | | |
| | <u>9,729</u> | <u>(5,708)</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 46,251 | (188,856) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | <u>675,485</u> | <u>864,341</u> |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | <u>\$ 721,736</u> | <u>\$ 675,485</u> |

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

(Concluded)