



Stock code:5263

Brogent Technologies Inc.

2021 Annual Meeting of Shareholders

Proceedings Manual

Date: Friday, May 28, 2021

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

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Brogent Technologies Inc.
Proceedings of the 2021 Annual Meeting of Shareholders

- 1) Call to Order
- 2) Chairperson's Remarks
- 3) Reports
- 4) Ratifications
- 5) Extempore Motions
- 6) Meeting Adjourned

Brogent Technologies Inc.

Agenda of the 2021 Annual Meeting of Shareholders

Time: 9:00AM, Friday, May 28, 2021

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

- 1) Call to Order (respective holding of shareholders present announced)
- 2) Chairperson's Remarks
- 3) Reports
 - (1): 2020 Business Report.
 - (2): 2020 Audit Committee Audit Report
 - (3): The status of issuing corporate bonds
- 4) Ratifications
 - (1): 2020 Business Report and Financial Report.
 - (2): 2020 Deficit Compensation Statement.
- 5) Extempore Motions
- 6) Meeting Adjourned

Reports

I: The 2020 Business Report is hereby submitted for review.

Please refer to Attachment 1 on page 6-7 of the Manual for the Business Report.

II: The 2020 Audit Committee Audit Report is hereby submitted for review.

Please refer to Attachment 2 on page 8 of the Manual for the Audit Committee Audit Report.

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

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

Type	Third domestic unsecured convertible bonds	Forth domestic unsecured convertible bonds
Issue date	2020.10.12	2020.10.15
Par value	NTD\$100,000	NTD\$100,000
Issue price	Issued by 101.64% of par value	Issued by par value
Total value	NTD\$700,000,000	NTD\$500,000,000
Interest rate	0%	0%
Expiration date	5 year Expiration date : Oct. 12, 2025	4 year Expiration date : Oct. 15, 2024
Assurance institution	None	None
Repayment	Except for the repayment by the company, sell of the bond holders or person who convert, when it comes to expiration, the company will repay per par value along with interest by cash.	Except for the repayment by the company, sell of the bond holders or person who convert, when it comes to expiration, the company will repay per par value along with interest by cash.
Outstanding principal	NTD\$630,600,000 元	NTD\$454,900,000
Till March 30, 2021 book closing date amount of the corporate bonds convertible into shares	Amount of execution on conversion bonds: NT\$69,400,000; total (converted) common shares: 660,927	Amount of execution on conversion bonds: NT\$45,100,000; total (converted) common shares: 423,460
The possible dilution conditions and influence on shareholders' equity caused by the issuance and conversion and the terms of issuance	No great influences yet	No great influences yet

Ratifications

Item 1: The 2020 Business Report and Financial Report are hereby submitted for ratification. (Proposed by the Board of Directors)

Explanation: 1.The Company's 2020 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 2020 Business Report (please refer to Attachment 1 on page 6-7 of the Manual) and Financial Report (please refer to Attachment 3 on page 9-18 of the Manual).

3.The reports are hereby submitted for ratification.

Resolution:

Item 2: The 2020 Deficit Compensation Statement is hereby submitted for ratification. (Proposed by the Board of Directors)

Explanation: 1. The Company's 2020 Deficit Compensation Statement is as follows:

BROGENT TECHNOLOGIES INC.		
Deficit Compensation Statement		
2020		UNIT : NT\$
Item	Amount	
	Subtotal	Total
Accumulated earnings at beginning of 2020		2,720,302
ADD(LESS) :		
Remeasurement of defined benefit plan	(720,607)	
Retained earnings adjusted for investments accounted for using equity method	(1,787,284)	
Net loss of 2020	(49,184,019)	
accumulated deficit		(51,691,910)
Deficit un-compensated at end of 2020		(48,971,608)

Chairman:



General Manager:



Accounting Manager:



2. The reports are hereby submitted for ratification.

Resolution:

Extempore motions

Meeting adjourned

Brogent Technologies Inc. Business Report

1) Operating policies

In 2021, Brogent Group will step forward toward the following directions: 1. Diverse and flexible product lines: to increase the sales of small and medium sized equipment by the worldwide reputation for i-Ride quality. 2. Design and planning: the demand of turnkey solution service is soaring. With the integration advantages, Brogent will continue expanding the business scope. 3. Implement of new technologies, such as artificial intelligence, Internet of Things, 5G high-speed networks, Augmented Reality/Virtual Reality, real-time interaction, LED Dome Screen to integrate online and offline activities, and further upgrade theme park experience.

2) Business Plan Implementation Results:

The Company's net operating revenue in 2020 amounted to NT\$1,062.899 million, a decrease of approximately 48.91% from the net operating revenue of NT\$2,080.441 million in 2019. The Company's net loss in the current period amounted to NT\$51.758 million, a decrease of 113.49% from the net income of NT\$383.810 million in 2019.

3) Operating Income and Budget Execution

(1) Operating Income

The categories of consolidated operating revenue in 2020 included project revenue, service revenue, ticket revenue and other operations, and the total amount was NT\$1,062.899 million. Affected by COVID-19, the progress of projects and new orders was relatively delayed; as a result, the income recognition was postponed.

(2) Operating Expenses

Total consolidated operating expenses in 2020 amounted to NT\$524.940 million, a decrease of NT\$39.930 million from the NT\$564.870 million of 2019. Through the integration of the group resources, the consolidated operating expenses of the overall group were reduced in 2020 compared to 2019.

4) Profitability Analysis

The Company's operating expense ratio decreased 7.07% and net profits decreased 113.49% compared with 2019, mainly affected by COVID-19. The Company will maximize shareholder's value through product diversification, revenue diversification, high-end technology, and high competitiveness in 2021.

5) Research and Development

With the Company's R&D and system integration capabilities, we continue to provide customers with the best services. The R&D expenses decreased NT\$5.090 million compared with 2019. The R&D expenditures were mainly to refine our mid-sized and small-sized products, by optimizing product design to reduce the capital expenditures. Through securing our patents various countries, we are

able to enhance the technology entry barrier for competitors and reinforce the competitiveness of the company. Furthermore, the implementation of advanced technology and innovative application help us retain the worldwide leading position of Brogent.

Chairman: 

General Manager: 

Accounting Manager: 

(Attachment 2)

Brogent Technologies Inc.
Audit Committee Audit Report

The Business Report, Financial statements and Deficit Compensation Statement of 2020 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

2021 Annual Shareholders Meeting of Brogent Technologies Inc.

Audit Committee Convener: 
March 10, 2021

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 sheet as of December 31, 2020, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year 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 audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. 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, 2020 is stated as follows:

The recognition of construction contract revenue

Construction contract revenue, the main operating revenue of the Group, is recognized over time. The Group recognizes revenue upon satisfaction of a performance obligation based on the input method. Due to the manual calculation and management's judgment, which involves critical accounting estimates, accuracy of the

recognition of construction contract revenue is deemed to be a key audit matter.

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

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

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

Other Matter

The consolidated financial statements of the Group and the parent company only financial statements of the Corporation as of and for the year ended December 31, 2019 were audited by other auditors, who expressed an unmodified opinion with other matter paragraph on those statements on March 9, 2020.

We have also audited the parent company only financial statements of the Corporation as of and for the year ended December 31, 2020 on which we have issued an unmodified opinion with other matter paragraph.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2020 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 audit resulting in this independent auditors' report are Chiu-Yen Wu and Li-Yuan Kuo.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 10, 2021

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, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2020		December 31, 2019	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 864,341	17	\$ 774,817	15
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	380,382	8	253,176	5
Financial assets at amortized cost - current (Notes 4, 8 and 31)	202,598	4	277,637	5
Notes receivable (Notes 4 and 9)	21,164	-	71	-
Accounts receivable, net (Notes 4, 5 and 9)	204,919	4	286,738	6
Contract assets - current (Note 4, 5 and 23)	1,119,428	22	1,035,804	20
Current tax assets (Notes 4 and 25)	20	-	24	-
Inventories (Notes 4 and 10)	237,987	5	232,958	5
Prepayments	120,941	2	227,425	4
Other current assets	20,697	-	36,953	1
Total current assets	<u>3,172,477</u>	<u>62</u>	<u>3,125,603</u>	<u>61</u>
NONCURRENT ASSETS				
Financial assets at fair value through profit or loss - noncurrent (Notes 4 and 7)	283,334	5	297,964	6
Financial assets at amortized cost - noncurrent (Notes 4, 8 and 31)	50,060	1	65,160	1
Investments accounted for using equity method (Notes 4 and 12)	3,331	-	3,029	-
Property, plant and equipment (Notes 4, 13 and 31)	957,475	19	1,045,007	20
Right-of-use assets (Notes 4 and 14)	341,151	7	340,051	7
Intangible assets (Notes 4 and 15)	183,694	4	163,535	3
Deferred tax assets (Notes 4 and 25)	39,480	1	20,814	1
Refundable deposits	13,537	-	12,725	-
Prepayments for investments	4,599	-	4,537	-
Other noncurrent assets	63,874	1	70,155	1
Total noncurrent assets	<u>1,940,535</u>	<u>38</u>	<u>2,022,977</u>	<u>39</u>
TOTAL	<u>\$ 5,113,012</u>	<u>100</u>	<u>\$ 5,148,580</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4, 16 and 31)	\$ 216,207	4	\$ 191,340	4
Notes payable (Notes 4 and 18)	11,571	-	14,001	-
Accounts payable (Notes 4 and 18)	99,294	2	82,383	2
Contract liabilities - current (Notes 4 and 23)	136,754	3	162,783	3
Other payables (Note 19)	60,733	1	131,159	2
Current tax liabilities (Notes 4 and 25)	5,918	-	53,952	1
Provisions - current (Note 4)	2,380	-	2,328	-
Lease liabilities - current (Notes 4 and 14)	56,161	1	51,032	1
Current portion of long-term borrowings (Notes 4, 16 and 31)	50,258	1	252,626	5
Other current liabilities	1,596	-	1,627	-
Total current liabilities	<u>640,872</u>	<u>12</u>	<u>943,231</u>	<u>18</u>
NONCURRENT LIABILITIES				
Bonds payable (Notes 4 and 17)	1,155,660	23	-	-
Long-term borrowings (Notes 4, 16 and 31)	306,277	6	815,541	16
Deferred tax liabilities (Notes 4 and 25)	42,251	1	32,949	1
Lease liabilities - noncurrent (Notes 4 and 14)	309,631	6	306,990	6
Net defined benefit liabilities - noncurrent (Notes 4 and 20)	9,294	-	8,739	-
Total noncurrent liabilities	<u>1,823,113</u>	<u>36</u>	<u>1,164,219</u>	<u>23</u>
Total liabilities	<u>2,463,985</u>	<u>48</u>	<u>2,107,450</u>	<u>41</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 22)				
Share capital	557,474	11	557,474	11
Capital surplus	2,021,953	40	1,968,156	38
Retained earnings				
Legal reserve	127,421	3	90,809	2
Special reserve	14,857	-	-	-
Unappropriated earnings (accumulated deficit)	(48,972)	(1)	366,375	7
Total retained earnings	93,306	2	457,184	9
Other equity	(26,464)	(1)	(14,857)	-
Total equity attributable to owners of the Corporation	2,646,269	52	2,967,957	58
NON-CONTROLLING INTERESTS (Note 22)				
Total equity	<u>2,758</u>	<u>-</u>	<u>73,173</u>	<u>1</u>
TOTAL	<u>\$ 5,113,012</u>	<u>100</u>	<u>\$ 5,148,580</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, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4, 5, 23 and 30)	\$ 1,062,899	100	\$ 2,080,441	100
OPERATING COSTS (Notes 10 and 24)	<u>560,483</u>	<u>53</u>	<u>1,094,762</u>	<u>53</u>
GROSS PROFIT	<u>502,416</u>	<u>47</u>	<u>985,679</u>	<u>47</u>
OPERATING EXPENSES (Note 24)				
Selling and marketing expenses	55,382	5	82,691	4
General and administrative expenses	240,125	22	289,170	14
Research and development expenses	167,313	16	172,403	8
Expected credit loss (Notes 9 and 23)	<u>62,120</u>	<u>6</u>	<u>20,606</u>	<u>1</u>
Total operating expenses	<u>524,940</u>	<u>49</u>	<u>564,870</u>	<u>27</u>
OPERATING INCOME (LOSS)	<u>(22,524)</u>	<u>(2)</u>	<u>420,809</u>	<u>20</u>
NON-OPERATING INCOME AND EXPENSES (Note 24)				
Interest income	8,493	1	10,331	-
Other income	38,687	4	43,178	2
Other gains and losses	(38,434)	(4)	26,845	1
Finance costs	(29,202)	(3)	(23,727)	(1)
Share of profit or loss of associates accounted for using the equity method (Note 12)	<u>1,142</u>	<u>-</u>	<u>(5,535)</u>	<u>-</u>
Total non-operating income and expenses	<u>(19,314)</u>	<u>(2)</u>	<u>51,092</u>	<u>2</u>
PROFIT (LOSS) BEFORE INCOME TAX	(41,838)	(4)	471,901	22
INCOME TAX EXPENSE (Note 25)	<u>9,920</u>	<u>1</u>	<u>88,091</u>	<u>4</u>
NET PROFIT (LOSS) FOR THE YEAR	<u>(51,758)</u>	<u>(5)</u>	<u>383,810</u>	<u>18</u>
OTHER COMPREHENSIVE INCOME (Note 22)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 20)	(484)	-	(501)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 25)	(237)	-	100	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(10,173)	(1)	(21,883)	(1)

(Continued)

Brogent Technologies Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
Share of the other comprehensive income (loss) of associates accounted for using the equity method	\$ (840)	-	\$ 42	-
Other comprehensive income (loss) for the year, net of income tax	(11,734)	(1)	(22,242)	(1)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	<u>\$ (63,492)</u>	<u>(6)</u>	<u>\$ 361,568</u>	<u>17</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	\$ (49,184)	(5)	\$ 366,525	17
Non-controlling interests	(2,574)	-	17,285	1
	<u>\$ (51,758)</u>	<u>(5)</u>	<u>\$ 383,810</u>	<u>18</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	\$ (61,512)	(6)	\$ 344,255	16
Non-controlling interests	(1,980)	-	17,313	1
	<u>\$ (63,492)</u>	<u>(6)</u>	<u>\$ 361,568</u>	<u>17</u>
EARNINGS (LOSS) PER SHARE (Note 26)				
Basic	\$ (0.88)		\$ 6.57	
Diluted	\$ (0.88)		\$ 6.57	

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

(Concluded)

Brogent Technologies Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation						Total	Non-controlling Interests	Total Equity
	Share Capital	Capital Surplus	Retained Earnings		Unappropriated Earnings	Other Equity Exchange Differences on Translation of Foreign Operations			
			Legal Reserve	Special Reserve					
BALANCE AT JANUARY 1, 2019	\$ 530,928	\$ 2,027,723	\$ 73,817	\$ 4,049	\$ 192,647	\$ 7,012	\$ 2,836,176	\$ 63,296	\$ 2,899,472
Appropriation of 2018 earnings (Note 22)	-	-	16,992	-	(16,992)	-	-	-	-
Legal reserve	-	-	-	-	4,049	-	-	-	-
Special reserve	-	-	-	(4,049)	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(179,453)	-	(179,453)	-	(179,453)
	-	-	16,992	(4,049)	(192,396)	-	(179,453)	-	(179,453)
Cash dividends from capital surplus (Note 22)	-	(32,918)	-	-	-	-	(32,918)	-	(32,918)
Stock dividends from capital surplus (Note 22)	26,546	(26,546)	-	-	-	-	-	-	-
Net profit in 2019	-	-	-	-	366,525	-	366,525	17,285	383,810
Other comprehensive income (loss) in 2019, net of income tax	-	-	-	-	(401)	(21,869)	(22,270)	28	(22,242)
Total comprehensive income (loss) in 2019	-	-	-	-	366,124	(21,869)	344,255	17,313	361,568
Difference between consideration and carrying amount of subsidiaries acquired or disposed (Note 11)	-	(372)	-	-	-	-	(372)	(5,167)	(5,539)
Additional non-controlling interest recognized on issue of employee share options by subsidiaries (Note 27)	-	269	-	-	-	-	269	66	335
Cash dividends distributed by the subsidiaries	-	-	-	-	-	-	-	(2,335)	(2,335)
BALANCE AT DECEMBER 31, 2019	557,474	1,968,156	90,809	-	366,375	(14,857)	2,967,957	73,173	3,041,130
Appropriation of 2019 earnings (Note 22)	-	-	36,612	-	(36,612)	-	-	-	-
Legal reserve	-	-	-	-	14,857	-	-	-	-
Special reserve	-	-	-	14,857	(14,857)	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(312,186)	-	(312,186)	-	(312,186)
	-	-	36,612	14,857	(363,655)	-	(312,186)	-	(312,186)
Net loss in 2020	-	-	-	-	(49,184)	-	(49,184)	(2,574)	(51,758)
Other comprehensive income (loss) in 2020, net of income tax	-	-	-	-	(721)	(11,607)	(12,328)	594	(11,734)
Total comprehensive income (loss) in 2020	-	-	-	-	(49,905)	(11,607)	(61,512)	(1,980)	(63,492)
Difference between consideration and carrying amount of subsidiaries acquired or disposed (Note 11)	-	-	-	-	(1,787)	-	(1,787)	(68,719)	(70,506)
Changes in percentage of ownership interest in subsidiaries	-	(268)	-	-	-	-	(268)	268	-
Additional non-controlling interest recognized on issue of employee share options by subsidiaries (Note 27)	-	265	-	-	-	-	265	16	281
Equity components of issued convertible bonds	-	53,800	-	-	-	-	53,800	-	53,800
BALANCE AT DECEMBER 31, 2020	\$ 557,474	\$ 2,021,953	\$ 127,421	\$ 14,857	\$ (48,972)	\$ (26,464)	\$ 2,646,269	\$ 2,758	\$ 2,649,027

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, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	\$ (41,838)	\$ 471,901
Adjustments for:		
Income and expenses		
Depreciation expense	113,739	111,161
Amortization expense	30,841	30,866
Expected credit loss	62,120	20,606
Net (gain) loss on fair value changes of financial assets and liabilities at fair value through profit or loss	10,097	(55,727)
Finance cost	29,202	23,727
Interest income	(8,493)	(10,331)
Compensation cost of employee share options	281	335
Share of (profit) loss of associates accounted for using the equity method	(1,142)	5,535
Gain on disposal of property, plant and equipment	(192)	(554)
Loss on inventories	1,456	-
Others	(1,505)	24,840
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(126,926)	225,594
Notes receivable	(21,093)	(23)
Accounts receivable	70,955	(206)
Contract assets	(134,880)	(413,184)
Inventories	55,556	(30,742)
Prepayments	94,511	(66,486)
Other current assets	16,256	(5,959)
Notes payable	(2,430)	2,673
Accounts payable	16,911	(23,211)
Contract liabilities	(26,029)	10,698
Other payables	(70,540)	24,199
Provisions	52	-
Other current liabilities	(30)	(1,535)
Net defined benefit liabilities	71	74
Cash generated from operations	66,950	344,251
Income tax paid	(68,156)	(64,576)
Net cash generated from (used in) operating activities	<u>(1,206)</u>	<u>279,675</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	-	(138,690)
Purchase of financial assets at amortized cost	(795,765)	(7,645)
Proceeds from sale of financial assets at amortized cost	887,365	20,138
Acquisition of investments accounted for using equity method	-	(5,539)
Increase in prepayments for investments	-	(4,537)

(Continued)

Brogent Technologies Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
Payments for property, plant and equipment	\$ (48,077)	\$ (58,420)
Proceeds from disposal of property, plant and equipment	2,435	1,249
Increase in refundable deposits	(887)	(1,006)
Acquisition of intangible assets	(40,291)	(50,730)
Decrease (increase) in other noncurrent assets	6,219	(39,698)
Interest received	<u>8,493</u>	<u>10,485</u>
Net cash generated from (used in) investing activities	<u>19,492</u>	<u>(274,393)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	24,867	191,340
Issuance of convertible bonds	1,206,229	-
Proceeds from long-term borrowings	25,895	320,050
Repayment of long-term borrowings	(737,527)	(120,153)
Repayment of the principal portion of lease liabilities	(34,980)	(29,378)
Cash dividends distributed	(312,186)	(212,371)
Acquisition of subsidiaries	(70,506)	-
Interest paid	(25,102)	(16,293)
Changes in non-controlling interest	<u>-</u>	<u>(2,335)</u>
Net cash generated from financing activities	<u>76,690</u>	<u>130,860</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>(5,452)</u>	<u>(21,674)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	89,524	114,468
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>774,817</u>	<u>660,349</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u><u>\$ 864,341</u></u>	<u><u>\$ 774,817</u></u>

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

(Concluded)

Brogent Technologies Inc. Articles of Incorporation

Chapter 1 General Provisions

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

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

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

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

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

Article 5: The Company is headquartered in Kaohsiung City. Where necessary the Company may establish branch companies domestically or overseas, subject to the resolution by the Board of Directors meeting

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

Chapter 2 Shares

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

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

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

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

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

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

Chapter 3 Shareholders' meeting

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

Article 11: If a shareholder is unable to attend the shareholders' meeting in person, a proxy can be appointed by presenting a properly signed/sealed proxy form printed in the Company's prescribed format, while specifying the scope of delegated authority. Shareholders may appoint proxies according to Article 177 of the Company Act and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" stipulated by the competent authority.

- Article 12: Each shareholder of the Company shall be entitled to one vote for each share. No voting power shall be granted, however, to shareholders of the Company with shares prescribed in Article 179 of the Company Act and relevant laws and regulations.
- Article 13: Unless otherwise stipulated in the Company Act, any resolutions in a shareholders' meeting should be approved by a majority vote at a meeting attended by shareholders representing at least one half of total outstanding shares.
- Article 13-1: A proposal to cancel the public issuance of the Company's shares after the public offering shall be filed for a resolution in the shareholders' meeting. The clause shall remain unaltered throughout the listing period on the TPEX trading of Emerging Stock trading and Securities Listings.

Chapter 4 Directors and Audit Committee

- Article 14: The Company shall have seven to nine Directors, who are elected during shareholders' meetings from among persons of adequate capacity to each serve a term of three years. Their terms of service may be renewed if they are re-elected in the following election. The total amount of shares held by all Directors of the Company shall be determined in accordance with regulations of the competent authority responsible for securities. The aforementioned Directors shall consist of three Independent Directors. A candidate nomination system shall be adopted in the election and the Independent Directors shall be elected by the shareholders meeting from the list of candidates. Method of nomination shall be governed by the Article 192-1 of the Company Act. The Company shall have the audit committee which shall be composed of all independent directors, consist of no less than three independent directors, one of whom shall be the convener. The Company may purchase liability insurance for the Directors during their term of office based on the compensation liabilities associated with their respective business accountabilities. The Board of Directors is authorized to determine the insurance coverage based on industry practices and standards.
- Article 14-1: The Company's Directors are elected using the single cumulative voting method. Every share is vested with voting rights that is equivalent to the number of Directors to be elected. The votes can be concentrated on one candidate or distributed among several candidates. Candidates with the highest numbers of votes are elected Directors.
- Article 15: The Board of Directors shall be comprised of the Directors of the Company. The chairman of the Board shall be elected by and among the directors by a majority of directors present at a meeting attended by more than two-thirds of directors. As necessary, a vice chairman may be elected by and among the directors in the same manner. The chairman of the Board shall represent the Company externally.
- Article 16: When the Chairperson is on leave or unable to exercise his/her official functions for any specific reason, an acting Chairperson shall be designated in accordance with Article 208 of the Company Act.
- Article 16-1: Notices for Board of Directors meetings shall be distributed to the Directors at least seven days before the meeting. The purpose of the meeting shall be clearly stated in the notice. However, a Board of Directors meeting may be convened at any time in the event of an emergency. The notice for meetings may be communicated through written, fax, email, or other methods.
- Article 17: Unless otherwise regulated by the Company Act, Board of Directors resolutions are passed when there are more than half of all Directors present in a meeting and with more than half of present Directors voting in favor. If a Director is unable to attend the Board of Directors meeting in person, the Director may delegate one of the other Directors as a proxy in accordance with the law. The Director shall in each instance issue a written proxy

stating the scope of authorization with respect to the purpose for the meeting. Any proxy prescribed in the preceding Paragraph, however, shall only represent one Director in the meeting. In case a meeting of the Board of Directors is proceeded via visual communication network, the Directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

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

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

Chapter 5 Managerial officer

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

Chapter 6 Accounting

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

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

Article 22: Final annual net profit of the Company, if any, shall firstly be allocated for paying business tax and compensating the deficit of previous years. Ten percent of the remaining profit shall be allocated as legal reserve. The remaining profit, along with the accumulated undistributed earnings for the previous year, shall be booked as the accumulated distributable earnings; however, restrictions shall not apply if the amount of allocated legal reserve has reached the total capital of the Company. The cumulative distributable profits, with the exception of special reserve to be allocated or reversed as required by laws or regulations of the competent authority, may be considered for retention in accordance with business requirements. The remaining sum shall be used for the distribution of dividends and if funds still remain, a resolution may be passed in the shareholder meeting for the distribution of shareholder bonus.

Article 23: The Company is situated in a changing industrial environment, wherein the corporate life cycle is at a stable growth stage. Considering the Company's capital requirement for continuous expansion and business operations, as well as long-term financial planning to satisfy shareholders needs for cash flow, the Company's dividend policy was

formulated based on the residual dividend policy in the relevant laws and regulations of the Company Act. Future capital requirements are measured according to the future capital budget plan of the Company; capital required for earnings financing shall be retained, and the remaining earnings shall be distributed by way of cash or stock dividend. Particularly, cash dividend may not be less than 10% of total dividends.

Chapter 7 Addendum

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

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

The first amendment was made on July 5, 2002.

The second amendment was made on August 23, 2003.

The third amendment was made on June 27, 2004.

The fourth amendment was made on March 25, 2005.

The fifth amendment was made on September 29, 2005.

The sixth amendment was made on June 30, 2006.

The seventh amendment was made on June 30, 2008.

The eighth amendment was made on February 9, 2010.

The ninth amendment was made on May 31, 2011.

The tenth amendment was made on July 8, 2011.

The eleventh amendment was made on November 23, 2011.

The twelfth amendment was made on June 27, 2012.

The thirteenth amendment was made on June 19, 2013.

The fourteenth amendment was made on June 11, 2014.

The fifteenth amendment was made on May 20, 2015.

The sixteenth amendment was made on May 31, 2016.

The seventeenth amendment was made on May 31, 2017

The eighteenth amendment was made on May 29, 2018

The nineteenth amendment was made on May 29, 2019

The twentieth amendment was made on May 28, 2020.

Brogent Technologies Inc.
Rules of Procedure for Shareholders Meetings

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

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

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

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

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of Directors and upload them to the Market Observation Post System (MOPS) at least 30 days before the date of an annual shareholders meeting or at least 15 days before the date of an extraordinary shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS at least 21 days before the date of the annual shareholders meeting or at least 15 days before the date of the extraordinary shareholders meeting. In addition, at least 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place. The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Matters pertaining to election or discharge of directors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Paragraph I, Article 185 hereof shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice. All directors of a company are re-elected and its start date is defined in the notice of reasons for the shareholders meeting and shall not be brought up again as extemporary motions or in any matters after re-election. Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of the Company may submit a written proposal for discussion at an annual shareholders' meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda; however, a shareholder proposal proposed for urging a company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the board of directors. In addition, when the circumstances of any Subparagraph of Article 172-1, Paragraph 4 of the

Company Act apply to a proposal submitted by a shareholder, the Board of Directors may exclude it from the agenda.

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

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

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company at least 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy appointment. After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company at least 2 days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

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

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

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

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

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

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

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

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

When a Managing Director or a Director serves as chair, as referred to in the preceding paragraph, the Managing Director or Director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair.

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

For shareholders' meetings convened by any authorized party other than the Board of Directors, the convener will act as the meeting Chairperson. If there are two or more conveners at the same time, one shall be appointed among themselves to chair the meeting. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

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

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

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

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

postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

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

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

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

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

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

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

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

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

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

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

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

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

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

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

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

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

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

rights represented by the attending shareholders.

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

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

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

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

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

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

Article 16 On the day of a shareholders meeting, the Company shall compile in the prescribed format a

statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

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

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

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

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

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

Article 18 When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

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

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

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

The first amendment was made on May 28 2020.

(Appendix3)

Brogent Technologies Inc.
Shareholding Status of Directors

- 1) The Company's paid-in capital is NT\$568,317,970 a total number of 56,831,797 shares have been issued.
- 2) According to Article 26 of the Securities and Exchange Act, the total amount of shares held by the entire body of Directors or Supervisors shall not be less than the following number of shares: 4,546,543 shares.

According to Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies," if a public company has elected two or more Independent Directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all Directors other than the Independent Directors and shall be decreased by 20 percent.

- 3) The shares held by individual shareholders, all Directors as of the book closure date of this shareholders meeting (March 30, 2021) are shown in the table below.

The number of shares has reached the amount required by the Securities and Exchange Act.

Title	Name	Date elected	Term (Year)	Number of shares held as recorded in the List of Shareholders on the book closure date	
				Shares	Percentage of currently issued shares
Chairperson	Chih-Hung Ouyang	109.05.28	3	3,807,191	6.70
Director	Chih-Chuan Chen, representative of Changchun Investment Co., Ltd.	109.05.28	3	2,150,271	3.78
Director	Chin-Huo Huang	109.05.28	3	1,149,442	2.02
Director	Chun-Hao Cheng	109.05.28	3	158,483	0.28
Independent Director	Lewis Lee	109.05.28	3	0	0
Independent Director	Chih-Poung Liou	109.05.28	3	0	0
Independent Director	Jih-Ching Chiu	109.05.28	3	0	0
Shareholdings of all directors				7,265,387	12.78