

Stock code:5263

## Brogent Technologies Inc. 2024 Annual Shareholders' Meeting Minutes

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

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

Total Outstanding Brogent shares: 64,864,137 shares

Total shares represented by shareholders present in person or by proxy: 35,376,866 shares  
(among them 17,130,190 shares voted via electronic transmission), percentage of shares held by shareholders present in person or by proxy: 54.53%

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),

Keng-Shin Lin (Independent Director),

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

Kuo-Ming Huang (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 2023 Business Report is hereby submitted for review.

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

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

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

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

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

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

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

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

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

Type	Third domestic secured convertible bonds	Fourth domestic secured convertible bonds	Fifth domestic secured convertible bonds
Issue date	2020.10.12	2020.10.15	2024.3.4
Par value	NT\$100,000	NT\$100,000	NT\$100,000
Issue date	Issued by 101.64% of par value	Issued by par value	Issued by 114.83% of par value
Total value	NT\$700,000,000	NT\$500,000,000	NT\$800,000,000
Interest rate	0%	0%	0%
Expiration rate	5 year Expiration date: Oct. 12,2025	4 year Expiration date: Oct. 15,2024	3 year Expiration date: Mar. 4,2027

Assurance institution	Shin Kong Bank Co., Ltd.	Shin Kong Bank Co., Ltd.	TAICHUNG COMMERCIAL BANK Co., Ltd.
Repayment	Except for the repayment by the company, sell of the bond holders or person who convert, when it comes to expiration, the company will repay per par value along 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.	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\$78,900,000	NT\$159,400,000	NT\$800,000,000
Till March 29, 2024 book closing date amount of the corporate bonds convertible into shares	Amount of execution on conversion bonds: NT\$621,100,000; total (converted) common shares: 5,917,136	Amount of execution on conversion bonds: NT\$340,600,000; total (converted) common shares: 3,199,591	Amount of execution on conversion bonds: NT\$0; total (converted) common shares: 0
The possible dilution conditions and influence on shareholders' equity caused by the issuance and conversion and the terms of issuance	No great influences yet	No great influences yet	No great influences yet

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

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

### C. Ratifications

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

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

Committee for review, and the written Audit Report is submitted for approval.

2. The Company's 2023 Business Report (please refer to Attachment 1) and CPA Audit Report and Financial Statements (please refer to Attachment 4).

3. The reports are hereby submitted for ratification.

Resolution: The balloting outcome including votes exercised through electronic voting: 33,918,556 pro votes, accounting for 99.52% of the aggregate total votes; 12,285 disapproval votes, 0 invalid vote, abstention/ Non-voting votes: 149,619 votes. The present issue is duly resolved exactly as proposed.

Item 2: The 2023 Deficit Compensation Proposal is hereby submitted for ratification.

(Proposed by the Board of Directors)

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

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

Chairman: 

General Manager: 

Accounting Manager: 

2. The reports are hereby submitted for ratification.

Resolution: The balloting outcome including votes exercised through electronic voting:

33,874,373 pro votes, accounting for 99.39% of the aggregate total votes:  
14,800 disapproval votes, 0 invalid vote, abstention/ Non-voting votes:  
191,287 votes. The present issue is duly resolved exactly as proposed.

#### **D. Extempore motions**

There being no other business and special motion, upon a motion duly made and seconded, the meeting was adjourned.

(No shareholder raised issues at the shareholder meeting.)

#### **E. Meeting adjourned**

Meeting adjourned at 9:19 AM Monday, May 27, 2024.

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

### **1) Operating Policies**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **4) Profitability Analysis**

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

## **5) Research and Development**

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

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

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

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

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

Chairman: 

General Manager: 

Accounting Manager: 




(Attachment 2)

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

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

To

2024 Annual Shareholders Meeting of Brogent Technologies Inc.

Audit Committee Convener:   
March 12, 2024

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

1. Management Policy

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

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

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

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

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

3. Execution Status of Sound Operational Plans

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

Quarterly Profit and Loss Estimates for 2023

Unit: NT\$/thousand; %

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

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

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

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

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Brogent Technologies Inc.

### Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

#### The recognition of project contract revenue

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

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

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

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

### **Other Matter**

We have also audited the parent company only financial statements of the Corporation as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

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

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

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

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

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 12, 2024

Notice to Readers

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

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

## Brogent Technologies Inc. and Subsidiaries

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

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

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

## Brogent Technologies Inc. and Subsidiaries

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

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

(Continued)



## Brogent Technologies Inc. and Subsidiaries

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Except Loss Per Share)

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

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

## Brogent Technologies Inc. and Subsidiaries

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

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

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

## Brogent Technologies Inc. and Subsidiaries

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

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

(Continued)

## Brogent Technologies Inc. and Subsidiaries

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

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

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

(Concluded)

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Brogent Technologies Inc.

### **Opinion**

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

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

#### The recognition of project contract revenue

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

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

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

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

### **Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements**

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report.

However, future events or conditions may cause the Corporation to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 12, 2024

#### Notice to Readers

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

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

## Brogent Technologies Inc.

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

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

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



## Brogent Technologies Inc.

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

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

(Continued)

## Brogent Technologies Inc.

### PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Except Loss Per Share)

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

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

**Brogent Technologies Inc.**

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

	Ordinary shares	Advance Receipts for Ordinary Share	Capital Surplus	Retained Earnings (Deficit to be Compensated)			Other Equity		Total	Total Equity
				Legal Reserve	Special Reserve	Accumulated Deficit	Exchange Differences on Translation of Foreign Operations	Unrealized Gain or loss On financial Assets at FVTOCI		
BALANCE AT JANUARY 1, 2022	\$ 573,641	\$ 36,003	\$ 2,501,234	\$ 127,421	\$ 14,857	\$ (181,725)	\$ (39,431)	\$ -	\$ (39,431)	\$ 3,032,000
Net loss in 2022	-	-	-	-	-	(60,726)	-	-	-	(60,726)
Other comprehensive income in 2022, net of income tax	-	-	-	-	-	-	30,915	30,000	60,915	60,915
Total comprehensive loss in 2022	-	-	-	-	-	(60,726)	30,915	30,000	60,915	189
Convertible bonds converted to ordinary shares (Note 17)	40,790	(25,260)	146,205	-	-	-	-	-	-	161,735
Changes in percentage of ownership interest in subsidiaries	-	-	-	-	-	(554)	-	-	-	(554)
Changes in equity of associates accounted for using the equity method	-	-	750	-	-	-	-	-	-	750
BALANCE AT DECEMBER 31, 2022	614,431	10,743	2,648,189	127,421	14,857	(243,005)	(8,516)	30,000	21,484	3,194,120
Offset the deficit of 2022 (Note 23)										
Legal reserve used to offset accumulated deficits	-	-	-	(127,421)	-	127,421	-	-	-	-
Reversal of special reserve	-	-	-	-	(14,857)	14,857	-	-	-	-
	-	-	-	(127,421)	(14,857)	142,278	-	-	-	-
Other changes in capital surplus (Note 23)										
Capital surplus used to offset accumulated deficits	-	-	(100,727)	-	-	100,727	-	-	-	-
Cash dividends from capital surplus	-	-	(93,776)	-	-	-	-	-	-	(93,776)
	-	-	(194,503)	-	-	100,727	-	-	-	(93,776)
Net loss in 2023	-	-	-	-	-	(179,764)	-	-	-	(179,764)
Other comprehensive loss in 2023, net of income tax	-	-	-	-	-	-	(12,362)	(4,536)	(16,898)	(16,898)
Total comprehensive loss in 2023	-	-	-	-	-	(179,764)	(12,362)	(4,536)	(16,898)	(196,662)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	12,102	-	(12,102)	(12,102)	-
Convertible bonds converted to ordinary shares (Note 17)	33,355	(10,172)	219,131	-	-	-	-	-	-	242,314
Disposal of subsidiaries	-	-	-	-	-	-	3,178	-	3,178	3,178
BALANCE AT DECEMBER 31, 2023	\$ 647,786	\$ 571	\$ 2,672,817	\$ -	\$ -	\$ (167,662)	\$ (17,700)	\$ 13,362	\$ (4,338)	\$ 3,149,174

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

## Bregent Technologies Inc.

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

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

(Continued)

## Brogent Technologies Inc.

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

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

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

(Concluded)