Stock Code
5263

Brogent Technologies Inc.

2015

Annual Report

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Date Printed: April 11, 2016

Taiwan Stock Exchange Market Observation Post System: http://newmops.twse.com.tw

1. Name, Title, Contact No., and Email of the Company's spokesperson

Spokesperson name: Chih-Hung Ouyang

Title: President

Telephone:(07)537-2869

Email:stock@brogent.com

Representative spokesperson: Hui-Chuang Lin

Title: Director of the Administration Center

Telephone:(07)537-2869

Email:stock@brogent.com

2. Head office address and telephone no.

Head office: Number 9, Fuxing 4th Rd., Qianzhen District, Kaohsiung City (80661) Taiwan

Telephone:(07)537-2869

3. Name, address, website, and telephone no. of stock transfer agency

Stock transfer institute: Share Administration Agency, Taishin International Bank

Address: No.96, Sec. 1, Jianguo N. Rd., Jhongshan District, Taipei City 10489, Taiwan

Website:www.taishinbank.com.tw

Telephone:(02)2504-8125

4. External auditor for most recent financial statement

External auditor: Yielson Chang, CPA

Yu-Chieh Lo, CPA

Accounting firm: Grant Thornton Taiwan

Address: 13F.-2&-3, No.91 Chung Shan 2nd Road, Kaohsiung, Taiwan

Website:www.gti.com.tw

Telephone:(07)537-2589

5. Name of overseas trading office of listed valuable securities and method of searching for information of valuable overseas securities: None.

6. Company website:www.brogent.com

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I. Letter to Shareholders

Dear Shareholders,

We thank you for your support to Brogent Technologies (hereafter "Brogent") and for attending our annual 2016 shareholders' meeting amidst your busy schedule.

In the past year, Brogent has made few changes in operation. The Company has not only brought in strategic investors, but also adopted diverse management strategies, to introduce profit division models to replace the current strategy of once-off outright selling of equipment. These changes were made to ensure Brogent’s future growth. We wish to transform Brogent from simply being a supplier of amusement park facilities to a collective operator of the digital entertainment businesses.

In 2015, Brogent’s revenue amounted to NT$705 million. The gross profit was NT$334 million. The operating profit was NT$130 million. The net income was NT$120 million, the earnings per share reached NT$2.57. The total amount of contracts signed in 2015 broke our company’s record. However, the revenue was booked by the accounting method “Percentage of Completion”; therefore, the 2015 earnings result cannot truely represent what Brogent had accomplished in the past year.

Neverthless, Brogent has been working on optimize the content and enhance the value of our products. The efforts have paid off by the 2015 results. Not only our star product, i-Ride, has stepped into the supply chain of the first-tier theme parks in Europe and North America, but the 4D motion theater also lauched the largest wildlife park in Europe, Zoo Emmen. In addition, in this April, the largest shopping mall in the United States, Mall of America, held the grand opening of Brogent’s i-Ride flight theater.

In addition to providing fun stimulation experience, Brogent’s product development team put more stringent requirements to improve the fineness and security. Recently, our flight theaters have been formally adopted by the United States UL certification. The 4D motion cinema in Netherland, which can carry 100 people, also passed the European TUV NORD safety certification. The recognition from these European and American certification companies certainly proved that the products made by Brogent have met the safety requirements for the global market.

Looking over 2016, the transformed Brogent will expand globally with its flexible, diverse business model, in an effort to optimize its products while raising product value, therefore ensuring steady revenue growth for the Company and solidifying the foundation for sustainable management. The Company and all of its employees will continue to achieve the Company's various operating goals in gratitude of each and every shareholder's long-term support and encouragement.

Our best wishes for the health and prosperity of all our shareholders!

Chairman, Chung-Ming Huang

1. Accomplishments in 2015

(1) Business Plan Implementation Outcomes in 2015

Unit: NT$1,000

Year / Item	2014	2015	Change (amount)	% Change
Sales revenue	829,511	705,424	(124,087)	(14.96)
Gross profit	426,915	333,961	(92,954)	(21.77)
Operating expenses	195,665	203,549	7,884	4.03
Operating income	231,250	130,412	(100,838)	(43.61)
Net income (loss) before tax	269,742	152,227	(117,515)	(43.57)
Net income(loss)	224,432	119,769	(104,663)	(46.63)

(2) 2015 Budget Execution

According to the Regulations Governing the Publication of Financial Forecasts of Public Companies, the Company did not need to compile a financial forecast for 2015, and therefore this section is not disclosed.

(3) Analysis of Financial Gains and Losses and Profitability

Unit: NT1,000

Year / Item		2014	2015
Financial structure (%)	Debt-to-assets ratio	27.45	20.8
	Long-term fund to property, plant and equipment (fixed assets) ratio	386.42	463.42
Solvency (%)	Current ratio	501.60	413.34
	Quick ratio	445.08	361.3
	Times interest earned	85.32	31,358.11
Profitability	Return on assets (%)	18.88	3.89
	Return on equity (%)	30.03	4.82
	Paid-in capital to income before tax (%)	80.09	34.07
	Net profit margin (%)	27.06	16.98
	Earnings per share (NT$)	6.83	2.57

(4) Research and Development

To continuously enhance the Company's competitiveness, the Company has always actively invested in R&D efforts. In 2014 and 2015, it has expended a total of NT$89.069 million and NT$63.288 million in R&D, respectively accounting for 10.74% and 8.97% of the net operating income. 2015 R&D expense was lowered maily because the development of new projects was encluded in the cost of good sold.

(5) Impacts of External Competitive Environment, Regulatory Environment, and Overall Operation Environment

The Company operates its business in accordance with domestic and foreign laws and regulations and periodically notes any changes in domestic and foreign policies and development trends, to facilitate immediate response. The Company's employees also receive training regularly to update them on current political and economic changes and trends; therefore, changes to laws and regulations will not exert a material impact on the Company's business development.

Regarding external competition and the overall business environment, because the Company has successfully expanded into overseas markets in 2015, we will continue to develop our businesses based on market internationalization. By seeking high-quality customers, attaining product recognition, raising product sales prices, and adopting a product composite marketing model concurrent with mature technologies and scaled production, the Company expects to accurately ascertain the pulse of the global market. Thus, based on the economic recovery of European and American countries as well as China's entertainment market demand, Brogent will expand its businesses into the global market, thereby enhancing its overall revenue performance.

2. Summary of Business Plan for 2016

(1) 2016 Operational Goals and Crucial Product Marketing Policies

1. Continue to optimize the quality of sensory simulation amusement park facilities and diversify product category.
2. Actively extend into the international market and raise its global brand

awareness.

3. Deepen the design and production of digital contents and heighten product added value.
4. Engage in industry–academic cooperation to actively cultivate high-quality specialists in digital content.

(2) Expected Sales Volume and Criteria

The Company's operational revenues mainly come from the sales of motion simulation entertainment facilities. According to the Regulations Governing the Publication of Financial Forecasts of Public Companies, the Company did not need to compile a financial forecast for 2016, and therefore this section is not disclosed.

3. Future Corporate Development Strategy

(1) Product diversification: We will continue to extend our product line from the current 15 product types.

(2) Market internationalization: The North America and European markets are growing rapidly, with the Chinese market will become the largest single market.

(3) Diversification of revenue models: In addition to the outright selling of our equipment, profit distribution, ventures, peripheral products, themed IP, and content licensing will also be our stable source of income.

(4) Integration of strategic partner resources: Licensing of themed IPs will be strengthened, and more business locations will be established.

II. Company Profile

1. Date of Establishment

October 30, 2001.

2. Company History

Company milestones up to the date of this report:

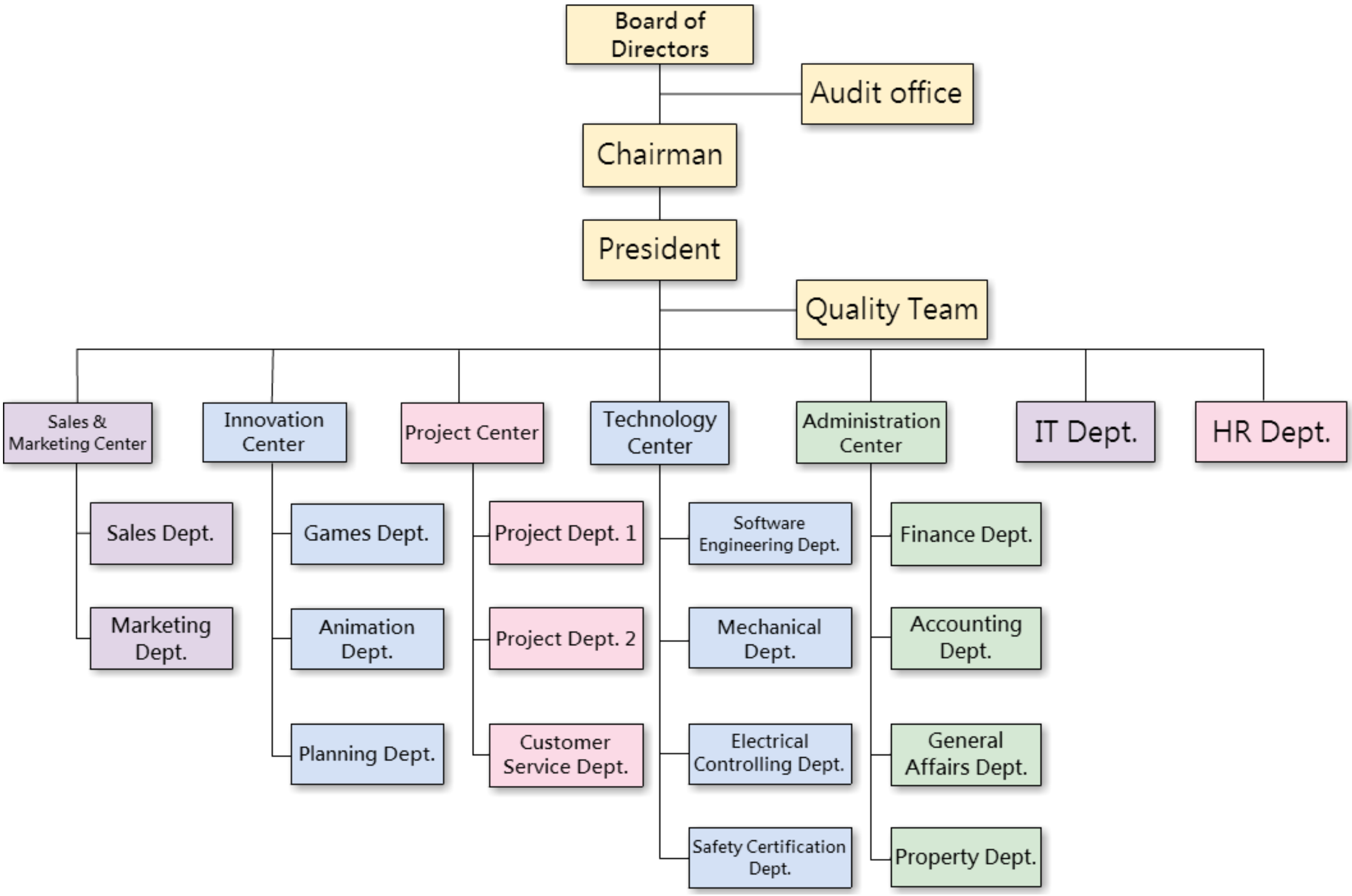
April 2011	Opening of 4D Theater at Formosan Aboriginal Culture Village.
June 2011	Conversion of employee stock options to 1,744,000 ordinary shares; the paid-up capital following capital increase totaled to NT$213,560,000.
September 2011	Seasoned equity offering (SEO) of NT$12,700,000; following capital increase, the paid-up capital totaled to NT$226,260,000.
October 2011	Approved public offering of stock.
December 2011	Registered on emerging stock market.
June 2012	Constructed started on new research and test center at Kaohsiung Software Park.
September 2012	Passed the market listing application by the Board of Directors of the Taipei Exchange.
November 2012	Public underwriting of SEO prior to listing amounted to NT$28,290,000, and the paid-up capital following capital increase totaled to NT$254,550,000.
December 2012	Stock market launch.
January 2013	Completion of the operational headquarters and R&D test center.
February 2013	The i-Ride passed China’s A-grade large-scale amusement park facility authentication and a commercial business license was received for it.
April 2013	The i-Ride opened at an anime themed shopping center in Hangzhou, China.
July 2013	The new generation of i-Ride, Fly Over Canada, opened in Vancouver, Canada.
October 2013	Attended the National Palace Museum First New Media creative contest; the Company's 3D interactive new media art gained honorable mention.
October 2013	Signed a Memorandum of Understanding with Kodansha, Japan.
October 2013	Surplus transfer of NT$12,727,500, and the paid-up capital following capital increase totaled to NT$267,277,500.
February 2014	Conversion of convertible corporate bond to ordinary bond totaled to NT$7,422,770; the paid-up capital following capital increase totaled to NT$274,700,270.
March 2014	First-quarter revenue reached NT$312 million, with net profit after tax amounting to NT$100 million, both represented record highs in Brogent's history.
April 2014	The i-Ride received the 2014 Taiwan Excellence Reward for the category of

	fashion, life, culture and creativity product.
May 2014	Conversion of convertible corporate bond to ordinary bond totaled to NT$15,433,990; the paid-up capital following capital increase totaled to NT$290,134,260.
June 2014	Held the Groundbreaking Ceremony for the 2nd stage of the R&D Center.
July 2014	Fuji Q Highland held the Grand Opening of the i-Ride flight theater "Fuji Airways" in Fujiyoshida, Japan.
July 2014	Conversion of convertible corporate bond to ordinary bond totaled to NT$18,753,440; the paid-up capital following capital increase totaled to NT$308,887,700.
September 2014	Capital reserve transfer of NT$27,470,020; the paid-up capital following capital increase totaled to NT$336,357,720.
October 2014	Signed the "Attack on Titan" IP licensing contract with Kodansha Ltd.
November 2014	Conversion of convertible corporate bond to ordinary bond totaled to NT$442,070; the paid-up capital following capital increase totaled to NT$336,799,790.
January 2015	Seasoned equity offering (SEO) of NT$60,000,000; following capital increase, the paid-up capital totaled to NT$396,799,770.
January 2015	Signed another MOU with Kodansha Ltd. to establish marketing companies for peripheral products.
March 2015	Awarded the Potential Mittelstand Enterprise for the 3rd Taiwan Mittelstand Award held by the Industrial Development Bureau, Ministry of Economic Affairs (MOEA).
June 2015	Seasoned equity offering (SEO) of NT$10,300,000, following capital increase, the paid-up capital totaled to NT$407,099,770.
July 2015	Surplus transfer of NT$39,680,000, following capital increase, the paid-up capital totaled to NT$446,779,770.
November 2015	Awarded government subsidies under the international market development program by the Bureau of Foreign Trade, Ministry of Economic Affairs.
December 2015	The grand opening of i-Ride flight theater themed “Attack on Titan” was held in Shan-Shun World, Toufen Township, Miaoli County, Taiwan.
January 2016	Grand opening of the 2nd stage Office Building.
March 2016	Grand opening of the 4D motion simulating theater in the famous European safari “Zoo Emmen” in Netherlands.
April 2016	New launch of i-Ride flight theater “FlyOver America” in Mall of America, Minnesota, U.S.A.

III. Corporate Governance Report

1. Organizational System

(1) Organizational Profile



(2) Business Activities of Each Major Division

Major Divisions	Primary Duties
Chairman's Office	Supervise the execution of the corporate internal audit
Audit Office	A.Inspects and evaluates whether internal control systems are sound and provides recommendations relating to analysis and evaluations. B.Plan, implement, and improve internal auditing systems; requests operational procedures to comply with laws, regulations, and articles of incorporation; and assists in increasing business performance.

Major Divisions	Primary Duties
President’s Office	A.Plan the corporate mid-term and long-term business strategy, as well as the new business direction and market deployment. B.Control and evaluate the operation results of subsidiaries.
Sales & Marketing Center	A. Plan and implement marketing strategies. B.Achieve company-defined business goals and prepare for overseas exhibitions. C.Handle general tasks (product presentation, proposal, quotation, negotiation, payment collection, and payment notification) and determine customer's status in contract compliance.
Innovation Center	A.Design and excute new technology and products. B. Develop new interactive game. C. Produce animation.
Project Center	A.Supervisor implementation and management of construction projects. B.Communicate and manage customers when implementing projects. C.Coordinate and communicate with marketing business and technical teams.
Technology Center	A.Design, develop, and produce hardware structures such as six-axis platforms, steel structures, and dynamic structures such as elevators. B.Organize and archive information for certification regulations and product technical operating maintenance handbook.
Administration Center	A.Formulates financial plans, allocates use of funding, and manages risks. B.Manages and operates accounting, tax, and stock affairs, and provides analysis and reports to assist decision-making C.Assist in executing and promoting general affairs and cooperate with establishing relevant systems. D.Control product production processes and manage outsourced contractors.
IT Department	A.Develop and maintain computer networks and application systems. B.Maintain and manage computer hardware, peripheral equipment, and information files. C.Plan and execute system safety.
Human Resources Department	A.Organize and plan human resources. B.Recruit and train employees. C.Analyze work tasks, develop and plan employee salaries. D.Carry out performance evaluations and devise welfare policies.

2. Profile of Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, and Department and Branch Directors

(1) Directors and Supervisors

1. Directors and Supervisors

April 02, 2016; Unit: Shares; %

Title	Nationality or place of registration	Name	Date elected	Term	Date first elected	Number of shares held when elected		Number of shares currently held		Shares held by spouse and minor children		Number of shares held in the name of others		Education/work experience	Other positions	Other officer, director or supervisor who is the spouse or a relative within the second degree		
						Shares	Share holding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Share holding Percentage			Title	Name	Relationship
Chairman	ROC	Chung-Ming Huang	2014.06.11	3 years	2011.10.05	1,992,900	6.45%	2,381,654	5.33%	269,784	0.60%	—	—	1.Ph.D in Engineering Management, University Of Missouri-Rolla 2.Director, Business Administration Office; Dean, Engineering & Management of Advanced Technology Dept; Dean, International Business Dept, Chang Jung Christian University 3.Supervisor, Taiwan Water Corporation	1. Director, Fu Yi Investment Ltd. 2. Professor, Engineering & Management of Advanced Technology Dept, Chang Jung Christian University	None.	None.	None.
Director	ROC	Chih-Hung Ouyang	2014.06.11	3 years	2011.10.05	2,194,500	7.10%	2,822,581	6.32%	80,308	0.18%	—	—	1.Electrical Engineering, National Sun Yat-sen University 2.R&D Engineer, Acer Incorporated 3.Project Manager, Ai West Co. Ltd. 4.President, Micro Sova	1. President, Brogent Techonologies Inc. 2. Chairman, Fu Wu Investment Ltd. 3. Chairman, Brogent Global Inc. 4. Chairman, Brogent Mechanical Inc.	None.	None.	None.
Director	ROC	Chin-Huo Huang	2014.06.11	3 years	2011.10.05	763,350	2.47%	912,256	2.04%	200,771	0.45%	—	—	1.Chang Hua Industrial Vocational High School 2.Director, SANFU Motors Industrial Corp. 3.Director, Chun Ying Metal Industrial Co., Ltd.	1. Chairman, Fu Ying Metal Industrial Co., Ltd. 2. Chairman, Fujing Co., Ltd.	None.	None.	None.

Title	Nationality or place of registration	Name	Date elected	Term	Date first elected	Number of shares held when elected		Number of shares currently held		Shares held by spouse and minor children		Number of shares held in the name of others		Education/work experience	Other positions	Other officer, director or supervisor who is the spouse or a relative within the second degree		
						Shares	Share holding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Share holding Percentage			Title	Name	Relationship
Independent Director	ROC	Yi-Hsiang Huang	2014.06.11	3 years	2011.11.23	—	—	—	—	—	—	—	—	1.Ph.D, Financial Management, National Central University 2.Department Chair, Department of Finance, National University of Kaohsiung 3.Director, Extension Education Center, National University of Kaohsiung	Professor, Department of Finance, National University of Kaohsiung	None.	None.	None.
Independent Director	ROC	Shun-Jen Cheng	2014.06.11	3 years	2013.06.19	—	—	—	—	—	—	—	—	1.Ph.D in Business Studies, Manuel L.Q University 2.Doctoral Seminar in Institute of Technology & Innovation Management, Chung Hua University	1. Consultant at Kaohsiung City Government 2. Vice President, Cheng Shiu University	None.	None.	None.
Supervisor	ROC	Chun-Nan Chen	2014.06.11	3 years	2011.10.05	740,900	2.40%	885,426	1.98%	—	—	—	—	1.Zhong Shan School of Medicine 2.Advanced Level in the Examination for Medical Personnel 3.Attending physician, JiaYang Dermatology Center	Supervisor, Jinan Industrial Co., Ltd	None.	None.	None.
Supervisor	ROC	Chun-Hao Cheng (Note 1)	2014.06.11	3 years	2011.10.05	110,250	0.36%	125,781	0.28%	2,286	0.01%	—	—	1.Ph.D in Business Studies, Meiji University 2.Supervisor, Taiwan Water Corporation 3.Associate Professor, Department of Finance, I-Shou University 4.Associate Professor, Graduate Institute of Hospitality Management, NKUHT	Professor, Graduate Institute of Hospitality Management, NKUHT	None.	None.	None.
Supervisor	ROC	Yung-Liang Huang	2014.06.11	3 years	2014.06.11	899,000	2.91%	1,033,466	2.31%	—	—	—	—	1.Masters in Business Management, US International Asia Pacific University 2.Continued education in Masters Program at Dayeh University 3.Media advertisement agency	Director, Wing Yue Advertising Company	None.	None.	None.

Note 1: Chun-Hao Cheng resigned on 2016,03.09.

2. Director and Supervisor Expertise and Independence

Criteria / Name (Note 1)	Has at least 5 years of work experience and meets one of the following professional qualifications			Meet the independence criteria (Note 2)										Number of other public companies in which the Director also serves as an Independent Director
	An instructor or higher position in a department of commerce, law, finance, accounting or other department related to the business needs of the Company in a public or private junior college or university	A judge, public prosecutor, attorney, accountant, or other professional or technical specialist related to the needs of the Company who has passed a national examination and received a certificate therefor	Has work experience in commerce, law, finance, or accounting or a profession necessary for the business of the Company	1	2	3	4	5	6	7	8	9	10	
Chung-Ming Huang	✓		✓	✓	-	-	✓	-	✓	✓	✓	✓	✓	None.
Chih-Hung Ouyang			✓	-	-	-	✓	-	✓	✓	✓	✓	✓	None.
Chin-Huo Huang			✓	✓	-	-	✓	✓	✓	✓	✓	✓	✓	None.
Yi-Hsiang Huang	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None.
Shun-Jen Cheng	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None.
Chun-Nan Chen			✓	✓	-	-	✓	✓	✓	✓	✓	✓	✓	None.
Chun-Hao Cheng (Note 3)	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None.
Yung-Liang Huang			✓	✓	-	-	✓	✓	✓	✓	✓	✓	✓	None.

Note 1: The amount of columns is adjusted according to the actual number.

Note 2: If a director or supervisor meets any of the following criteria in the two years before being elected or during the term of office, a check "✓" is placed in the corresponding boxes.

(1) Not an employee of the Company or any of its affiliates.

(2) Not a Director or Supervisor of the Company or any of its affiliates unless the person is an Independent Director of the Company or its parent company, or any subsidiary in which the Company holds, directly and indirectly, more than 50% of the voting shares.

(3) Not a natural-person shareholder whose shareholding, together with those of his/her spouse, minor children, and shares held under others' names, exceed 1% of the total number of outstanding shares of the Company, or ranks the person in the top ten shareholders of the Company.

(4) Not a spouse, relative within second degree of kinship, or lineal relative within third degree of kinship of any of the persons in the preceding three paragraphs.

(5) Not a director, supervisor or employee of a juristic-person shareholder that holds directly 5% or more of the total number of outstanding shares of the Company or ranks in the top five shareholders.

(6) Not a director, supervisor, manager or shareholder holding 5% or more of the shares of a specified company or institution that has a financial or business relationship with the Company.

(7) Not a professional or an owner, partner, director, supervisor, manager or a spouse of the abovementioned who provides commercial, legal, financial, accounting services or consultation to the Company or an affiliate of the Company. Excluding members of compensation committee who exercise power in accordance with Article 7 of the Regulations Governing the Appointment and Exercise of Powers by the Compensation committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter.

(8) Not having a marital relationship or a relative within the second degree of kinship to any other director of the Company.

(9) Not corresponding to any of the situations set forth in Article 30 of the Company Act of the R.O.C.

(10) Not a government agency, juristic person, or its representative set forth in Article 27 of the Company Act of the R.O.C.

Note 3: Chun-Hao Cheng resigned on 2016,03.09

(2) Profile of President, Vice Presidents, Assistant Vice Presidents, and Department Directors

March 24, 2015; Unit: Shares; %

Title (Note 1)	Nationality	Name	Date appointed	Shares held		Shares held by spouse and children		Shares held in the name of others		Education/work experience (Note 2)	Other positions	Other officer, director or supervisor who is the spouse or a relative within second degree		
				Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage			Title	Name	Relationship
President	ROC	Chih-Hung Ouyang	2001.10	2,822,581	6.32%	80,308	0.18%	-	-	Electrical Engineering, National Sun Yat-sen University R&D Engineer, Acer Incorporated Project Manager, Ai West Co. Ltd. President, Micro Sova	Chairman, Fu Wu Investment Ltd. Chairman, Brogent Global Inc. Chairman, Brogent Machanical Inc.	-	-	-
Director of the Administration Center	ROC	Sui-Chuan Lin	2013.01	170,462	0.38%	22,585	0.05%	-	-	Master Graduate from the Department of Finance, National Sun Yat-sen University Finance Office at Chienmei Construction Development Corp. Finance Department Manager at Brogent Technology	Supervisor, Brogent Global Inc.	-	-	-
Director of Technology Center	ROC	Teng-Hung Lai	2010.11	28,442	0.06	-	-	-	-	Masters in the Department of Computer Science and Engineering at National Chung-Hsing University Technical Chief Officer at Meihsing Technology President of Liang Chuan Co. Ltd.	Director, Brogent Machanical Inc.	-	-	-
Chief Engineer & Director of Project Center	ROC	Yi-Chung Huang	2015.08	19,313	0.04					PhD, Electrical Engineering, National Sun Yat-sen University Chang Gu Construction Inc. Manager, KungYuanInternational Technology	Chairman,Tong Shun Technology Inc.	-	-	-
Audit Manager	ROC	Hui-Ping Li	2008.03	30,077	0.07	3,000	0.01	-	-	Master Graduate from the Department of Finance, National Sun Yat-sen University Accounting Department in Taiflex Scientific Co. Ltd. Auditor at Ernst & Young Global Limited	None.	-	-	-

Note 1: Should include data regarding the President, Vice President, Assistant Vice President, and department and branch heads. In addition, those whose titles are equivalent to a President, Vice President, or Assistant Vice President, regardless of their titles, their data shall be disclosed.

Note 2: Those who have assumed their current position in CPA firms or affiliated companies during the period mentioned above shall describe their title and the duties and functions for which they are responsible.

3. Remunerations to Directors, Supervisors, President, and Vice Presidents in recent years

1. Remunerations to Directors (including Independent Directors) in the most recent year (2015)

Unit: NT$1,000

Title	Name	Director's remuneration								Ratio of total A, B, C, and D to after-tax income (Note 11)		Pay received as an employee														Ratio of total A, B, C, D, E, F, and G to after-tax income (Note 11)		Remuneration received from investees other than subsidiaries (Note 12)
		Remuneration (A) (Note 2)		Pension (B)		Earnings appropriation (C) (Note 3)		Business expense (D) (Note 4)				Salary, bonus and special allowance (E) (Note 5)		Pension (F)		Profit sharing & bonus (G) (Note 6)				Shares subscribable under employee stock options (H) (Note 7)		Shares obtained through restricted stock award (Note 13)				
		Brogent	All companies in consolidated statements (Note 8)	Brogent	All companies in consolidated statements (Note 8)	Brogent	All companies in consolidated statements (Note 8)	Brogent	All companies in consolidated statements (Note 8)	Brogent	All companies in consolidated statements (Note 8)	Brogent	All companies in consolidated statements (Note 8)	Brogent	All companies in consolidated statements (Note 8)	Brogent		All companies in consolidated statements (Note 9)		Brogent	All companies in consolidated statements (Note 8)	Brogent	All companies in consolidated statements (Note 8)	Brogent	All companies in consolidated statements (Note 8)	
																Cash bonus	Stock bonus	Cash bonus	Stock bonus							
Chairman	Chung-Ming Huang	2,934	2,934	—	—	642	642	60	60	3.24	3.24	—	—	—	—	—	—	—	—	—	—	—	—	3.24	3.24	None.
Director	Chih-Hung Ouyang	—	—	—	—	642	642	60	60	0.62	0.62	2,934	2,934	—	—	—	—	—	—	—	—	—	—	3.24	3.24	None.
Director	Chin-Huo Huang	—	—	—	—	642	642	48	48	0.61	0.61	—	—	—	—	—	—	—	—	—	—	—	—	0.61	0.61	None.
Independent Director	Yi-Hsiang Huang	280	280	—	—	—	—	78	78	0.32	0.32	—	—	—	—	—	—	—	—	—	—	—	—	0.32	0.32	None.
Independent Director	Shun-Jen Cheng	280	280	—	—	—	—	60	60	0.3	0.3	—	—	—	—	—	—	—	—	—	—	—	—	0.3	0.3	None.

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Under NT$ 2,000,000	Chih-Hung Ouyang Chin-Huo Huang Yi-Hsiang Huang Shun-Jen Cheng	Chih-Hung Ouyang Chin-Huo Huang Yi-Hsiang Huang Shun-Jen Cheng	Chin-Huo Huang Yi-Hsiang Huang Shun-Jen Cheng	Chin-Huo Huang Yi-Hsiang Huang Shun-Jen Cheng
NT$2,000,001 ~ NT$5,000,000	Chung-Ming Huang	Chung-Ming Huang	Chung-Ming Huang Chih-Hung Ouyang	Chung-Ming Huang Chih-Hung Ouyang
NT$5,000,001 ~ NT$10,000,000	0	0	0	0
NT$10,000,001 ~ NT$15,000,000	0	0	0	0
NT$15,000,001 ~ NT$30,000,000	0	0	0	0
NT$30,000,001~ NT$50,000,000	0	0	0	0
NT$50,000,001 ~ NT$100,000,000	0	0	0	0
Over NT$100,000,000	0	0	0	0
Total	5	5	5	5

.

Note 1: The Director's name shall be listed separately (corporate shareholders shall list their name and representative separately), and a summary of their benefits shall be disclosed. If the Director also assumes the role of a President or Vice President, it shall be indicated in this table and Tables 3-1 or 3-2.

Note 2: Remuneration to the Director in the past year (including salary, additional pay, severance pay, bonuses and rewards).

Note 3: Refers to the proposed remuneration to Directors according to the most recent earnings distribution that has been approved by the Board of Directors but has not been submitted to the shareholders' meeting.

Note 4: This refers to business expenses of Directors in the past year (including transportation allowance, special allowance, stipends, accommodations, and car). When providing housing, vehicles and other transportation tools, or personal expenses, the asset characteristics and costs, actual rent or rent based on fair price calculation, petrol expenses, and other payments shall be disclosed. If a driver is hired, please describe the relevant remunerations the company has paid to the driver but this shall not be included in the Director's remuneration.

Note 5: All payments to a Director who is also an employee of the Company (including the position of President, Vice President, or other managerial officers or staff), including salary, additional pay, severance pay, bonuses, rewards, transportation allowance, special allowance, stipends, accommodations, and car. When providing housing, vehicles and other transportation tools, or personal expenses, the asset characteristics and costs, actual rent or rent based on fair price calculation, petrol expenses, and other payments shall be disclosed. If a driver is hired, please describe the relevant remunerations the company has paid to the driver but this shall not be included in the Director's remuneration.

Note 6: For Directors also working as an employee (including the position of President, Vice President, or other managerial officers or staff), the amount of the proposed profit sharing and bonus according to the most recent earnings distribution that has been approved by the Board of Directors but has not been submitted to the shareholders' meeting. If the employee bonus cannot be estimated, then the amount allocated for this year shall be calculated based on the proportion of the actual allocation of previous year, and this calculated amount shall be indicated in Table 1-3.

Note 7: Shares subscribable under the employee stock option plan by the Director also working as an employee (including the position of President, Vice President, or other managerial officers or staff) as of the date of report (excluding shares already exercised), shall be indicated in this Table, as well as in Table 15.

Note 8: The total payment to the Director from all companies in the consolidated statements (including the Company).

Note 9: The name of the Director to whom the Company has paid the total compensations shall be disclosed on the basis of the classification of the compensation.

Note 10: The name of each Director to whom all the companies (including this Company) has paid the total compensations shall be disclosed within the consolidated statement on the basis of the classification of the compensation.

Note 11: Net income refers to the net income of the most recent year; if international financial reporting criteria were adopted, then net income refers to the net income reported in individual financial report for the most recent year.

Note 12: a. This field shows the amount of remuneration a Director of the Company receives from investees other than subsidiaries of the Company.

b. If the Director obtains compensations from an investment company other than a subsidiary of the Company's, such compensation shall be consolidated with Column J in the compensation classification table, and the column shall be renamed as "All Investee Companies."

c. The remuneration means pay, remuneration, employee bonus and business expense received by the Director serving as a Director, Supervisor or manager of an investee of a company other than the Company's subsidiaries.

Note 13: The new shares with restricted rights to employees acquired by Directors who are also employees (compensations paid to Directors from an investment company other than the Company's subsidiary) as of the date of this Annual Report, shall be indicated in this Table, in addition to Table 15-1.

＊The compensation content disclosed in this table differs from the income concept of the Income Act; therefore, this table serves to disclose information rather than for tax purposes.

2. Remunerations to Supervisors in the most recent year (2015)

Unit: NT$1,000

Title	Name	Supervisor's Remuneration						Ratio of total A, B, and C to after-tax income		Remuneration received from Investees other than subsidiaries
		Remuneration (A)		Profit sharing (B)		Business expense (C)				
		Brogent	All companies in consolidated statements	Brogent	All companies in consolidated statements	Brogent	All companies in consolidated statements	Brogent	All companies in consolidated statements	
Supervisor	Chun-Nan Chen	－	－	642	642	60	60	0.62	0.62	None.
Supervisor	Chun-Hao Cheng	580	580	－	－	60	60	0.57	0.57	None.
Supervisor	Yung-Liang Huang	－	－	642	642	60	60	0.62	0.62	None.

Range of Remuneration	Name of Supervisors	
	Total of (A+B+C)	
	The company	Companies in the consolidated financial statements
Under NT$ 2,000,000	Chun-Nan Chen Chun-Hao Cheng Yung-Liang Huang	Chun-Nan Chen Chun-Hao Cheng Yung-Liang Huang
NT$2,000,001 ~ NT$5,000,000	0	0
NT$5,000,001 ~ NT$10,000,000	0	0
NT$10,000,001 ~ NT$15,000,000	0	0
NT$15,000,001 ~ NT$30,000,000	0	0
NT$30,000,001 ~ NT$50,000,000	0	0
NT$50,000,001 ~ NT$100,000,000	0	0
Over NT$100,000,000	0	0
Total	3	3

Note 1: The Supervisor's name shall be listed separately (corporate shareholder shall list their name and representative separately), and a summary of their benefits shall be disclosed.

Note 2: Remuneration to Supervisors in the past year (including salary, additional pay, severance pay, bonuses and rewards).

Note 3: The amount is the proposed remuneration to Supervisors according to the most recent earnings distribution approved by the Board of Directors, but this figure has not yet been submitted to the shareholders' meeting.

Note 4: This is a business expense of Supervisors in the past year (including transportation allowance, special allowance, stipends, accommodations, and car). When providing housing, vehicles and other transportation tools, or personal expenses, the asset characteristics and costs, actual rent or rent based on fair price calculation, petrol expenses, and other payments shall be disclosed. If a driver is hired, please describe the relevant remunerations the company has paid to the driver but this shall not be included in the Director's remuneration.

Note 5: The total payment to the Supervisor from all companies in the consolidated statements (including the Company).

Note 6: The name of the Supervisor to whom the Company has paid the total compensations shall be disclosed on the basis of the classification of the compensation.

Note 7: The name of each Supervisor to whom all the companies (including this Company) has paid the total compensations shall be disclosed within the consolidated statement on the basis of the classification of the compensation.

Note 8: Net income refers to the net income of the most recent year; if international financial reporting criteria were adopted, then net income refers to the net income reported in individual financial report for the most recent year.

Note 9: a. This field shows the amount of remuneration a Supervisor of the Company receives from investees other than subsidiaries of the Company.

b. If the Supervisor obtains compensations from an investment company other than a subsidiary of the Company's, such compensation shall be consolidated with Column D in the compensation classification table, and the column shall be renamed as "All Investee Companies."

c. The remuneration means pay, remuneration, employee bonus and business expense received by the Supervisor serving as a Director, Supervisor or manager of an investee of the Company other than subsidiaries.

*The compensation content disclosed in this table differs from the income concept of the Income Act; therefore, this table serves to disclose information rather than for tax purposes.

3. Remunerations to President, and Vice Presidents in the last year (2015)

Unit: NT$1,000

Title	Name	Salary (A)		Pension (B)		Bonus and special allowance (C)		Employee bonus (D)				Ratio of total A, B, C, and D to after-tax income (%)		Shares subscribable under employee stock options		Shares obtained through restricted stock award		Remuneration received from Investees other than subsidiaries
		Brogent	All companies in consolidated statements	Brogent	All companies in consolidated statements	Brogent	All companies in consolidated statements	Brogent		All companies in consolidated statements		Brogent	All companies in consolidated statements	Brogent	All companies in consolidated statements	Brogent	All companies in consolidated statements	
								Cash bonus	Stock bonus	Cash bonus	Stock bonus							
President	Chih-Hung Ouyang	2,374	2,374	-	-	620	620	-	-	-	-	2.66	2.66	-	-	-	-	None.

Range of Remuneration	Name of President	
	The company	Companies in the consolidated financial statements
Under NT$ 2,000,000	0	0
NT$2,000,001 ~ NT$5,000,000	Chih-Hung Ouyang	Chih-Hung Ouyang
NT$5,000,001 ~ NT$10,000,000	0	0
NT$10,000,001 ~ NT$15,000,000	0	0
NT$15,000,001 ~ NT$30,000,000	0	0
NT$30,000,001 ~ NT$50,000,000	0	0
NT$50,000,001 ~ NT$100,000,000	0	0
Over NT$100,000,000	0	0
Total	1	1

Note 1: The President and Vice President's name shall be listed separately (corporate shareholders shall list their name and representative separately), and a summary of their benefits shall be disclosed. If the Director also assumes the role of a President or Vice President, it shall be indicated in this table and Tables 1-1 or 1-2.

Note 2: Salary, additional pay, and severance pay received by the President or Vice President in the past year.

Note 3: Bonus, reward, transportation allowance, special allowance, stipends, accommodations, car and other pays received by the President or Vice President in the past year. When providing housing, vehicles and other transportation tools, or personal expenses, the asset characteristics and costs, actual rent or rent based on fair price calculation, petrol expenses, and other payments shall be disclosed. If a driver is hired, please describe the relevant remunerations the company has paid to the driver but this shall not be included in the President or Vice President's remuneration.

Note 4: Refers the amount of the proposed profit sharing and bonus to Presidents and Vice Presidents according to the most recent earnings distribution that has been approved by the Board of Directors but has not been submitted to the shareholders' meeting. If the employee bonus cannot be estimated, then the amount allocated for this year shall be calculated based on the proportion of the actual allocation of previous year, and this calculated amount shall be indicated in Table 1-3. Net income refers to the net income of the most recent year; international financial reporting criteria were adopted, and net income refers to the net income reported in individual financial report for the most recent year.

Note 5: Shares subscribable under employee stock option plan by the President and Vice President as of the date of report (excluding shares already exercised), shall be indicated in this Table, as well as in Table 15.

Note 6: The total payment to the President or Vice President from all companies in the consolidated statements (including the Company).

Note 7: The name of each President and Vice President to whom all the companies has paid the total compensations shall be disclosed within the consolidated statement on the basis of the classification of the compensation.

Note 8: The name of each President and Vice President to whom all the companies (including this Company) has paid the total compensations shall be disclosed within the consolidated statement on the basis of the classification of the compensation.

Note 9: Net income refers to the net income of the most recent year; if international financial reporting criteria were adopted, then net income refers to the net income reported in individual financial report for the most recent year.

Note 10: a. This field shows the amount of remuneration the President or Vice President of the Company receives from investees other than subsidiaries of the Company.

b. If the President and Vice President obtain compensations from an investment company other than the company's subsidiary, such compensation shall be consolidated with Column E in the compensation classification table and rename the column as "All Investee Companies."

c. The remuneration means pay, remuneration, employee bonus and business expense received by the President or Vice President serving as a Director, Supervisor or manager of an investee of the Company other than subsidiaries.

Note 11: The new shares with restricted rights to employees acquired by Directors who are also employees (compensations paid to Directors from an investment company other than the Company's subsidiary) as of the date of this Annual Report, shall be indicated in this Table, in addition to Table 15-1.

＊The compensation content disclosed in this table differs from the income concept of the Income Act;

therefore, this table serves to disclose information rather than for tax purposes.

4. Manager name and distribution situation regarding employee bonus in the last year (2015):

	Title	Name	Stock bonus	Cash bonus	Total	Total amount as a percentage of earnings (%)
Managerial officer	President	Chih-Hung Ouyang	0	1,940	1,940	1.73
	Director of Technology Center	Teng-Hung Lai				
	Chief Engineer & Director of Project Center	Yi-Chung Huang				
	Director of the Administration Center	Sui-Chuan Lin				
	Audit Manager	Hui-Ping Li				

(4) Respectively compare and describe the analysis of remunerations to Directors, Supervisors,

President and Vice Presidents as a percentage of earnings in the last two years and description of the policy, standards and packages of remunerations, procedure for making such decision and relation to business performance and future risks:

Unit: NT$1,000

Title	2015		2014	
	Brogent	All companies in consolidated statements	Brogent	All companies in consolidated statements
Director Supervisor President	10,705	12,822	11,295	11,295

Note 1: The Company did not set up a Vice President position.
Note 2: The Company did not compile a consolidated statement

The total amount as a percentage of earnings (losses) in 2015 and 2014 were respectively 11.41% and 5.03%. The Company determines the aforementioned personnel remunerations according to the Company's business performance, management performance, and standards in the market. The paid remuneration also conforms to the Company's salary-related management regulations and should be adequate for assuming responsibilities and risks.

4. Implementation of corporate governance

(1)Operations of the Board of Directors

In 2015, a total of 10 (A) meetings of the Board of Directors were held in the most recent year. The attendance was as follows:

Title	Name (Note 1)	Attendance in person (B)	By proxy	Attendance rate (%) [B/A] (Note 2)	Note
Chairman	Chung-Ming Huang	10	0	100.00	Reelected on 2014.06.11
Director	Chih-Hung Ouyang	10	0	100.00	Reelected on 2014.06.11
Director	Chin-Huo Huang	9	0	90.00	Reelected on 2014.06.11
Independent Director	Yi-Hsiang Huang	9	0	90.00	Reelected on 2014.06.11
Independent Director	Shun-Jen Cheng	10	0	100.00	Reelected on 2014.06.11
Other matters that require reporting: 1. Matters stipulated in Article 14-3 of the Securities and Exchange Act and resolutions adopted by the Board of Directors, to which an Independent Director has a dissenting or qualified opinion that is on record or stated in a written statement,shall describe the date of the board meeting,					

term of the board, agenda items, opinions of Independent Directors, and actions taken by the company in response to the opinion of the Independent Directors: None.

2. Regarding Directors who recuse themselves from discussion or voting on an agenda item in which they have an interest, their names, agenda items, reason for recusal, and voting on an agenda item shall be stated: Not applicable.

3. An evaluation of the goals set for strengthening the functions of the Board (e.g., setting up an auditing committee and enhancing information transparency) and implementation status during the current and immediately preceding fiscal years.

   (1) The operation of the Board of the Company complies with laws and regulations, the Articles of Incorporation, and the Exercise of Powers of the resolutions in shareholders' meetings. All Directors adhere to the principle of good faith and duty of care in addition to possessing the expertise, skills, and literacy required for exercising their powers, in order to maximize benefits for all of their shareholders.

   (2) To establish a favorable governing system for the Company's Board of Directors, a sound supervision function, and strengthened management mechanism, the Company formulated the Board of Director Meeting Agenda Regulations in accordance with Article 26-3 of the Securities and Exchange Act, including agenda items, execution of operations, matters that should be recorded in meeting minutes, announcements, and other matters that should be adhered to, and the aforementioned shall be handled in accordance with the formulated regulations.

   (3) In addition to regularly conducting self-examination of the operation of the Board of Directors and reinforcing the functions of the Board, the Company requires its internal auditors to produce auditing reports that describe the Board operations in order to conform with government regulations.

   (4) Establish a Remuneration Committee to assist the Board of Directors in executing its duties.

Note 1: Directors and Supervisors who are also legal persons shall disclose the name of corporate shareholders and their representatives.

Note 2:

(1) For Directors or Supervisors who resigned from their position prior to the end of the financial year, the date of their resignation shall be noted in the Note column. Their actual attendance rate (%) shall be calculated according to the frequency they attended meetings of the Board during their tenure and their attendance in person.

(2) For changes to Directors or Supervisors before the end of the financial year, the new and old Directors or Supervisors shall be listed and Directors or Supervisors who are old or new and the date of their reelection and changes shall be noted in the Note column. Their actual attendance rate (%) shall be calculated according to the frequency they attended meetings of the Board during their tenure and their attendance in person.

(2)State of operations of the audit committee or attendance of Supervisors in board meetings: The Company does not have an audit committee set up. Attendance of Supervisors in board meetings:

In 2015, a total of 10 (A) meetings of the Board of Directors were held in the most recent year. The Supervisor attendance was as follows:

Title	Name	Attendance in person (B)	Attendance rate (%)	Note

			(B/A) (Note)	
Supervisor	Chun-Nan Chen	10	100.00	Reelected on 2014.06.11
Supervisor	Chun-Hao Cheng	10	100.00	Reelected on 2014.06.11 Resigned on 2015.03.09
Supervisor	Yung-Liang Huang	10	100.00	Newly elected on 2014.06.11
1. Composition and responsibility of Supervisors: (1) Communication between Supervisors and Company's employees and shareholders: Supervisors communicate with employees and shareholders through the company spokesperson. This communication channel has been effective in past years, thereby facilitating supervisory functions. (2) Communication between Supervisors and the Company's internal Audit Manager and CPA (e.g., items, methods, and outcomes of communicating company financial status and business conditions): The Company invites its Supervisors to attend board meetings; therefore, the Company reports the financial statement and business conditions of the Company during the board meetings or designates the Audit Manager to report the evaluation results of internal audits. All Supervisors may express their opinions during the meetings. Moreover, the financial statements approved by the CPA are submitted to the Supervisors for approval. If Supervisors voice their opinion when reviewing the financial statements, such opinion shall be either first explained by the CPA or be communicated to the CPA. 2. If a Supervisor voices an opinion in the Board of Directors meeting, the date of the board meeting, term of the board, agenda items, resolutions adopted by the board, and actions taken by the company in response to the opinion of the Supervisor shall be described: None.				

Note:

＊For Independent Directors who resigned from their position prior to the end of the financial year, the date of their resignation shall be noted in the Note column. Their actual attendance rate (%) shall be calculated according to the frequency they attended meetings of the Board during their tenure and their attendance in person.

＊For changes to Independent Directors before the end of the financial year, the new and old Independent Directors shall be listed and Independent Directors who are old or new and the date of their reelection and changes shall be noted in the Note column. Their actual attendance rate (%) shall be calculated according to the frequency they attended meetings of the audit committee during their tenure and their attendance in person.

(3)Corporate governance implementation status and deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons

Assessed areas	State of Operations (Note 1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
1. Does the company establish and disclose its corporate governance principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	V		Handled in accordance with Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.	No deviation from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
2. Shareholding structure & shareholders' rights (1) Does the company establish internal operating procedures for handling shareholder suggestions, questions, complaints or litigation and handled related matters accordingly? (2) Does the company have a list of major shareholders that have actual control over the Company and a list of ultimate owners of those major shareholders? (3) Does the company establish and implement risk management and firewall systems between the Company and its affiliates? (4) Does the company establish internal rules against insiders trading with undisclosed information?	V		(1) The Company has stock affairs specialists and a stock affairs proxy agency to assist with handling such affairs. (2) Yes, according to the shareholders' registry provided by the stock affairs proxy agency, and we regularly report changes to the stock rights of our Directors, Supervisors, and managerial officers. (3) The Companyhas set up internal rules in the Company's Internal Control System and Affiliated Corporations Management. (4) The Company's operation is conducted according to the extent of internal control.	No deviation from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
3. Composition and responsibilities of the Board of Directors (1) Does the Board of Directors develop and implement a diversified policy for the	V		(1) The Company has set up 2 seats for Independent Directors.	No deviation from Corporate Governance Best-Practice Principles for TWSE/GTSM

Assessed areas	State of Operations (Note 1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
composition of its members? (2) Does the company voluntarily establish other functional committees in addition to remuneration committee and audit committee? (3) Does the company establish standards and method for evaluating the performance of the Board of Directors, and implemented it annually? (4) Does the company regularly evaluate the independence of CPAs?			(2) The Company has established a Remuneration Committee and proposed recommendations regarding the remunerations to its Directors, Supervisors, and managerial officers. (3) The Company currently has no method for evaluating the performance of the Board of Directors. (4) The Company regularly evaluates the independence of CPAs. The Company's CPAs are hired by the Board of Directors at least once per year, and they have no interest relationship with the Company and are strictly independent.	Listed Companies.
4. Does the company establish a communication channel and build a designated section on its website for stakeholders, and properly respond to corporate social responsibility issues of concern to the stakeholders?	V		The Company has a spokesperson and representative spokesperson who act as the communication channel for the Company.	No deviation from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
5. Does the company designate a professional shareholder service agency to deal with shareholder affairs?	V		The Company commissions the stock affairs agency department of Taishin International Bank to handle shareholder affairs.	No deviation from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
6. Information disclosure (1) Does the company establish a corporate website to disclose information regarding the company's financial, business and corporate governance status? (2) Does the company have other information	V		(1) Web address: www.brogent.com; the Company has designated personnel to collect and disclose Company information. (2) Spokesperson: President Chih-Hung Ouyang; investors can also access the Company's	No deviation from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Assessed areas	State of Operations (Note 1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
disclosure channels (e.g., maintaining an English-language website, appointing responsible people to handle information collection and disclosure, creating a spokesperson system, webcasting investor conference on the company website)?			information regarding the company's financial, business and corporate governance status from the Market Observation Post System.	
7. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, continuing education of Directors and Supervisors, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing insurance for Directors and Supervisors)?	V		(1) Employee rights protection and employee care measures adopted by the Company: The Company provides equal employment opportunities, offers employee group insurance, arranges health check ups regularly, and establishes legal employee welfare committee to protect employee rights. Furthermore, we comply with law in enrolling every employee in labor and health insurance and disburse pension reserve funds to them. The Company establishes appropriate channels for employees to file their complaint and values the importance of employee training. (2) The Company's relationship with its investors: The Company holds shareholder meetings according to law every year and adequately gives its shareholders the chance to raise questions and make proposals. In addition, we also have set up spokespersons and representative spokesperson in accordance with law and designate them to handle matters between the Company and its investors. Moreover, the Company announces and reports any information that should be	No deviation from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Assessed areas	State of Operations (Note 1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			disclosed as required by the competent authorities. Thus, information that potentially influences investor decisions is provided in real-time. (3) The Company maintains a smooth communication channel with its suppliers and stakeholders, including partner banks, other creditors, employees, and clients. (4) Continuing education of Directors and Supervisors: The members of the Company's Board of Directors possess professional backgrounds and practical experience in business management; they occasionally attend relevant educational courses. The continuing education status of the Board of Directors in 2014 and 2015 to the print date of the Prospectuses are displayed in the following table. (5) Implementation status of risk management policies and standard risk measures: The Company emphasizes the importance of risk management, complies with relevant laws and regulations in executing various policies, and establishes internal auditors who ensure that the execution of relevant policies conforms to regulations. (6) Accountability insurance for Directors and Supervisors: The Company has purchased relevant accountability insurance for its Directors, Supervisors, and managerial officers.	

Assessed areas	State of Operations (Note 1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
8. Does the company have corporate governance self-assessment report or have engaged any other professional organization to conduct such assessment? (If so, please describe the opinion of the board, the results of self or outside evaluation, major deficiencies found, suggestions, or improvement actions taken) (Note 2)		V	The Company has not yet commissioned other professional companies to compile corporate government evaluation report.	Since 2014, the TWSE has evaluated the corporate governance system of TWSE-listed and OTC companies; therefore, the Company has not yet commissioned other professional companies to compile corporate government evaluation report. No deviation from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Note 1: The operating condition shall be described in the Summary column regardless of whether "Yes" or "No" is selected.
Note 2: The corporate governance self-evaluation report mentioned here refers to the corporate governance evaluation conducted and explained by the company itself, and is a report on how the company enforces corporate governance.

The Continuing Education Status of Directors and Supervisors in 2014 and 2015 to the date of this Annual Report				
Title	Name	Organizer	Course name	Hours
Chairman	Chung-Ming Huang	Taiwan Corporate Governance Association	Legal Responsibility on Fraudulent Financial Report	3 hours
Chairman	Chung-Ming Huang	Taiwan Corporate Governance Association	Disclosure of Corporate Major Information and Resposibilities of Directors	3 hours
Chairman	Chung-Ming Huang	Taiwan Academy of Banking & Finance	Forum on Corporate Governance- How to Adapt Tax Reform	3 hours
Director	Chih-Hung Ouyang	Taiwan Corporate Governance Association	Legal Responsibility on Fraudulent Financial Report	3 hours
Director	Chih-Hung Ouyang	Taiwan Corporate Governance Association	Disclosure of Corporate Major Information and Resposibilities of Directors	3 hours
Director	Chin-Huo Huang	Taiwan Corporate Governance Association	Legal Responsibility on Fraudulent Financial Report	3 hours
Director	Chin-Huo Huang	Taiwan Corporate Governance Association	Disclosure of Corporate Major Information and Resposibilities of Directors	3 hours
Independent Director	Yi-Hsiang Huang	Taiwan Corporate Governance Association	Legal Responsibility on Fraudulent Financial Report	3 hours
Independent Director	Yi-Hsiang Huang	Taiwan Corporate Governance Association	Disclosure of Corporate Major Information and Resposibilities of Directors	3 hours
Independent Director	Shun-Jen Cheng	Taiwan Corporate Governance Association	Legal Responsibility on Fraudulent Financial Report	3 hours
Independent Director	Shun-Jen Cheng	Taiwan Corporate Governance Association	Disclosure of Corporate Major Information and Resposibilities of Directors	3 hours
Independent Director	Shun-Jen Cheng	Securities & Futures Institute	2015 Forum on Corporate Governance – Insider Trading and Corporate Social Resposibilities	3 hours
Supervisor	Chun-Nan Chen	Taiwan Corporate Governance Association	Legal Responsibility on Fraudulent Financial Report	3 hours

Supervisor	Chun-Nan Chen	Taiwan Corporate Governance Association	Disclosure of Corporate Major Information and Resposibilities of Directors	3 hours
Supervisor	Chun-Nan Chen	Taiwan Academy of Banking & Finance	Forum on Corporate Governance- How to Adapt Tax Reform	3 hours
Supervisor (Note 1)	Chun-Hao Cheng	Taiwan Corporate Governance Association	Legal Responsibility on Fraudulent Financial Report	3 hours
Supervisor (Note 1)	Chun-Hao Cheng	Taiwan Corporate Governance Association	Disclosure of Corporate Major Information and Resposibilities of Directors	3 hours
Supervisor	Yung-Liang Huang	Taiwan Corporate Governance Association	Legal Responsibility on Fraudulent Financial Report	3 hours
Supervisor	Yung-Liang Huang	Taiwan Corporate Governance Association	Disclosure of Corporate Major Information and Resposibilities of Directors	3 hours
Supervisor	Yung-Liang Huang	Taiwan Academy of Banking & Finance	Forum on Corporate Governance- How to Adapt Tax Reform	3 hours

Note 1: Resigned on 2015. 03.09

(4) If the company has established a remuneration committee, it shall disclose the composition, duties, and operation of the committee

1. Members of the Compensation Committee

Position (Note 1)	Criteria / Name	Has at least 5 years of work experience and meets one of the following professional qualifications			Meet the independence criteria (Note 2)								Number of other public companies in which the member also serves as a member of their compensation committee	Note (Note 3)
		An instructor or higher position in the department of commerce, law, finance, accounting or other department related to the business needs of the Company in a public or private junior college or university	A judge, public prosecutor, attorney, accountant, or other professional or technical specialist related to the needs of the Company who has passed a national examination and received a certificate therefor	Have work experience in commerce, law, finance, or accounting or a profession necessary for the business of the Company	1	2	3	4	5	6	7	8		
Independent Director	Yi-Hsiang Huang	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	
External committee member	Ching-Wen Chuang	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	None
External committee member	Liang-Chien Li	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	2	

Note 1: Please specify identity (Director, Independent Director, or other).

Note 2: If the committee member meets any of the following criteria in the two years before being appointed or during the term of office, please check "✓" in the corresponding boxes.

(1) Not an employee of the Company or any of its affiliates;

(2) Not a Director or Supervisor of the Company or any of its affiliates; The same does not apply, however, in cases where the committee member is an Independent Director of the Company, its parent company, or any subsidiary in which the Company holds, directly or indirectly, more than 50 percent of the voting shares.

(3) Not a natural-person shareholder whose shareholding, together with those of his/her spouse, minor children, and shares held under others' names, exceed 1% of the total number of outstanding shares of the Company, or ranks the person in the top ten shareholders of the Company.

(4) Not a spouse, relative within second degree of kinship, or lineal relative within third degree of kinship of any of the persons in the preceding three paragraphs.

(5) Not a Director, Supervisor or employee of an institutional shareholder that holds directly 5% or more of the total number of outstanding shares of the Company or ranks in the top five shareholders.

(6) Not a Director, Supervisor, manager or shareholder holding 5% or more of the shares of a specified company or institution that has a financial or business relationship with the Company.

(7) Not a professional or an owner, partner, Director, Supervisor, manager or a spouse of the above mentioned who provides commercial, legal, financial, accounting services or consultation to the Company or an affiliate of the Company.

(8) Not having any of the situations set forth in Article 30 of the Company Act of the R.O.C.

Note 3: If the member is a Director, please describe whether it conforms to Article 6-5 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter.

2. State of operations of the compensation committee

(A) The Compensation Committee comprises 3 members.

Current term of office: July 15, 2014–June 10, 2017; a total of 3 (A) meetings of the

Compensation Committee were held in the most recent year. The members' qualifications and attendance were as follows:

Title	Name	Attendance in person (B)	By proxy Frequency	Attendance rate (%) (B/A) (Note)	Note
Convenor-Independent Director, Brogent	Yi-Hsiang Huang	3	0	100.00	
Committee-member-External committee member	Ching-Wen Chuang	3	0	100.00	
Committee member-External committee member	Liang-Chien Li	3	0	100.00	

Other matters that require reporting:

1. If the Board of Directors did not adopt or revised the recommendations of the compensation committee, describe the date of the board meeting, term of the board, agenda item, resolutions adopted by the board, and actions taken by the company in response to the opinion of the compensation committee (if the remunerations approved by the Board of Directors are better than those recommended by the compensation committee, describe the difference and reasons): None.
2. If with respect to any resolution of the compensation committee, any member has a dissenting or qualified opinion that is on record or stated in a written statement, describe the date of committee meeting, term of the committee, agenda item, opinions of all members, and actions taken by the company in response to the opinion of members: None.

Note:

(1) For Compensation Committee members who resigned from their position prior to the end of the financial year, the date of their resignation shall be noted in the Note column. Their actual attendance rate (%) shall be calculated according to the frequency they attended meetings of the Compensation Committee during their tenure and their attendance in person.

(2) For changes to compensation committee members before the end of the financial year, the new and old members shall be listed and members who are either old, new, or reelected and the date of their reelection shall be specified in the Note column. Their actual attendance rate (%) shall be calculated according to the frequency they attended meetings of the compensation committee during their tenure and their attendance in person.

(5) Implementation of corporate social responsibility (CSR)

Assessed areas	State of Operations (Note 1)			Departure from Corporate Social Responsibility Best Practice Principles for TWSE/GTSM listed companies and reasons
	Yes	No	Summary (Note 2)	
1. Corporate governance implementation (1) Does the company establish corporate social responsibility policy or system and examine its implementation results? (2) Does the company provide educational training on corporate social responsibility on a regular basis? (3) Does the company establish a dedicated or concurrent unit in charge of promoting CSR with senior management authorized by the board to take charge of proposing CSR policies and reporting to the board? (4) Does the company establish a reasonable salary remuneration policy, and integrate the employee performance evaluation system with its CSR policy, and establish an effective reward and disciplinary system?	V		(1) The Company has established Corporate Social Responsibility Best Practice Principles and examined its implementation effectiveness. (2) The departments related to the social responsibility of the Company all handle relevant matters according to their duties. (3) The Company has established the Ethical Code of Conducts for Directors, Supervisors, and Managerial Officers. (4) The Company has established Work Rules and Guideline for Project Performance Reward Management, which clearly specifies relevant effective rewarding and punishment systems.	No deviation from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
2. Fostering a sustainable environment (1) Does the company endeavor to improve the efficiency of resource utilization and use recycled materials which have a low impact on the environment? (2) Does the company establish a proper environmental management system based on the characteristics of the industry? (3) Does the company monitor the impact of climate change on business operations, conduct	V		(1) The Company generally endeavor to increase the efficiency of resource utilization and use environmentally friendly materials as much as possible to reduce the impact on the environment. (2) The Company has established relevant management regulations for the safety of working environment. (3) The Company often holds internal promotional	No deviation from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Assessed areas	State of Operations (Note 1)			Departure from Corporate Social Responsibility Best Practice Principles for TWSE/GTSM listed companies and reasons
	Yes	No	Summary (Note 2)	
greenhouse gas inventory and formulate strategies for energy conservation and carbon and greenhouse gas reduction?			activity, reminds employees to switch off lights when leaving a room and classify their trash, to facilitate reducing the environmental impact of the company's operation.	
3. Upholding public interests (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights? (2) Has the company set up an employee hotline or grievance mechanism to handle complaints properly? (3) Does the company provide a safe and healthy working environment and provide employees with regular safety and health training? (4) Does the company set up a channel for communicating with employees on a regular basis, and reasonably inform employees of any significant changes in operations that may have an impact on them? (5) Does the company set up effective career development and training programs for its employees? (6) Does the company establish any consumer protection mechanisms and complaint procedures regarding R&D, purchasing, production, operation and service? (7) Does the company advertise and label its goods and services according to relevant regulations and international standards?	V		(1) The Company adheres to the labor regulations in the Labor Standards Act to protect employees' legal rights. In addition, the Company disburses pension fund and labor welfare fund in accordance with law. Concurrently, the Company and its employees have also established employee welfare committee and hold employer–employee meetings to implement various welfare activities and coordinate employer–employee relationship, thereby promoting matters related to employer–employee cooperation. (2) Yes, the Company has set up employee grievance mailbox and has designated personnel to handle relevant matters. (3) The Company endeavors to provide a safe and healthy working environment and provide employees with regular safety and health training. (4) The Company regularly convenes meetings to present and communicate the Company’s business development direction and strategies to its employees. (5) The Company has two training programs, namely Supervisors/regular training and general	No deviation from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Assessed areas	State of Operations (Note 1)			Departure from Corporate Social Responsibility Best Practice Principles for TWSE/GTSM listed companies and reasons
	Yes	No	Summary (Note 2)	
(8) Does the company evaluate the records of suppliers' impact on the environment and society before doing business with the supplier? (9) Do the contracts between the company and its major suppliers include termination clauses which come into force once the suppliers breach the corporate social responsibility policy and cause significant impact on the environment and society?			employee/occasional training. The content of training depends on the job position of the employees. (6) There are no relevant operations currently. (7) Company products are designed and manufactured in accordance with standard regulations of various countries. These products have also been certified by the following: China: GB-8408 Amusement Device Safety Code(Amusement device satety Cood) Europe: EN-13814(Fairground and amusement park machinery and Structure-Safety) USA and Canada: ASTM-F2291 (Standard Practice for Design of Amusement and Devices) (8) No, a list of supplier evaluation standards was added. (9) The Company upholds the principle of ethical corporate management and collectively cooperate with the suppliers in development projects to facilitate coexistence and collective prosperity.	
4. Enhancing information disclosure (1) Does the company disclose relevant and reliable information regarding its corporate social responsibility on its website and the Market Observation Post System?	V		The Company discloses relevant information regarding its corporate social responsibility on its website, annual report, and the prospectuses.	No deviation from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Assessed areas	State of Operations (Note 1)			Departure from Corporate Social Responsibility Best Practice Principles for TWSE/GTSM listed companies and reasons
	Yes	No	Summary (Note 2)	
5. If the Company has established the corporate social responsibility principles based on "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies", please describe any discrepancy between the principles and their implementation: Not applicable				
6. Other important information to facilitate a better understanding of the company's corporate social responsibility practices: None.				
7. If the corporate social responsibility reports have received assurance from external institutions, they should state so below: Not applicable				

Note 1: The operating condition shall be described in the Summary column regardless of whether "Yes" or "No" is selected.
Note 2: For companies that have compiled CSR reports, the summary may specify the CSR reporting method and page numbers.

(6) Implementation of ethical corporate management

Assessed areas	State of Operations (Note 1)			Departure from "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
1. Establishment of ethical corporate management policy and approaches (1) Does the company declare its ethical corporate management policies and procedures in its rules and external documents, as well as the commitment of its board and management to implementing the management policies? (2) Does the company establish policies to prevent unethical conduct with relevant procedures, guidelines of conduct, punishment for violation, rules of appeal clearly stated in the policies, and implement the policies? (3) Does the company establish appropriate precautionary measures for operating activities with higher risk of unethical conducts provided in Paragraph 2, Article 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies or within its scope of business?	V		(1) The Company strictly adheres to the laws and regulations stipulated in the Company Act, Securities and Exchange Act, Business Entity Accounting Act, and other regulations for listed and OTC companies. The Company has formulated internal control systems according to regulations, established internal auditing office, and ensured the effective implementation of relevant operations, to realize the fundamental concepts of ethical corporate management. (2) The Company has formulated Ethical Corporate Management Principle according to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and promoted the importance of ethical code of conduct, educating each employee on the company's core value and compliance systems. The Company regularly offers training programs. (3) The Company requires its Directors, Supervisors, managerial officers, and employees to refrain from engaging in bribery or providing illegal political donations during a	No deviation from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Assessed areas	State of Operations (Note 1)			Departure from "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
			business activity. The Company stipulates that they may not directly or indirectly provide or receive unreasonable gifts, treatments, or other improper benefits to prevent employees from pursuing personal interests at the expense of the company's rights and interests.	
2. Implementation of ethical corporate management (1) Does the company evaluate the ethical records of parties it does business with and stipulate ethical conduct clauses in business contracts? (2) Does the company establish a dedicated (concurrent) unit under the Board of Directors to promote ethical corporate management, and report the status of implementation to the board? (3) Does the company establish policies to prevent conflicts of interest, provide appropriate channels for filing related complaints and implement the policies accordingly? (4) Does the company have effective accounting system and internal control systems set up to facilitate ethical corporate management, and are those systems audited by either internal auditors or CPAs on a regular basis?	V		(1) The Company's clients and suppliers are mostly well-known companies whose ethical management information is easily accessible. When signing a business contract, the contract also incorporates regulations regarding ethical management. (2) The Company invites Supervisors to attend the meeting of the Board of Directors, thereby maximizing the supervisory functions of Supervisors. (3) The Company has an Internal Material Information Processing Operating Procedure, specifying that Directors, Supervisors, managerial offices, and employees may not leak internal material information to others, inquire the company's internal material information from others, or collate unpublished internal material information of companies that are irrelevant to their job duties. They are also prohibited from leaking the company's	No deviation from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Assessed areas	State of Operations (Note 1)			Departure from "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
(5) Does the company hold internal and external educational trainings on operational integrity regularly?			unpublished internal material information to others. (4) To implement ethical management, the Company has established effective accounting system and internal control system, and has internal auditors regularly check the situation regarding compliance with the aforementioned systems. To implement ethical management, the Company has established effective accounting system and internal control system, and has internal auditors regularly check the situation regarding compliance with the aforementioned systems. (5) The Company promotes the concepts of ethical management in Director and Supervisor training and managerial meetings.	
3. Operation of whistleblowing system (1) Does the company establish concrete whistleblowing and reward system and have a convenient reporting channel in place, and assign an appropriate person to communicate with the accused? (2) Does the company establish standard operating procedures for investigating reported cases and related confidentiality mechanism? (3) Does the company provide proper whistleblower protection?	V		(1) The Company has established whistleblowing channels and developed relevant punishment systems and reporting mechanisms. (2) Yes. (3) The Company adopts an anonymous reporting policy.	No departure from "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies."

<table>
<tr><th rowspan="2">Assessed areas</th><th colspan="3">State of Operations (Note 1)</th><th rowspan="2">Departure from "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>4. Enhancing information disclosure
(1) Does the company disclose information regarding the company's ethical corporate management principles and implementation status on its website and the Market Observation Post System?</td><td>V</td><td></td><td>(1) The Company has set up a website for disclosing corporate governance information.</td><td>No departure from "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies."</td></tr>
<tr><td colspan="5">5. If the company has established Ethical Corporate Management Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies", describe any discrepancy between the principles and their implementation: None.</td></tr>
<tr><td colspan="5">6. Other important information to facilitate a better understanding of the company's implementation of ethical corporate management: (e.g., inspect and revise existing ethical management principles) None</td></tr>
</table>

Note 1: The operating condition shall be described in the Summary column regardless of whether "Yes" or "No" is selected.

(7) If the company has established corporate governance principles and related guidelines, disclose the means of accessing this information: The Company has not formulated corporate governance principles but has disclosed rules pertaining to corporate governance on the Market Observation Post System, such as: Ethical Corporate Management Principles and Remuneration Committee Organization Rules.

(8) Other significant information which may improve the understanding of corporate governance and operation: None.

(9) The following matters pertaining to the implementation status of internal control systems should be disclosed:

1. Statement on Internal Control: (Please refer to Appendix 1).
2.The Company engages an accountant to examine its internal control system, disclose the CPA examination report: None.

(10) Penalty on the Company and its personnel or punishment imposed by the Company on personnel in violation of internal control system regulations, major deficiencies and improvement in the past year and up to the date of report: None.

(11) Important resolutions adopted in shareholders meeting and Board of Directors' meeting in the past year and up to the date of report.

1. Shareholder's Meeting

Date	Type of Meeting	Resolutions	Implementation Status
2015.05.20	Shareholders' meeting	A. Reporting Items (1) 2014 business report and financial report (2) 2014 Supervisor's Review Report (3)Report on Issuing ofConvertible Corprate Bond (4)Report on Issuing Private Placement Shares B. Passed Items (1) 2014 business report and financial report (2) 2014 Profit Allocation Plan C. Discussion Items (1) Capital increase out of 2014 earnings (2) Revising articles of the Corporate's Article of Association	1.The Borad of Director's Meeting set 2015.06.09 As Ex-Dividend Date,and 2015.08.05 as payable date for cash and stock dividends (Capital increase out of 2014 earnings)。 2.Execution as scheduled.

2. Board of Directors' Meeting

Date	Type of Meeting	Resolutions
2015.02.03	Board of Directors	Passed the Year-End Bonus Disbursement Principle and Manager Year-End Bonus.
		Passed the independence assessment for CPAs.
		Passed the 2015 Financial Statement Certification and Public Expenditure by Grant Thornton Taiwan.
2015.03.03	Board of Directors	Passed the revision for Articles of Incorporation.
		Passed the proposed calling of 2015 general shareholders' meeting.
2015.03.24	Board of Directors	Passed the 2014 Statement on Internal Control.
		Passed the 2014 business report and financial statements.
		Passed the 2014 earnings distribution plan.
		Passed the 2014 capital reserve transfer for issuance of new shares plan.
		Passed the amended clauses of Articles of Incorporation.
		Passed the 2015 First Employee Stock Option Plan Issuance and Stock Option Regulations.
		Passed the issuance of employee stock option.
		Passed the investment transfer for establishing subsidiary.
		Passed the proposed calling of 2015 general shareholders' meeting.
2015.05.13	Board of Directors	Passed the 2015 First Quarter Financial Report.
		Passed the 2014 Director and Employee Bonus Plan
		Passed the Independent Director Compensation Plan.
		Passed the Salary Adjustment Plan of Managers
2015.05.20	Board of Directors	Passed the Prive Placement Issuing Plan
2015.06.05	Board of Directors	Passed the 2014 Shareholder's meeting resolution on Private Placement Share Plan.The remaining shares will not be issued within thetime remained.
		Passed the expansion plan of the 2nd stage of R&D and Experience Center.
		Passed the resolution on determing the 2015 ex-dividend date and payable date andcapital increase plan.
2015.07.21	Board of Directors	Passed the Supervisor Compensation Plan.
		Passed the manager promotion plan
		Passed the Dissolution of Business Strife Limitation Clause of Manager plan.
		Passed the stock buyback plan to transfer to employees.
2015.08.11	Board of Directors	Passed the 2015 Second Quarter Financial Report.
		Passed the financing limit expansion plan
2015.11.11	Board of Directors	Passed the 2015 Second Quarter Financial Report.
		Passed the revision of「Lavel of Authority」plan
		Passed the「Trading Process Pause and Renewal Application」plan.
2015.12.30	Board of Directors	Passed the 2016 OperationBudget Plan.
		Passed the 2016 Audit Plan
		Passed the amended clauses of Articles of Incorporation.
2016.01.27	Board of Directors	Passed the Year-End Bonus Disbursement Principle and Manager Year-End Bonus.
		Passed the eveluatio plan of the independence of CPAs
		Passed the authorization of Grant Thorton as 2016 Auditor fortheCompany'sfinancial report.
		Passed the treasury share transfer to employee plan.
		Passed the amended plan the 3rd stage of Kaohsiung Soft Park investment plan.
		Passed「Enhancing the corporate-madefinancial report」plan.
2016.03.09	Board of Directors	Passed the 2015 Statement on Internal Control.
		Passed the 2015 Director and Employee Bonus Plan
		Passed the 2015 business report and financial statements.
		Passed the 2015 earnings distribution plan.
		Passed the increased 2 seats on the Board of Directors.
		Passed the Dissolution of Business Strife Limitation Clause of New Director and Its Representative.
		Passed the proposed calling of 2016 general shareholders' meeting.
		Pass the Resignation of the Supervisor Chun-Hao Cheng

(12) Dissenting or qualified opinion of Directors or Supervisors against an important resolution passed by the Board of Directors that is on record or stated in a written statement in the past year and up to the date of report: None.

(13) Resignation and dismissal of managerial officers related to the financial report (including Chairman, President, Chief Accounting Officer, Chief Financial Officer, Chief R&D Officer and Audit Manager) in the past year and up to the date of report: Not applicable.

5. Information on fees to CPA

(1) Information on fees to CPA classification table

Name of accounting firm	CPA	Duration of audit	Note
Grant Thornton Taiwan	Yi-Shun Chang Yu-Chieh Lo	2015/1/1-2015/12/31	

Unit: NT$1,000

Public fee item / Amount classification		Audit fee	Non-audit fee	Total
1	<NT$2,000,000		✓	
2	NT$2,000,000 (incl.)–NT$4,000,000	✓		✓
3	NT$4,000,000 (incl.)–NT$6,000,000			
4	NT$6,000,000 (incl.)–NT$8,000,000			
5	NT$8,000,000 (incl.)–NT$10,000,000			
6	NT$10,000,000 or above			

(2) When nonaudit fees paid to affiliates, CPA firm, and CPA equal more than one-fourth of the audit fee, the audit and nonaudit fees amount and nonaudit service content shall be disclosed.

The Company's nonaudit fees are less than one-fourth of the audit fee; however, we voluntarily disclose the information as follows:

Name of accounting firm	CPA	Audit fee	Non-audit fee					Audit period	Note
			System design	Business registration	Human Resources	Others	Subtotal		
Grant Thornton Taiwan	Yi-Shun Chang, Yu-Chieh Lo.	2,880	-	270	-	84	354	2015/1/1-2015/12/31	Translation and consultation fee

(3) If the company changes accounting firm and the amount of audit fee paid in the year of change is less than that in the year before: N/A.

(4) If the audit fee is more than 15% less than that paid in the previous year: N/A.

6. Changes to CPA information

(1) Concerning former CPA

Date of change	Passed by the Board of Directors on November 13, 2013		
Reason and description of change	Because of organizational reform of the Company's original accounting firm, the Company hired the Grant Thornton Taiwan to provide its services. This firm has passed the ISO 9001:2008 international certification and is a globally well-known accounting firm. Because of its internal adjustments, changes to a CPA will be made.		
Describe the termination of an appointed person or CPA or refusal to accept appointment	Contracting parties / Involved person	CPA	Appointed person
	Proactive termination of appointment	Not applicable	Not applicable
	No longer accepts (continue) appointment	Not applicable	Not applicable
Evaluation report opinions other than unqualified opinion in the past 2 years and reasons	None.		
Dissenting opinion with issuer	None		
Additional disclosures (those stipulated in Article 10.5.1.4 of the Criteria shall be disclosed)	None.		

(2) Concerning succeeding CPA

Name of accounting firm	Grant Thornton Taiwan
CPA	Yi-Shun Chang and Wen-Yu Lo
Date of appointment	Passed by the Board of Directors on November 13, 2013
Items and results relating to accounting methods for specific transactions or accounting principles, and consultation of potential opinions in financial reports	Not applicable
Written opinions regarding succeeding CPA disagreeing with the opinions of the previous CPA	Not applicable

(3) Previous CPA response to items in Article 10.5.1 and 10.5.2.3 of the Criteria: Not applicable.

7. The Chairman, President, financial or accounting manager of the company who had worked for the certifying accounting firm or its affiliated enterprise in the past year

None.

8. Share transfer by Directors, Supervisors, managers and shareholders holding more than 10% interests and changes to share pledging by them in the past year and up to the date of report

(1) Changes to the share rights of Directors, Supervisors, managerial officers, and major shareholders

Title (Note 1)	Name	2015		Current year up to April 02	
		Increase (decrease) in shares held	Increase (decrease) in pledged shares	Increase (decrease) in shares held	Increase (decrease) in pledged shares
Chairman	Chung-Ming Huang	211,522	—	—	—
Director (President)	Chih-Hung Ouyang	232,920	—	200,000	800,000
Director	Chin-Huo Huang	81,020	—	—	—
Independent Director	Yi-Hsiang Huang	—	—	—	—
Independent Director	Shun-Jen Cheng	—	—	—	—
Supervisor	Chun-Nan Chen	78,637	—	—	—
Supervisor (Note 2)	Chun-Hao Cheng	4,360	—	—	—
Supervisor	Yung-Liang Huang	91,785	—	—	—
Director of Technology Center	Teng-Hung Lai	526	—	2,000	—
Chief Engineer & Director of Project Center	Yi Chung Huang	205	—	18,000	—
Director of Administration Center	Sui-Chuan Lin	10,698	—	50,000	120,000
Audit Manager	Hui-Ping Li	1,783	—	10,000	—

Note 1: Shareholders holding more than 10% of the company's total shares shall be specified as a major shareholder and listed separately.
Note 2: Resigned on 2016.03.09

(2) Information on relative person of share transfer as related party: None.

(3) Information on relative person of share pledging as related party:None.

9. Information on relationship between any of the top ten shareholders (related party, spouse, or kinship within the second degree)

April 02, 2016; Unit: Shares; %

NAME (NOTE 1)	SHAREHOLDING		SHARES HELD BY SPOUSE AND CHILDREN		TOTAL SHAREHOLDING BY NOMINEE ARRANGEMENT		TITLES, NAMES AND RELATIONSHIPS BETWEEN TOP 10 SHAREHOLDERS (RELATED PARTY, SPOUSE, OR KINSHIP WITHIN THE SECOND DEGREE). (NOTE 3)		NOTE
	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Name	Relationship	—
Sen-Hao Cheng	3,680,901	8.24	—	—	—	—	—	—	—
Chih-Hung Ouyang	2,822,581	6.32	80,308	0.18	—	—	Fu Wu Investment Ltd.	Legal representative	—
Chung-Ming Huang	2,381,654	5.33	269,784	0.60	—	—	—	—	—
Ruentex Development Co. Ltd. Representative: Chang-Cheng Chien	1,975,445	4.42	—	—	—	—	—	—	—
Ruentex Industries Ltd. Representative: Chih-Fan Wang	1,975,445	4.42	—	—	—	—	—	—	—
Changchun Investment Co. Ltd. Representative: Chuan-Thai Cheng	1,706,565	3.82	—	—	—	—	—	—	—
Cathay Life Insurance Ltd.Representative: Hong-Tu Tsai	1,369,834	3.07	—	—			—	—	—
Fu Wu Investment Ltd. Representative: Chih-Hung Ouyang	1,111,879	2.49	—	—	—	—	Chih-Hung Ouyang	Legal representative	—
Yung-Liang Huang	1,033,466	2.31	—	—	—	—	—	—	—
Chin-Huo Huang	912,256	2.04	200,771	0.45	—	—	—	—	—

Note 1: List all of the top ten shareholders and separately list the name of corporate shareholders and their representatives.
Note 2: Shareholding percentage is calculated according to the shares held in the name of others or under their own name, or by their spouse, and minor children.
Note 3: The aforementioned shareholders including legal person and natural person shall disclose their relationship according to the regulations for compiling financial reports by issuers.

10. The shareholding of the Company, Director, Supervisor, management and an enterprise that is directly or indirectly controlled by the Company in the invested company, and consolidate the shareholding percentage:

Investee Company	Investor Company		Director, Supervisor, Manger anddirector indirect investment		Total	
	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage
Brogent Creative Inc.	900,000	60%	-	-	900,000	60%
Brogent Mechanical Inc.	5,500,000	61.11%	-	-	5,500,000	61.11%
Brogent Hong Kong Limited	-	100%	-	-	-	100%
Brogent Global Inc.	30,000,000	100%	-	-	30,000,00	100%
Brogent Rides (Shanghai) Limited	-	100%	-	-	-	100%
Brogent Creative (Shanghai) Limited	-	100%	-	-	-	100%

IV. Placement Situation

1. Company capital and share capital

(1) Sources of capital property other than cash is paid by subscribers

1. Type of stock

April 02, 2016; Unit: Shares

Type of stock	Authorized capital			Note
	Shares issued and outstanding	Unissued shares	Total	
Ordinary shares	44,677,977	5,322,023	50,000,000	OTC shares (Including 434,000 treasury shares)

2. Sources of capital

April 02, 2016; Unit: 1,000 shares; NT$1,000

Year/month	Issue price (NTD)	Authorized capital		Paid-in capital		Note		
		Shares	Amount	Shares	Amount	Sources of capital property other than cash is paid by subscribers	Subscriptions paid with property other than cash	Others
2001.10	10	5,000	50,000	1,500	15,000	Cash set up	None.	Approval by Kaoshifu Jianergongzi Letter No. 09007412400
2002.07	10	5,000	50,000	5,000	50,000	Capital increase of NT$35,000,000	None.	Approval by Kaoshifu Jianergongzi Letter No. 09109112601
2003.10	10	6,000	60,000	6,000	60,000	Capital increase of NT$10,000,000	None.	Approval by Kaoshifu Jianergongzi Letter No. 09205920530
2004.09	10	12,000	120,000	8,106	81,060	Capital increase of	None.	Approval by Kaoshifu Jianergongzi Letter No.

Year/month	Issue price (NTD)	Authorized capital		Paid-in capital		Note		
		Shares	Amount	Shares	Amount	Sources of capital property other than cash is paid by subscribers	Subscriptions paid with property other than cash	Others
						NT$21,060,000		09300940610
2005.03	10	12,000	120,000	9,610	96,100	Capital increase of NT$15,040,000	None.	Approval by Kaoshifu Jianergongzi Letter No. 09400391490
2005.05	10	12,896	128,960	12,896	128,960	Capital increase of NT$32,860,000	None.	Approval by Kaoshifu Jianergongzi Letter No. 09400469250
2006.08	10	20,000	200,000	17,442	174,420	Capital increase of NT$45,460,000	None.	Approval by Kaoshifu Jianergongzi Letter No. 09500652270
2010.03	10	20,000	200,000	19,612	196,120	Capital increase of NT$21,700,000	None.	Approval by Kaoshifu Jianergongzi Letter No. 09900452210
2011.06	10	30,000	300,000	21,356	213,560	Stock option conversion of NT$17,440,000	None.	Approval by Kaoshifu Siweijingshanggongzi Letter No. 10001224680
2011.09	10	30,000	300,000	22,626	226,260	Capital increase of NT$12,700,000	None.	Approval by Kaoshifu Siweijingshanggongzi Letter No. 10001356410
2012.10	10	30,000	300,000	25,455	254,550	Capital increase of NT$28,290,000	None.	Approval by Jingguangzhengfazi Letter No. 1010048593
2013.10	10	30,000	300,000	26,727.75	267,277.5	Dividends and bonuses of NT$12,727,500	None.	Approval by Jingjiasanshangzi Letter No. 10200112100
2014.02	10	30,000	300,000	27,470.02	274,700.2	First domestic conversion of convertible corporate bond of NT$1,274,400 Second domestic conversion of convertible corporate bond of NT$6,148,300	None.	Approval by Jingjiasanshangzi Letter No. 10300015650
2014.05	10	30,000	300,000	29,013.43	290,134.3	First domestic conversion of convertible corporate bond of NT$9,103,500 Second domestic conversion of convertible corporate bond of NT$6,660,500	None.	Approval by Jingjiasanshangzi Letter No. 10300054610
2014.07	10	50,000	500,000	30,888.77	308,887.7	First domestic conversion of convertible corporate bond of NT$10,350,100	None.	Approval by Jingjiasanshangzi Letter No. 10300090820

Year/month	Issue price (NTD)	Authorized capital		Paid-in capital		Note		
		Shares	Amount	Shares	Amount	Sources of capital property other than cash is paid by subscribers	Subscriptions paid with property other than cash	Others
						Second domestic conversion of convertible corporate bond of NT$8,403,400		
2014.09	10	50,000	500,000	33,635.77	336,357.7	Capital reserve transfer increase	None.	Approval by Jingjiasanshangzi Letter No. 10300104170
2014.10	10	50,000	500,000	33,679.98	336,799.8	First domestic conversion of convertible corporate bond of NT$442,100	None.	Approval by Jingjiasanshangzi Letter No. 10300137580
2015.01	10	50,000	500,000	39,679.98	396,799.8	Cash issue	None.	Approval by Jingjiasanshangzi Letter No. 10400008080
2015.06	10	50,000	500,000	40,709.98	407,099.8	Cash issue	None	Approval by Jingjiasanshangzi Letter No. 10400066620
2015.07	10	50,000	500,000	44,677.98	446,779.8	Stock dividends	None	Approval by Jingjiasanshangzi Letter No. 10400074690

(2) Shareholder structure

April 02, 2016

Shareholder structure quantity	Government institution	Financial institutions	Other juristic persons	Individual investors	Foreign institutions and foreigners	Total
Number of Shareholders	0	18	52	3,427	53	3,550
No. of shares held	0	1,953,597	12,115,236	28,848,359	1,760,785	44,677,977
Shareholding percentage (%)	0.00	4.37	27.12	64.57	3.94	100.00

(3) Dispersion of equity ownership

Ordinary shares

April 02, 2016

Shares	Number of shareholders	Shares held	Shareholding percentage (%)
1~ 999	967	163,157	0.37%
1,000~ 5,000	2,029	3,678,860	8.23%
5,001~ 10,000	214	1,566,029	3.51%
10,001~ 15,000	82	1,022,274	2.29%
15,001~ 20,000	46	832,329	1.86%
20,001~ 30,000	63	1,508,980	3.38%
30,001~ 40,000	40	1,375,647	3.08%
40,001~ 50,000	15	670,225	1.50%
50,001~ 100,000	37	2,528,401	5.66%
100,001~ 200,000	28	3,717,306	8.32%
200,001~ 400,000	8	2,006,705	4.49%
400,001~ 600,000	5	2,237,942	5.01%
600,001~ 800,000	4	2,699,035	6.04%
800,001~1,000,000	3	2,613,317	5.85%
>1,000,001	9	18,057,770	40.42%
Total	3,550	44,677,977	100.00%

(4) List of major shareholder (shareholders holding more than 5% of shares or top ten shareholders)

April 02, 2016

Shares / Name of major shareholder	No. of shares held	Shareholding percentage (%)
Sen-Hao Cheng	3,680,901	8.24%
Chih-Hung Ouyang	2,822,581	6.32%
Chung-Ming Huang	2,381,654	5.33%
Ruentex Development Co. Ltd.	1,975,445	4.42%

Name of major shareholder \ Shares	No. of shares held	Shareholding percentage (%)
Ruentex Industries Ltd.	1,975,445	4.42%
Changchun Investment Co. Ltd.	1,706,565	3.82%
Cathay Life Insurance Ltd.	1,369,834	3.07%
Fu Wu Investment Ltd.	1,111,879	2.49%
Yung-Liang Huang	1,033,466	2.31%
Chin-Huo Huang	912,256	2.04%

(5) Stock price, net worth, earnings, dividends and related information (2014-2015)

Unit: NT$

Item \ Year			2014	2015	Current year up to April 02, 2016 (Note 5)
Stock price	Maximum		675	448	330.5
	Minimum		174	199	267
	Average		431.04	342.31	
Net worth per share	Basic		30.52	54.72	(Note 5)
	Diluted		19.84	Undistributed	(Note 5)
Earnings per share	Weighted average shares		32,874	43,712	(Note 5)
	Earnings per share		6.83	2.57	(Note 5)
Dividends per share	Cash dividend		2	2.5 (Note 4)	-
	Stock grants	Earnings	1		-
		Capital surplus	-	-	-
	Accumulated unpaid dividend		-	-	-
Return analysis	Price-earnings ratio (Note 1)		63.11	133.19	(Note 5)
	Price-dividend ratio (Note 2)		215.52	136.92	(Note 5)
	Cash dividend yield (Note 3)		0.0046	0.0073	(Note 5)

＊If shares are distributed by surplus or capital reserve transfer, the adjusted market price according to the number of issued shares and cash dividend information.

Note 1: Price-earnings ratio=Year's average per share closing price / earnings per share.

Note 2: Price-dividend ratio=Year's average per share closing price / cash dividend per share.

Note 3: Cash dividend yield= Cash dividend per share / year's average per share closing price.

Note 4: The 2015 proposal of surplus distribution has not been resolved in the shareholders' meeting.

Note 5: Earnings not yet calculated.

(6) Dividend policy and implementation status

1. Dividend policy

The Company shall pay dividends or bonuses when there is profit. Any unappropriated earnings may be distributed as employee bonus in the sum of 5% to 15%   The Director and Supervisor remuneration may not exceed 2%. If there are accumulated losses of the company , the earnings should be reserved in advance to make up the amount. Employee bonus shall be paid by stock or cash; nevertheless, the criteria of qualified employee should be determined by the Board of Directors.

When allocating the net profits for each fiscal year, the Company shall first offset its losses in previous years and set aside a legal capital reserve at 10% of the profits left over, until the legal capital reserve has equaled the total capital of the Company; the remaining balance and unappropriated earnings for the year shall be adjusted. Then, set aside special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge and to satisfy business needs of the Company. and the Board shall propose a distribution plan for any balance remaining, and such balance shall be distributed in accordance with the resolution of the shareholders' meeting.

The Company is situated in a changing industrial environment, wherein the company 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 based on the residual dividend policy in the relevant laws and regulations of the Company Act. The future capital requirement is measured according to the future capital budget plan of the Company; then, set aside the capital required for earnings financing, and the remaining earnings shall be distributed by way of cash or stock dividend. Particularly, cash dividend may not exceed 10% of the total dividend.

2. Dividend distribution to be proposed to the shareholders' meeting:

The Company's 2015 earnings distribution plan was approved by the Board on March 09, 2016. Shareholders' meeting has not yet been held. The 2015 earnings distribution plan is as follows:

	Amount (NT$1,000)	Dividends per share (NT$)
Cash dividend	110,610	2.5

(7) Effect of the proposed stock dividends (to be adopted by the Shareholders' Meeting) on the operating performance and earnings per share:

The Company did not release financial forecasts in 2015 and hence it is not applicable.

(8) Employee bonus and remuneration to Directors and Supervisors

1. Dividend Policy for terms stated in the Articles of Incorporation regarding employees' bonus and Directors' and Supervisors' remuneration:

   Please refer to the following: 4. Placement situation: 1. Company capital and share capital, and (6) Company share dividend policy and implementation status.

2. Basis for estimating the amount of employee bonuses and remuneration to Directors/Supervisors, basis for calculating the number of shares to be distributed as stock bonuses, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount, for the current period:

   The Company estimates employee bonus and remunerations to Directors and Supervisors according to the annual net profit, legal capital reserve, and the value specified in the Article of Incorporation. The estimated values shall be recognized as the expense for the current period. If thereafter, the actual distribution differs from the estimated values in the resolution of shareholders' meeting, then it shall be regarded as loss for the next year and shall not influence the ratified financial report.

3. Earnings distribution proposal has passed the Board of Directors but not the resolution of the shareholders' meeting:

   The Company's 2015 earnings distribution was approved by the Board on March 09, 2016. The distributed employee bonus was NT$16,059,000 and Director and Supervisor remuneration was NT$3,211,000, and these values did not differ from the recognized expense and the annual estimated amount.

4. Earnings distribution proposal passed in the resolution of the shareholders' meeting:

Not applicable. The Company’s 2015 earnings distribution plan was approved by the Board on March 09, 2016. Shareholders’ meeting has not yet been held.

5. Describe, where applicable, the reason and handling approach for the difference (including the number of shares, the monetary amount, and the face value of shares distributed) between the actual distribution of employee bonus and remunerations to Directors and Supervisors and the approved employee bonus and remunerations to Directors and Supervisors:

Not applicable.

(9) Buyback of Treasury Stock:

April 02, 2016

Treasury stocks: Batch Order	1 st Batch
Purpose of buy-back	Transfer to employees
Timeframe of buy-back	2015.07.22 to 2015.09.01
Price range	NTD 170.00 to NTD 488.00
Class, quantity of shares bought back	1,000,000 Ordinary Shares
Value of shares bought-back (in NT$ thousands)	266,071,991
Shares sold/transferred	566,000
Accumulated number of company shares held	434,000
Percentage of total company shares held (%)	0.97%

2. Corporate bond (including overseas corporate bond)

(1) Issued corporate bond:

	First domestic secured corporate bond	Second domestic unsecured corporate bond
Date of issue	2013.06.28	2013.07.01
Face value	NTD 100,000	NTD 100,000
Place of issue and trading	ROC Taipei Exchange	ROC Taipei Exchange
Issue price	Issuance according to the face value	Issuance according to the face value
Total	NT$150,000,000	NT$150,000,000
Interest rate	0%	0%
Expiry date	3-year period, expiry date: 2016/06/28	5-year period, expiry date: 2018/07/01
Guarantor institution	Taishin International Bank	None.
Trustee	Taiwan Cooperative Bank	Taishin International Bank
Underwriting agencies	Taishin Securities Co., Ltd	Taishin Securities Co., Ltd

		First domestic secured corporate bond	Second domestic unsecured corporate bond
External lawyer		Linshugen Attorney Firm, Li-Fei Chiu	Linshugen Attorney Firm, Li-Fei Chiu
External auditor		BDO Taiwan Yi-Shun Chang, Tsu-Cheng Huang, CPA	BDO Taiwan Yi-Shun Chang, Tsu-Cheng Huang, CPA
Repayment method		Issuance and conversion methods Please refer to the Chinese Version of 2015 Annual Report.	Issuance and conversion methods Please refer to the Chinese Version of 2015 Annual Report
Unpaid principal		NT$0	NT$0
Terms of redemption and prepayment		Issuance and conversion methods Please refer to the Chinese Version of 2015 Annual Report	Issuance and conversion methods Please refer to the Chinese Version of 2015 Annual Report
Restriction clauses		Issuance and conversion methods Please refer to the Chinese Version of 2015 Annual Report	Issuance and conversion methods Please refer to the Chinese Version of 2015 Annual Report
Name of credit rating institution, rating date, corporate bond rating result		None.	None.
Other rights	Amount of converted (exchange or subscription) ordinary share, global depository receipt, or other securities up to the date of the annual report	By the end of December 31, 2014, corporate bond was converted to ordinary shares worth NT$150,000,000	By the end of December 31, 2014, corporate bond was converted to ordinary shares worth NT$150,000,000
	Issuance and Conversion (Exchange or Subscription) Rules	Issuance and conversion methods described in Appendix 4	Issuance and conversion methods described in Appendix 5
The effects of the issuance and conversion, exchange, or subscription rules on the possible dilution conditions and influence on shareholders' equity		According to the security company evaluation report, given that the creditor requests his/her corporate bonds to be converted into the Company’s ordinary shares, the maximum dilution rate for shareholders’ share is 13.58%, indicating limited dilution effect.	According to the security company evaluation report, given that the creditor requests his/her corporate bonds to be converted into the Company’s ordinary shares, the maximum dilution rate for shareholders’ share is 13.58%, indicating limited dilution effect.
Name of target fiduciary custodian institution		Not applicable	Not applicable

(2) Information of corporate bond conversion:

Corporate bond type		First domestic secured corporate bond		Second domestic unsecured corporate bond	
Item / Year		2013	2014	2013	2014
Market price of conversion corporate bond	Maximum	203	822	245	629
	Minimum	107	265	103.3	311
	Average	109.92	419.09	111.04	480.72
Conversion price		71.4		71.4	
Conversion price during issuance		75		75	
Method of conversion obligation		Issue new shares		Issue new shares	

Note: First domestic secured corporate bond and second domestic unsecured corporate bond have all been converted into ordinary share by the end of December 31, 2014.

(3) Issued exchanged corporate bond: None.

(4) Adopt shelf registration method to collect and issue ordinary corporate bond: None.

(5) Issued subscribed corporate bond: None.

(6) Private placement of corporate bonds in the past three years to the date of the annual report: None.

3. Issuance of preferred stocks

None.

4. Issuance of global depositary receipts (GDR)

None.

5. Exercise of employee stock option plan (ESOP)

None.

6. Restricted stock awards

None.

7. Merger and acquisition

None.

8. Issuance of new shares for acquisition of shares of other companies

None.

9. Implementation of capital allocation plan

Plan	Implementation status			Ahead of schedule, behind in progress, reasons, and improvement plans
Expand R&D Testing and Experience Center	Expenditure	Expected	NT$250,000,000	According to the use of the initially estimated funds, the Company has used up the funds for the expansion plan of the R&D Testing and Experience Center. The plan has been completed in the third quarter of 2015. There should be no major abnormalities.
		Actual	NT$252,513,000	
	Accumulated implementation progress	Expected	100%	
		Actual	100.99%	
R&D expenses	Expenditure	Expected	NT$50,000,000	R&D funds were used up at the end of the second quarter in 2014 as expected; there were no major abnormal events.
		Actual	NT$50,460,000	
	Accumulated implementation progress	Expected	100%	
		Actual	100.92%	
Expand Operation	Expenditure	Expected	NT$817,240,000	The total amount of 2015 seasoned equity offering was NT$1,757,240,000.

expenses		Actual	NT$101,272,000	Among it, NT$817,240,000 was used mainly for operation expenses. The plan was executed as scheduled; there were no major abnormal events.
	Accumulated implementation progress	Expected	100%	
		Actual	12.39%	

Other expenses	Expenditure	Expected	NT$940,000,000	The total amount of 2015 seasoned equity offering was NT$1,757,240,000. Among it, NT$940,000,000 was used for establishing affiliates. The fund was used up as expected; there were no major abnormal events.
		Actual	NT$418,063,000	
	Accumulated implementation progress	Expected	100%	
		Actual	44.47%	

V. Business Overview

I. Business Activities

(1) Business Scope

1. Company's primary business activity

Information software retailer	Electronic material retailer	Computer installation
Information software wholesaler	Electronic material wholesaler	Information software service
Information processing service	Electronic information supply service	Arts service
General advertising service	Sound publishing	Arts performance activity
Automated control equipment engineering	Machinery installation	Wholesale of cultural education, musical instrument, and educational entertainment necessities
Machinery wholesaler	Computer and business machinery wholesaler	Retailer of cultural education, musical instrument, and educational entertainment necessities
Electronic retailer	Computer and business machinery retailer	International trade
Intellectual property	Product design	Landscape and interior design
Machinery retailer	Other machinery retailer	Except for approved business activities, may engage in activities that are not prohibited or restricted by law

2. Company's primary products and their operating weight

Unit: NT$1,000

Product Category	2014		2015	
	Net revenue	Operating weight	Net revenue	Operating weight
Simulator rides	812,086	97.90	675,537	95.76
Mobile device software	2,377	0.29	593	0.09
Others (Note)	15,048	1.81	29,294	4.15
Net revenue	829,511	100.00	705,424	100.00

Note: Others primarily refer to income from repair, maintenance, and labor affairs.

3. The Company's products

Simulator Rides are the Company’s main product. Since moving to the Kaohsiung Software Park in 2013, the Company has gradually placed its business focus on the media-based attraction (MBA) industry, meaning that we combined our previously developed 3D real-time imaging and audiovisual multimedia technologies with the Stewart six-axis motion platform and dynamic simulation techniques. Subsequently, the Company successfully completed the FlyOver Canada project in Vancouver, becoming the leader of the flight theater industry. The Company's operating model has extended from selling hardware to digital content development in recent years. In October 2013, we cooperated with Japan's Kodansha in integrating Kodansha's comic characters into our simulator ride products, thereby jointly developing a 4D animation of Attack on Titan. In 2014, Kodansha licensed its IP to us, enabling the Company to sell the 4D product to its customers. Starting from 2015, the Company will change its management model, from once-off selling of simulator rides to managing it with its customers. Moreover, the Company will work with the customer in planning and developing relevant peripheral products, thereby expanding the sources of income.

In December 2015, The grand opening of i-Ride flight theater themed “Attack on Titan” was held in Shan-Shun World, Toufen Township, Miaoli County, Taiwan.

In addition to providing fun stimulation experience, Brogent’s product development team put more stringent requirements to improve the fineness and security. Recently, our flight theaters have been formally adopted by the United States UL certification. The 4D motion cinema in Netherland, which can carry 100 people, also passed the European TUV NORD safety certification.

An introduction to our products :

Product name	Description	Images
i-Ride	The i-Ride, featuring a suspension seat platform design, is the only dynamic flight theater on the market built on a six degrees of freedom (6DOF) motion platform. It not only delivers super realism and fantastic entertainment effects, but is also the most representative device among all extant indoor gaming devices. Riders' feet hang freely, to deliver the true sensation of flying through the air. The sweeping bird's eye perspective delivers unobstructed realism with no blind spots. Wind, sound, light, water, and aromas heighten the sensation of conquering the air.	
x-Ride	1)x-Ride 2)With special 4D effects and 6DOF platform, x-Ride is suitable for various motion simulations and thematic videos 3)Videos can be changed 4)Diverse module design. Additional mechanical compartments can be designed according to the video content, thereby creating a more realistic experience	
d-Ride **d-Ride**	1)Unlimited story topics 2)Trackless and noiseless design for self-driving cars 3)Flexible plan scenes according to actual needs onsite 4)Combined with interactive game design, with touch, shoot, and hand gesture control operating methods	
VRide	1)High G-Force: Uses large-scale motion platform that creates effects that simulate high g-forces 2)16:9 screen suitable for a diversity of video topics; with special 4D effects, a realistic experience is created	

	1)Adopts curved screen design to heighten realism 2)Suitable for various themes; with special 4D effects, users can immerse into the video content	
	1)The entire motion platform can move forward and backward, strengthening the realistic and entertaining effects 2)Spherical screen design achieves realistic 3D effects without having to wear 3D glasses. 3)Surrounding effect with special 4D effects makes the experience more realistic	
	1)Two-sided curved screen design, increasing visual sense of realism and excitement 2)Vehicle can be changed depending on the theme, such as traveling on the same car, and with special 4D effects, it's as if you're there in person	
	1)You can either stand or sit, and experience various sports activities 2)Screen type can be changed according to needs, thereby creating a more realistic experience 3)Enjoy the fun of competing in groups 4)Diverse designs; the appearance can be designed according to different themes, creating a unique experience	
	1)The 360° massive cylinder screen delivers heightened realism and an unobstructed panoramic view with no blind spots 2)Passengers can walk safely and freely, selecting their favorite perspective 3)Suitable for various themes; with special 4D effects, users can immerse into the video content	

4. The Company's new future products (services)

The Company's operating model has extended from selling hardware to digital content development in recent years. In October 2013, we cooperated with Japan's Kodansha in integrating Kodansha's comic characters into our simulator ride products, thereby jointly developing a 4D animation of Attack on Titan. In 2014, Kodansha licensed its IP to us, enabling the Company to sell the 4D product to its customers. Starting from 2015, the Company will change its management model, from once-off selling of simulator rides to managing it with its customers. Moreover, the Company will work with the customer in planning and developing relevant peripheral products, thereby expanding the sources of income.

Furthermore, in response to the prevalence of online shopping activities, the convenience of mobile devices, and the fact that people cannot visit large theme parks in remote areas whenever they desire, the Company has endeavored to build a CitiPark indoor experience center in the city, where transport is convenient. Using the Company's innovative imagination, we combined simulator ride technologies with a variety of images, music, apparatuses, special effects, and themes, enabling visitors to travel through space and time. Thus, with this innovation, the benefits of edutainment in learning geography and astronomy and experiencing foreign cultures can be achieved. CitiPark is based on the operating model of Disneyland; however, unlike Disneyland and Universal Studios Japan, which are located in a suburban areas, CitiPark will be established in an area easily accessible to tourists, who can then imagine themselves as a story character whenever, wherever they desire, thus creating an experience economy that is just around the corner. The first CitiPark will open in Miaoli of Taiwan, becoming the Company's first demonstration site.

Regarding the development of simulator rides, in addition to continuing investing in the R&D and product optimization based on existing hardware designs, the Company also endeavors to add different product lines in response to global customer demand, customizing products that are suitable for various types of customers.

(2) Industry overview

1. Industry's current trends and future outlook

Since moving to the Kaohsiung Software Park in 2013, the Company has gradually placed its business focus on the media-based attraction (MBA) industry. The following section presents an overview of the new media entertainment industries:

In the early days, theme parks were mainly equipped with mechanical and simple electronic facilities such as the Ferris wheel, bumper cars, carousels, and roller coasters. However, as new technologies emerged, consumers gradually started to entertain themselves by engaging in experience-based consumption activities. Thus, these facilitates can no longer attract consumers, leading to the gradual decline of the once thriving theme parks. In replace of such theme parks is the simulator ride equipment that combines digital contents and fantasies well-known to adolescents. Moreover, simulator ride equipment is not only entertaining but also educational. This trend of the experience economy is increasing in the Asian market.

According to the 2013 global tourist attraction report published by the authoritative Theme Entertainment Association (TEA), the global theme park industry has showed steady growth in 2013. Particularly, the number of visitors to top 10 theme parks worldwide grew by 5.4% in 2012, and the growth rate for the top 25 theme parks was 4.3%. The growth in the number of visitors from Asian regions was the most significant, at 7.5%. In the Middle East regions, construction for large-scale theme parks has commenced such as the Warner Bros in Abu Dhabi. The overall growth rate for Europe remained steady, but United Kingdom, Germany, and Denmark all exhibited stronger growth.

Current Asian theme parks are experiencing the same bottleneck. For example, China's theme park exhibited overly high ratio of entrance fees to total revenue (80%) and low tourist revisit rate (20%). To effectively solve the aforementioned problems, new amusement parks must focus on product structures and customer services. While theme parks in Taiwan and China had committed to raising their entrance price to increase their income, theme parks in non-Asian countries such as the European and American regions have developed peripheral products, lowering the proportion of entrance fee income to 50%.

Furthermore, the 2014 annual report of Disney revealed that its income from peripheral products grew 22% compared with the previous year, primarily because of the substantial sales it made from Frozen and Spider-man products. Disneyland's actual income originates mainly from souvenirs and restaurants, both of which involve low fixed cost. Moreover, customers tend to favor Disney animations, and therefore Disney products can be sold at a high price. Based on these facts, peripheral products can be effectively marketed to potential customers. Through repeated exposure, these products can be imprinted in the minds of consumers. In collaboration with Kodansha, Brogent was able to display the characters and storyline of Attack on Titan through its simulator ride devices. Concurrently, the Company develops fine cultural and creative products, which can be promoted through tourists' word of mouth after then experienced. Thus, the popularity of these products can be increased, thereby elevating the total amount of spending per capita.

2. Relationship between up-, mid-, and down-stream suppliers in the industry's supply chain

Upstream industry	Midstream industry	Downstream industry
Hardware: 1.Precision machinery industry 2.Spherical screen 3.Projector Software: 1.Wireless embedded control system 2.Spherical projector and playback control system 3.High-definition digital content	Integrated hardware and software technologies	Global theme parks Museum Exhibition Shopping mall Tourist attractions Urban experience center

The upstream industries associated with the simulator ride equipment comprise the hardware section, including precision machinery industry and manufacturers of spherical screens and projectors, and the software section, including wireless embedded control system, spherical projector and playback control systems, and digital contents. The Company designs and integrates various software and hardware technologies according to customer needs, and then sells the products to downstream industries such as theme parks, museums, shopping mall, and urban experience centers.

3. Product development trends

Previous theme parks: Mainly equipped with mechanical and simple electronic facilities such as the Ferris wheel, bumper cars, carousels, and roller coasters. Generally, in bad weather, these theme parks must cease their operation, substantially impacting business operations. By comparison, multimedia simulator ride facilities can be installed indoors free from environmental influences; thus, the usage rate of theme park equipment can be enhanced, increasing the economic benefits of theme parks. Moreover, simulator ride facilities have become the options for updating theme parks in European and American countries and for planning and constructing theme parks in emerging countries. In recent years, under the influence of mature digital video technologies and Hollywood films, traditional mechanical amusement facilities are no longer effective for attracting new-generation tourists. To satisfy tourists' entertainment needs and novelty, new amusement parks have successively incorporated digital video technologies with electromechanical equipment. Thus, tourists can not only enjoy the excitement of conventional outdoor facilities, but also experience indoor facilities with excellent sound and lighting effects without being influenced by weather conditions. Furthermore, the Company's simulator rides that stimulate both sensory experiences and thrilling sensations, which are in line with the current trend of experience economy.

4. Product competition

Simulator rides are a type of amusement facilities featuring sound, lighting, and realistic effects that are developed to satisfy the entertainment needs of consumers. Consumers are given the options of playing on either mechanical facilities (e.g., roller coaster, free fall, and pirate ships) or static activities such as watching a film. However, the mechanical amusement facilities provide relatively monotonous entertainment effects, involve high construction cost, pose safety concerns, and are limited to certain age groups. In addition, the operation of these facilities is easily affected by weather conditions. Watching a film is a type of leisure static activity, providing only visual entertainment effects and thus failing to satisfy the needs for sound and light sensory stimulations pursued among the younger generations. Therefore, such amusement facilities cannot yield satisfactory entertainment effects or enhance the parks’ benefits. An overview of the current domestic market reveals that the Company has no competitors involved in similar business operations. Thus, there are no alternative or competing products on the market.

(3) Overview of Technology and R&D

1. R&D investments in recent years to the date of the annual report

Unit: NT$1,000

Year	2014	2015
R&D expenses	89,069	63,288

2. Successfully developed technologies and products in recent years

Year	R&D Accomplishments
2011	Novel modularized suspension spherical theater based on a vertical six-axis actuating platform Ski simulator Tablet 3D man-machine interface (Android 3.2) 9s series software downloading tool (Android platform) Commercial electronic games－The Legend of a Golden City

Year	R&D Accomplishments
2012	Novel special drive method Web-shaped seat design mold Seat cover design and production Actuator cantilever turning gate Suspension two-axis actuator platform stress analysis Smart TV man-machine interface (Android 2.3) Tablet 3D man-machine interface (Android 4.0) 9s series software downloading tool (iOS platform)
2013	Smart TV software Electrical gas six-axis platform design Suspension two-axis actuator platform design and production Completely dark ride (d-Ride) design Balloon Ride design
2014	Media Free Fall Design Interactive walking theater Joey's Aquarium (sketch-type aquarium) Track d-Ride system
2015	“Attack on Titan” i-Ride Film Car Racing simulator ride Dandelion-shaped simulator ride

(4) Business plan - long-term and short-term

1.Short-term development plan

(1) Marketing and product plan

A.Commit to on-going projects because successful performance is the best marketing tool for a company; strengthen digital content development capacity to satisfy future market demands for videos.

B. Design and plan highly modularized projects, provide affordable modularized system, and improve competitive advantage.

C.Simulator ride products are currently in the process of applying for TUV certification; regulate outsourced vendors' production operation so that the products meet international standards; and continue to design products conforming to international environmental regulations to become a benchmark of green enterprises.

D.Sales channels are relatively closed; considering the ecological layout of local markets of various regions, the Company will adopt a cooperative model in which it forms a strategic alliance with its agents.

E.Participate in international exhibitions (e.g., IAAPA), increase the visibility of the company's product, and expand the range of regional buyers.

(2) R&D plan

A.Apply the ability to integrate six-axis actuator platform with multimedia technologies, optimize d-Ride and innovative Media Free Fall Ride to expand the Company's product line, and satisfy customers' diversified needs.

B.Reinforce knowledge management and integrate existing data, so that technological resources can be shared to enhance technological capacities.

(3) Human resources and informatization plan

A. Strengthen training programs and enhance the quality of R&D personnel so that employees can improve as the company develops.

B. Effectively integrate company's internal resources to enhance work effectiveness.

(4) Financial Plan

A. Use appropriate financial instruments and formulate contract-based sales plan to avoid risk of currency fluctuations.

B. Strengthen project management and reduce receivables to increase the turnover rate of receivables.

2.Mid- and Long-term development plan

(1)Marketing and product plan

A. Target the future demand market of Asian regions where economic growth is high and then advance toward the global market, thereby becoming internationally recognized primary supplier of simulator rides.

B. Seize business opportunities in replacing, renewing, or adding construction projects in the future European and US markets and jointly work with strategic alliance partners in market expansion.

(2)R&D plan

A. Cooperate with domestic research institutes and academic units to acquire leading technologies.

B. Continue to develop new technologies and acquire patents.

(3)Human resources and informatization plan

A.Strengthen training to enhance employee skills.

B.Recruit professional managers to improve business performance.

C.Purchase professional collaborative operating software to provide employees around the world with a joint operating platform.

(4)Financial Plan

A.Use various fund-sourcing channels to create optimal financial structures that maximize company value.

B.Issue financial instruments in a timely manner for the company to acquire minimum capital cost.

C.Properly use financial instruments to reduce currency risks.

II. Market, production and sales

(1) Market analysis

1. Product sales region

Unit: NT$1,000

Year		2014		2015	
Sales Region		Net revenue	%	Net revenue	%
Domestic sales	Taiwan	557,413	46.62	79,964	11.33
Exports	Asia	222,358	13.85	222,244	31.51
	Americas	2,370	5.85	211,568	27.16
	Europe	47,370	33.68	191,648	30.00
	Subtotal	272,098	53.38	625,460	88.67
Total		333,559	829,511	100.00	705,424

2. Market Share

An overview of the current domestic market reveals that the Company has no competitors; therefore, no information regarding market shares is currently available for comparison. Regarding simulator rides in new media amusement industries, the Company is the first to integrate precision machinery, spherical projectors, audiovisual control, and wireless embedded system and became the company the independently developed simulator ride technologies. Currently, we have 15 product lines, making us the leader of flight theaters.

Internationally, in addition to Disney in the United States possessing two similar theaters that are expensive and closed for external investment, Dynamic Structure in Canada and Huss from Germany both have also introduced simulator rides. However, these two companies adopt motion platform-based hardware technologies and are not equipped with the ability to integrate hardware and software technologies, rendering them incapable of offering a comprehensive solution regarding simulator rides to business operators. Furthermore, their platform moves merely in a maximum of two axial directions, yielding poor realistic effects. Therefore, after the Company entered the simulator ride market, the Company will leverage its advantages (technology and costs), cooperate with Vekoma Rides Manufacturing BV, and introduce simulator rides to theme parks and tourist attractions around the world. Thus, tourists worldwide can perceive the enjoyment generated from riding the simulator rides, and the Company's business scale can be enhanced.

3. Future market demand and supply and growth potential

The Company implemented the Content–Channel (CC) Strategy in recent years, transforming from being merely a supplier of amusement facilities to an operator of entertainment businesses. To achieve this goal, the Company recruited strategic investors over the past year, while adopting diversified management strategies that integrate profit distribution models to replace the model where devices are just sold once. CitiPark will become the Company's business demonstration site where a profit distribution business model is adopted. Taiwan's first CitiPark Indoor Experience Center is expected to commence its operation this summer, at Toufen, Miaoli of Taiwan, providing Taiwanese citizens with diverse sensory experiences. In addition to outright selling its equipment, Brogent has also planned a two-floor thematic interactive exhibit, in the hopes of educating children through fun, thereby bringing parents and children closer together. In response to the prevalence of online shopping activities, the convenience of mobile devices, and the fact that people cannot visit large theme parks in remote areas whenever they desire, the Company has endeavored to build a CitiPark indoor experience center in the city where transport is convenient. The goal was to help business operators attract crowds.

In recent years, Taiwanese citizens have placed increased attention on quality of life, increasing their consumption needs. Thus, how to enable an entire family, whether old or young, to satisfy their entertainment needs whilst making purchases or shopping is a topic warranting attention. Nevertheless, CitiPark offers a complete solution. Located in the busy area of Toufen, Miaoli County and being geographically advantaged, the first CitiPark in Taiwan enables creating Asia's first 5D scenic park for citizens living around the Hsinchu Science Park.

Regarding the Company's main product—i-Ride—beginning with its Fly Over the World project in Taiwan, Brogent is no longer merely a slogan. Within years, it has exploited its technological advantages with its hardware design integrated with creative software technologies. Brogent has extended its arm into the global sales channel with its hardware and software products, acquiring a solid status in the multimedia industry. Regardless of product safety or technological stability, Brogent has become increasingly mature with the globalization of the sales market, achieving the industry leader status. After flying across the world, the Company has also began planning the locations for the FlyOver project that are most representative of Taiwan; thus, tourists visiting Taiwan will be given an additional must-see tourist attraction.

Regarding the growth potential of the simulator ride market, according to the Global Entertainment and Media Outlook: 2012-2016 by PricewaterhouseCoopers, the total global entertainment spending will increase from US$1600 billion in 2011 to US$2100 billion in 2016, at a growth rate of 5.7%. Furthermore, Vekoma Rides Manufacturing BV, a well-known roller coaster manufacturer in Holland with over 40 years of history in the theme park market and possessing world-class clients including Disney and Universal Studio Japan, estimated that there will be over 2000 large theme parks across the world. Moreover, numerous theme parks are in the process of construction as the spending power of these countries continues to rise.

The Chinese consulting firm CIConsulting reported that in 2011 - 2015, the Chinese theme park market will exceed RMB 10 billion each year, and in the next 25 to 30 years, at least 10 theme parks with a scale similar to that of Disneyland can be constructed in China. In the past, simulator rides involved high development cost and were restricted under Disneyland's patents, which made them relatively rare in theme parks. The Company's research team has devoted its efforts to acquiring patents from many countries, contributing to the Company's development in integrated software and hardware technologies and leveraging the advantages in manufacturing costs in Taiwan. By collaborating with internationally known marketing strategic partners, the Company has actively negotiated, planned, and constructed simulator rides from major theme parks all over the world. In recent years, countries in Europe and the US have gradually restructured existing large shopping centers, cinemas, and movie theaters in tourist attraction areas into popular leisure venues to attract visitors. Because a simulator ride can be customized according to the height restrictions of their buildings, they can provide consumers with an all-new entertainment experience. Simulator rides have become the focus of tourism industries in restructuring amusement facilities in Europe and the US. In summary, the business opportunities brought by the efforts of emerging countries in building amusement parks and of Europe and the US in reforming tourism facilities will contribute to the unlimited growth of simulator rides in the future.

4. Competitive Niches

A. Globally Recognized Technology

The Company's management teams are relatively experienced in the industrial sector, making them capable of launching new products to customers at the right time and rapidly responding to customer demand. Currently, we have more than 15 products types in the market. In addition, our service quality is trusted by our clients, and the quality of our products is ensured during the software development process (including the design, implementation, and testing stages). Thus through enriched project management experiences, the Company offers customers excellent quality software services, contributing to the value of our software products.

In contrast to Disney's simulator rides, which feature a two-axis arm lift platform with two motion directions (leftward, rightward, upward, and downward), the Company's products adopt a six motion direction side-standing suspended six-axis platform. Our platform not only enables riders to fully experience realism and enjoyment but also facilitates saving space in the theater. Thus, business benefits could be maximized by adequately utilizing the space in the theaters. The Company has applied for patents from Taiwan, China, the United States, and the European Union for the side-standing suspension framework of the six-axis platform to protect our technology and increase the threshold for other vendors to enter the market.

The number of pantents owned by the company is listed as below:

Europe	China	Taiwan	U.S.A.	Korea	Total
10	7	6	3	1	27

B. Premium Brand Equity

Theme parks, museums, and exhibition centers are generally a closed market. The Company combines the marketing channels of internationally well-known theme park facility suppliers, enabling the successful transition into the theme park supply chain. This transition will be advantageous for expansion into the global market. Furthermore, the Company possesses excellent professional technological know-how and development experience; its products are strongly recognized by international clients. From 2008 to 2015, product sales distribution has gradually extended into international communities; Brogent’s products can be seen as follows:

In 2015, the Company received many orders from the domestic market, and expansion into the overseas market has also been a success. Our future business development will continue to involve market internationalization to expand our marketing scope of the global market, thereby improving the overall revenue performance.

C. Product modularization lowers cost and increases competitiveness

Simulator ride facilities involve a wide range of technical aspects, covering hardware systems (suspension, spherical screen with audiovisual systems) and software technologies (projector, playback, wireless embedded control, and high-definition digital content). Therefore, the technical teams of the Company performed high modularization engineering analysis and planning of large complex system frameworks based on the existing six-axis platform technologies. In addition, our design, production, transportation, and assembly processes are all designed and modularized in accordance with international standard regulations. Such modularization enables saving large amount of construction time and manpower, which considerably lowers construction cost and raises the Company's competitiveness.

D. Collaboration with international strategic partners in digital content development

The Company holds a solid foundation for software technology development. In addition to developing our own software applications (apps) and helping large brand vendors develop mobile device software, the Company also supports the software technology development required for simulator rides. In 2013, the flight theater i-Ride received the attention of Kodansha. Through the assistance of the Institute for Information Industry Taiwan - Japan Industry Promotion Center, the Company signed the first memorandum of understanding (MOU) with Kodansha in October 2013. Thereafter, frequent business meetings were held with the Japanese company, with the hope of integrating Brogent's product technologies with Kodansha's manga series to launch a highly entertaining amusement facility. The manga of choice in this cooperation was the popular Attack on Titan. With Kodansha's support, Brogent officially received authorization for the manga series Attack on Titan, and began producing related films for the i-Ride facility.

In 2015, both parties once again signed an MOU with the premise of expanding their scope of cooperation to including all of Brogent's simulator ride products. Thus, Kodansha's numerous, popular works can now be displayed through Brogent's simulator rides and technologies, enabling passengers to immerse themselves in the story. Concurrently, the Company collaborates with suppliers of peripheral products; sales channels for these products will be established while theme-based entertainment activities are launched to allow passengers to receive satisfactory services and products. Consequently, a new sales platform will be created, elevating the value of cultural and creative products.

5. Competitive Edge, Favorable and Adverse Factors for Long-term Growth and Response Strategy

(1) Favorable factors

A. Needs of emerging countries and reconstruction business opportunities in Europe and the US

As the economy of emerging countries develop, these countries have gradually focused on the construction and development of leisure entertainment industries, specifically large theme parks, the existence of which can not only create domestic demand and employment opportunities, but also promote urban tourism development. Low income level in emerging countries render the entrance fees to theme parks in these countries incomparable to those in developed countries (e.g., European countries, North America, and Japan). To effectively increase the economic benefits of amusement parks, governments of emerging countries strictly regulated the benefits generated by amusement facilities. In addition, because indoor amusement facilities allow customers to still enjoy themselves during bad weather, and because of the rapid development of digital audiovisual technologies in recent years, traditional mechanical amusement facilities are no longer effective for attracting the attention of new-generation tourists. Therefore, when planning and constructing theme parks, emerging countries typically prioritized their focus on indoor amusement facilities that feature 3D sound and lighting effects and stimulate a sense of excitement in users. To reconstruct their tourism industries and boost their economy, European countries and the US have successively initiated tourist attraction reform projects, building leisure facilities by restricting existing buildings and movie theaters. These leisure facilities are based on a composite business model comprising department stores and hotels to attract visitors. Because simulator rides are built according to the height restrictions of existing buildings to provide consumers with an all-new entertainment experience, this type of facility became the primary focus of Europe and the US in reconstructing amusement facilities.

B. Construction and formation of industry supply chain

Before the Company entered the simulator ride market, there were no vendors investing in similar products in Taiwan. Since undertaking the FlyOver Taiwan project for E-DA Theme Park, the Company has adequately leveraged Taiwan' strong R&D and production capabilities of information hardware and precision machinery industries. With the efforts devoted by the Company's R&D personnel and domestic vendors, Taiwan has become one of the few countries worldwide capable of constructing simulator ride bases. Not only were the production costs of amusement facilities lowered, but the quality of these facilities reached international standard. Subsequently, a complete and tight supply chain in the simulator ride industry was established. Because simulator rides are completely customized according to customer needs, the Company's supply chain system enable the design, motion control, or digital content of such rides to be adjusted whenever required depending on customer needs. Thus, customer demand can be satisfied, thereby increasing the overall competitiveness of the Company.

C. Establishing word of mouth facilitates business promotion

Distinct from general consumer electronic products, simulator rides feature long life cycle, high degree of customization, high technical threshold, and high cost; therefore, customer repurchase and loyalty increased after establishing the word of mouth for the technology and quality of this product. Since completing the FlyOver Taiwan and FlyOver Canada projects, the Company has accumulated considerable experience, word of mouth, and popularity in the simulator ride market. In addition, by forming strategic alliance with internationally well-known amusement facility suppliers, the Company will acquire more competitive advantage in business expansion.

D. Supported by strong technology

Since its inception in 2001, the Company has endeavored to develop audiovisual multimedia technologies, accumulating considerable experiences in technological development. Thus, the Company has established partnership with multiple international mobile phone factories, and received Small Business Innovation Research (SBIR) subsidies from the Ministry of Economic Affairs (MOEA) multiple times. In 2007, the Company was honored with the award of excellence in SBIR from the Department of Industrial Technology, MOEA. Regarding simulator ride facilities, the Company has received recognition for its technological capability since the successful implementation of the FlyOver Taiwan and FlyOver Canada projects. For example, the unique fish eye lens designed by the Company can achieve the projection effects of a spherical screen simply by installing them with a projector. Thus, the cost and space required for projector installation are substantially reduced, and the stability and image quality of the projector system are considerably enhanced. The Company's self-developed automated control technology can integrate motion platforms with video systems with increased precision. This way, riders can perceive the flow experience of realism. Furthermore, the Company also possesses the capacity to develop digital content, and customize it according to customer needs, thereby providing multiple choices to our customers. Therefore, the Company enhances the technological capacity of its research team, and therefore has substantial room for improvement.

(2) Unfavorable factors and their response strategies

A. Closed sales channel for simulator rides, impeding business expansion

Simulator rides are primarily built in theme parks, museums, and exhibition halls. Unlike general daily necessities, the sales channel of simulator rides is relatively closed, and suppliers specializing in this market are mostly business operators who have established their status for a long time. Thus, new vendors cannot easily directly enter this supply chain system and expand their businesses.

Response strategies:

The Company fully understands the characteristics of this industry. To expand its market and increase its market share, the Company formed a strategic alliance with internationally known suppliers of amusement facilities who have had a history of more than 40 years in the industry. These suppliers assist the Company in expanding its market channel to successfully enter the supply chain of the theme park industry and facilitate its expansion into the global market. In addition, the Company adopts "experiencing in an urban setting" as a strategy to actively develop miniature simulator rides and compete in the market.

B. Shortage of professional talent, hindering talent recruitment

Because information electronic related industries remain the dominant of the domestic market, and domestic vendors have already established a complete supply chain in the information hardware industry, general graduates still prefer to enter industries relevant to information electronics. Furthermore, domestic universities and colleges have established faculty departments associated with software design or amusement facilities in recent years. However, talent still require additional training, and simulator ride technologies encompass a wide variety of aspects, thus making R&D talent recruitment and cultivation difficult.

Response measures:

Engage in industry-academia cooperation to cultivate high-quality experts of digital content development and foster technological talent that industries require; provide employees with favorable working environment, perfect employee welfare systems, and formulate reward/punishment systems as well as employee training programs; and establish job positions according to employees' expertise and characteristics and provide employees with the opportunity to become a shareholder of the Company so that they could share business outcomes with the Company, thereby cohering their efforts and reducing turnover rate.

C. Raw material price and supply stability

The hardware system of the Company's simulator rides comprises the following: The raw materials of carriers, six-axis platform, and steel structures are mostly steel and iron. The prices of these raw materials may vary according to market supply and demand, causing price fluctuations, thereby influencing the Company's purchasing cost and profitability.

Response strategies:

In addition to having maintained a positive and long-term cooperative relationship with its suppliers, the Company appropriately adjusts its sources of procurement and disperses different purchasing vendors to seek the most optimal price quotation. Thus, over-concentration in purchasing, thereby increasing operating risks can be avoided.

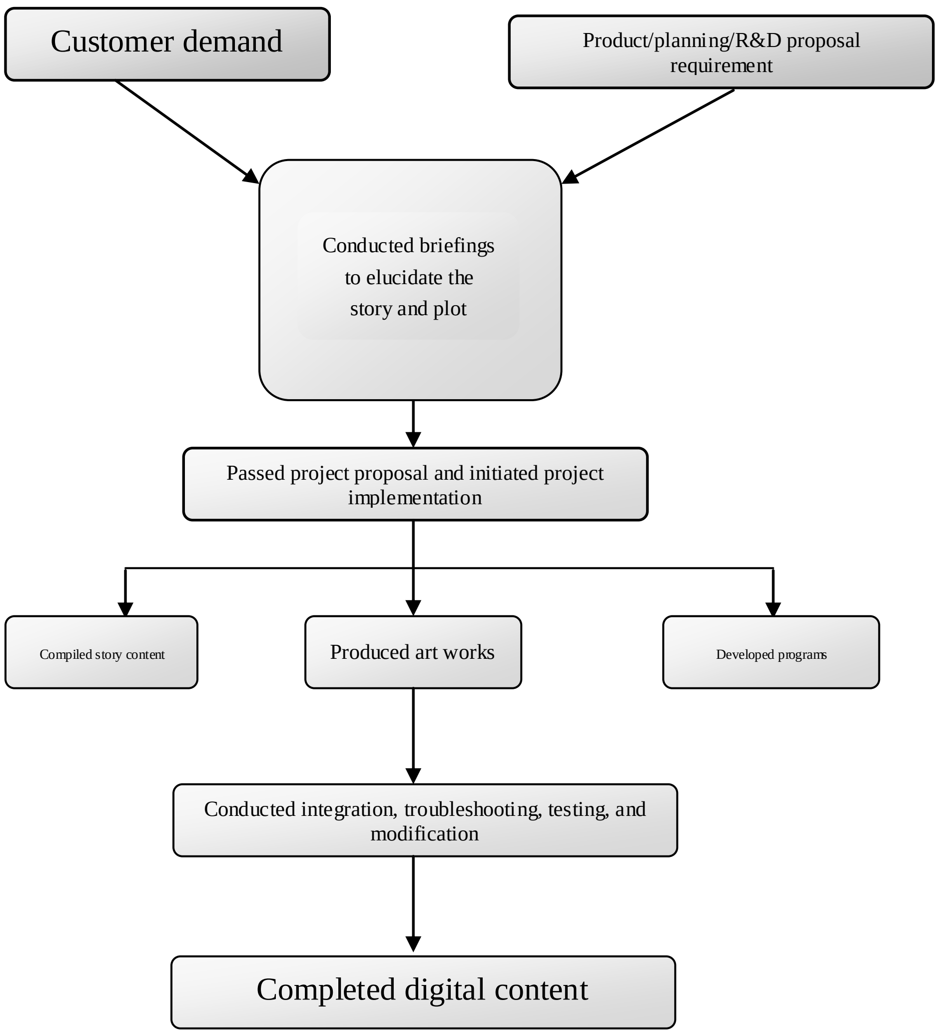
(2) Major product usage and manufacturing processes

1. Main purposes

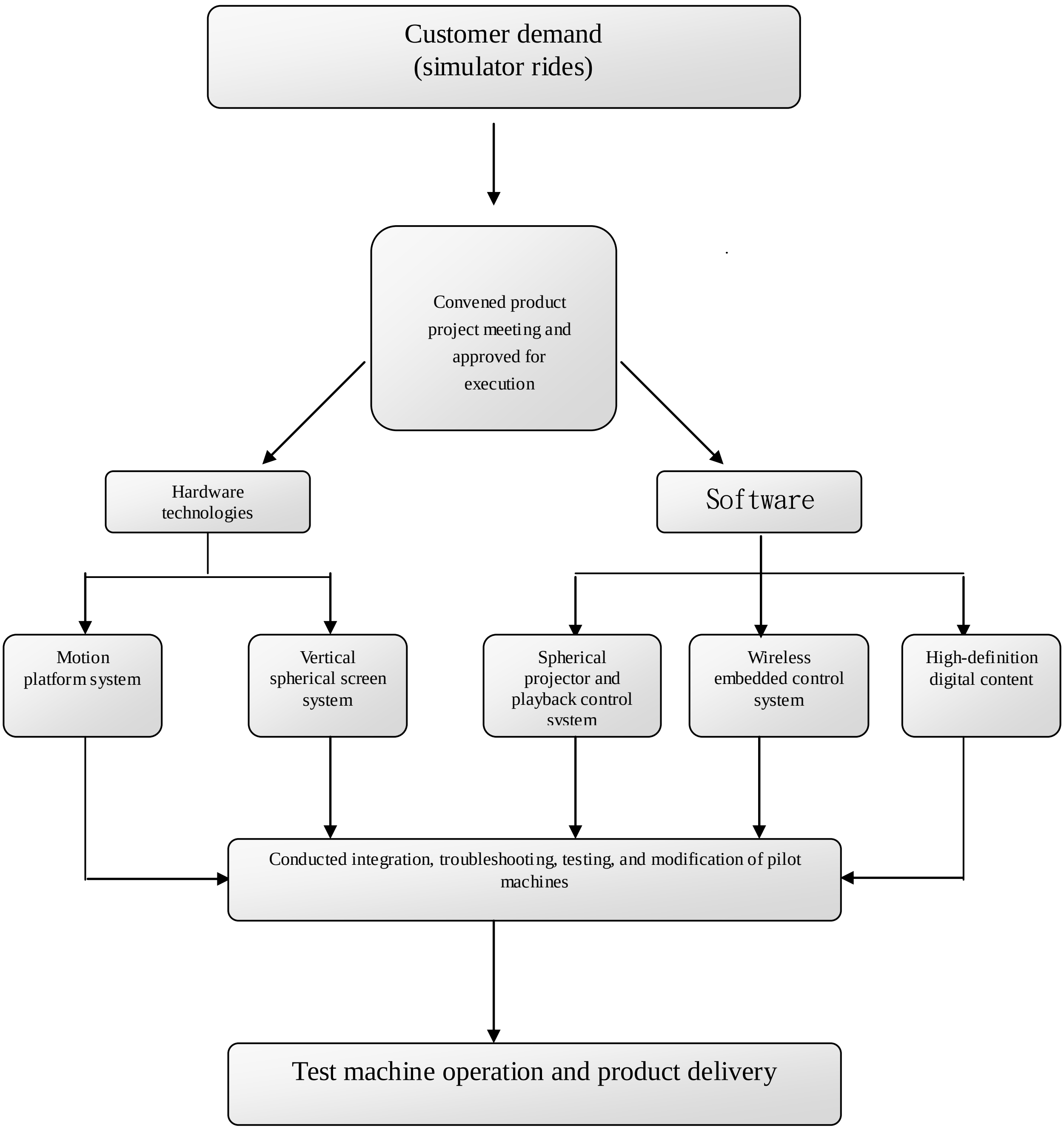
Theme park, museum, exhibition hall, shopping center, and indoor experience center afford entertainment and educational functions, provide adventurous experiences, and elicit sense of excitement.

2. Manufacturing process

A. Digital content:



B. Simulator rides:



3. State of supply of chief raw materials

Primary spare parts	Supply condition
1.Stewart six-axis platform	Good, stable
2.Structure of ride carriers	Good, stable
3.Spherical screen	Good, stable
4.Servo valve, motor	Good, stable
5.Projector	Good, stable
6.Acoustic equipment	Good, stable
7.Digital content contractor	Good, stable

The Company develops its own mobile device software instead of outsourcing it. The hardware and software systems of the simulator rides are designed and developed by the Company. Regarding the mechanical hardware parts, the Company cooperates with its vendor and commissions contractors for assistance. The Company and its suppliers have a stable cooperative relationship, facilitating the stable material supply. Therefore, there were no incidences of supply interruption.

4. Major buying and selling vendors/customer information

(1) Names of customers who accounted for more than 10% of the sales in the last two years, sales as a percentage of total sales, and reasons of change

Unit: NT$1,000

Item	2014				2015			
	Name	Amount	Percentage of net sales (%)	Relationship with issuer	Name	Amount	Percentage of net sales (%)	Relationship with issuer
1	BB2005	547,802	66.04	None.	BB2005	55,743	7.90	None.
2	BB3013	115,787	13.96	None.	BB3013	-	-	None.
3	BB3014	86,786	10.46	None.	BB3014	5,292	0.75	None.
4	BB3015	14,341	1.73	None.	BB3015	115,259	16.34	None.
5	-	-	-	-	BB3017	210,975	29.91	None.
6	-	-	-	-	BB3018	97,010	13.75	None.
7	-	-	-	-	BB3019	74,976	10.63	None.
8	-	-	-	-	BB3020	80,572	11.42	None.
9	Others	64,795	7.81	None	Others	65,597	9.30	None.
	Total	829,511	100.00		Total	705,424	100.00	

Reasons for changes:

The Company's chief products are simulator rides. Because simulator ride projects involve high costs, the sales target in the most recent two years is customers who purchase simulator rides. In 2015, the Company successfully extended its reach into the overseas market and Taiwan's market. BB3017, BB3018, BB3019 and BB3020 are new buyers of the Company's simulator rides, and projects accepted in 2013 were commissioned by BB3015 customer. The most construction was undergone in 2014. In 2015, simulator ride projects were completed, and revenues were received according to the proportion of job completion. BB3015 client client became our second biggest client.

To increase its market share in the global market, the Company continues to work with international vendors and Taiwanese vendors, actively vie for their cooperation, and devoted to seeking new client base to disperse sources of customer order and maintain robust growth.

(2) Names vendors who accounted for more than 10% of the purchases in the last two years, purchases as a percentage of total purchase, and reasons of change

Unit: NT$1,000

Item	2014				2015			
	Name	Amount	Percentage of total purchase (%)	Relationship with issuer	Name	Amount	Percentage of total purchase (%)	Relationship with issuer
1	AA0251	3,670	1.14	None.	AA0251	60,531	13.41	None.
2	AA0092	45,921	14.29	None.	AA0092	48,123	10.66	Related Party.
3	AA0116	47,841	14.89	None.	-	-	-	-
4	AA0033	36,531	11.37	None.	AA0033	36,385	8.06	None.
5	Others	187,377	58.31	None.	Others	306,394	67.87	None.
	Total	321,340	100.00		Total	451,433	100.00	

Reasons for changes:

To develop simulator rides, the Company adequately uses the technical strength, flexibility, and willingness of small and medium enterprises to cooperate. In addition, the Company plans, designs, and collects the various technical and production information of international companies, commissioning contractors to manufacture our products. Furthermore, the Company cooperates with small and medium enterprises to construct the supply chain system of simulator ride facilities. The Company primarily procures six-axis platform, ride carriers, spherical screens, servo valve, and projector and acoustic equipment. Except for when customers designate their preferred suppliers, the Company's suppliers are selected according to their quality, stability, delivery date, and price.

AA0251 is the subcontractor of the car and ride shape design as well as renovation construction for our Taiwanese client, with our total purchase of NT$60,531,000, becoming the first biggest supplier of the Company.AA0116 is the Company's first largest supplier of Holland D-ride self-riding cars from whom it made a total purchase of NT$47,841,000 in 2014. The project was completed in 2014. Hence, the Company made no purchase to the supplier in 2015. AA0092 is the Company's second largest cooperating supplier who possesses strong manufacturing technologies and system integration capabilities. Therefore, since 2011, the Company commissions AA0092 to manufacture i-Ride actuator platforms and purchased actuator platforms from AA0092 . In 2015, the Company set up a subsidiary company, Brogent Machanical Inc., with AA0092, which has become a relative party to the Company since 2015. AA0033 the Company's third largest supplier of steel structures and push carriers from whom it made a total purchase of NT$36,385,000 in 2015, who became the third largest supplier in 2015. Overall, the changes in the primary suppliers of the Company in the past two years were based on the project scale and job completion progression. There were no major abnormalities.

5. Output volume and value during the most recent two years

The Company's primary business involved the R&D and sales of simulator rides. Since 2008 when the Company started the development and selling of simulator ride facilities, these facilities, including their hardware and software systems and automated control system, were designed and developed by the Company. The mechanical body engineering part was commissioned to external contractors, and the Company purchases the final product from the supplier and therefore is not a manufacturing industry. Thus, the Company is not associated with output volume and value.

6. Sales volume and value during most recent two years

Unit: NT$1,000

Year / Sales volume and value / Primary products	2014				2015			
	Domestic sales		Exports		Domestic sales		Exports	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Mobile device software	-	7	-	2,370	-	-	-	592
Simulator rides	-	547,802	-	264,284	-	55,743	-	619,794
Others (Note)	-	9,604	-	5,444	-	27,544	-	1,751
Total	-	557,413	-	272,098	-	83,287	-	622,137

Note: Others refer to repair and maintenance and income generated sales (gaming machines) and labor affairs

Reasons for changes:

From 2014 to 2015, the sales amount of mobile device software declined, primarily because of the Company's adjustment to its sales strategy (reduced the number of customized software projects accepted) in 2013. Regarding the simulator ride, the internal and external sales amount decreased in 2015 compared with 2014; this is primarily attributed to the successive orders received from the domestic market in 2014, from domestic client BB2005; the major construction was mostly completed in 2014 with revenue recognition. Therefore, the total amount of domestic sales decreased in 2015 with less revenue booked.

III. Employee Information in the Past 2 Years to the Date of the Annual Report

Year		End of 2014	End of 2015	Up to April 11, 2016
Number of employees	Managerial officer	21	26	26
	R&D personnel	74	116	109
	General employee	53	50	51
	Total	148	192	186
Average age		35.26	34.07	34.95
Average years of service (year)		3.83	3.10	3.06
Education distribution (%)	Ph.D	0.68	0.54	0.54
	Master's	42.28	43.22	47.31
	University/College	57.04	55.7	51.08
	Senior high school	0	0.54	1.07
	Senior high school and below	0	0	0

IV. Environmental protection expenditure information

(1) The Company primarily engages digital content development and selling of simulator rides, the production of which is entirely outsourced to external contractors. Therefore, the Company is not associated with pollution concerns.

1. According to laws and regulations if it is required to apply for a permit for installing anti-pollution facilities, or permit of pollution drainage, or to pay anti-pollution fees, or to organize and set up an exclusively responsible unit/office for environmental issues, the description of the status of such applications, payment or establishment shall be made: Not applicable.

2. Setting forth the company's investment in the major anti-pollution facilities, the use purpose of such facilities and the possible effects to be produced: None.

3. Describe the process undertaken by the company on environmental pollution improvement for the most recent 2 fiscal years and up to the publishing date of the annual report. If there had been any pollution dispute, its handling process shall also be described: None.

4. Describe the loss (including damage compensations paid) suffered by the company due to environmental pollution incidents occurred in the most recent 2 fiscal years and up to the annual report publishing date, the total penalty/fine amount, as well as disclosing its future preventive policies (including improvement measures) and possible expenses to be incurred (including possible loss if no preventive measures are taken, and the penalties and estimated damage compensation amount; if reasonable estimation cannot be made, explanation on the facts why it cannot be made shall be stated): None.

5. Explain the current condition of pollution and the impact of its improvement to the profits, competitive position and capital expenditures of the company, as well as the projected major environment-related capital expenses to be made for the coming 2 fiscal years: None.

(2) The 2nd stage of R&D and experience center was completed in Febuary 2016 and awared the green building certificate (Certification No. on 105.01.08 CGB-BC-01-00409). The related green power arrangement is explained as followings:

1.Installation of solar power

2. Installation of central air-conditioning control system

3. Installation of all heat exchangers

4. Build up rain storage and recycle irrigation systems

5.Use LED lightening system

6.Set up indoor air quality supervisory system

V. Labor Relations

1. Set forth all employee benefits, continuing education, training, retirement systems, and the status of their implementation, as well as the status of agreements between labor and management, and all measures aimed at preserving the rights and interests of employees:

(1) Employee welfare measures and implementation status

The Company offers the following welfare to its employees: labor and health insurance, employee group insurance, employee health examination, year-end bonus, and employee stock option bonus. In addition, the Company has also set up an Employee Welfare Committee that handles employees' various welfare affairs, including employee marriage, funeral, sick leave, and maternal leave subsidies, annual employee travel benefit, three-festival bonuses (Dragon Boat Festival, Moon Festival, and Chinese New Year), birthday bonus, and year-end new year banquet.

(2) Employee continuing education, training, and status of their implementation

To enhance employee quality and their work efficiency and quality, the Company requires all its new recruits to receive immediate training and guidance on their job content. During their period of employment, employees must regularly undergo professional training, both internal and external, on employee job duties. Internal training courses entail exchanging internal professional technologies and improving employee productivity; external courses depend on company requirements. Employees may be dispatched to attend external seminars and courses. Thus, the Company's employees are provided with opportunities to receive professional training. Actual training attendance is registered and managed with the hope of fostering professional talent and effectively nurture and utilize talent.

(3) Employee pension system and status of implementation

The Company regulates employee pension system according to the Labor Standard Act, formulates Employee Retirement Regulation, and establishes labor pension account with the Central Trust of China to which a labor pension reserve equivalent to 2% of employees' monthly salary is contributed. As of July 1, 2005, when the new labor pension system was implemented by the government, the Company asks its employees whether they wish to adopt the new or old labor pension systems. Employees who prefer the new pension system shall have 6% of their monthly salary contributed to their personal pension account and shall retain their seniority status as required by the Labor Standard Act, to ensure their living needs after they retire. No employees have retired since the Company's establishment.

(4) Labor negotiations

The Company is subject to the Labor Standard Act, operating its business in accordance with the Labor Standard Act. Generally, the Company emphasizes the importance of employee welfares and communication with its employees; therefore, it has maintained a harmonious relation with its employees. In addition, to maintain positive labor relation, the Company attaches increased importance on employee opinions, which can be communicated by the employees via email. Since its establishment, the Company has not been involved in labor disputes. However, the Company will still strengthen its labor communication protocols and endeavor to formulate effective welfare measures for its employees so that a more harmonious labor relationship can be sustained to prevent any possibilities of labor disputes from occurring.

(5) Measures for protecting employee rights and interests

The Company has a complete document management system that specifies various management regulations, employee rights and obligations and their welfares, to protect employee rights and interests.

(6) Preventive measures taken to ensure a safe working environment and maintain employees' personal safety:

The Company hires designated personnel to plant flowers and trees in vacant spaces surrounding the Company. By applying the practice of landscape greening, the Company creates a comfortable, safe working environment and plans an effective parking space. The Company constructs a safe, healthy working environment and regularly provides employee health examination to maintain employee physical and mental health. In addition, a Labor Safety and Health Committee is established to engage in promotion efforts for environmental protection and labor safety and health. The Company also offers employee safety and health training programs to help employees enhance their health and safety related knowledge and skills.

2. Describe the loss suffered by the company due to labor disputes occurring in the most recent 2 fiscal years and up to the annual report publishing date, and disclose the estimated amount expected to be incurred for the present and future as well as the preventive measures:

The Company maintains a harmonious relationship with its employees. There were no losses incurred from incidences of labor disputes during the most recent 2 years up to the publishing date of the annual report. The Company upholds the principle of maintaining a reciprocal relationship and sharing profits with its employees. There is minimum likelihood of losses due to labor disputes occurring in the future.

VI. Important contracts

Nature of contract	Contracting parties	Date of contract start and end	Content	Restriction clauses
Sale contract	Canadian Company BB3005	2011.08~2013.12	Simulator rides	None.
	Taiwanese Company BB3002	2013.03.01~2014.02.28	Video renting and special effects	None.
	Taiwanese Company BB2005	2013.10~May terminate the contract according to agreement	Simulator rides	None.
	Chinese Company BB3014	2013.12.~May terminate the contract according to agreement	Simulator rides	None.
	Japanese Company BB3013	2013.11~May terminate the contract according to	Simulator rides	None.

		agreement		
	Dutch Company BB3012	2013.02~May terminate the contract according to agreement	Simulator rides (4D)	None.
		2013.02~May terminate the contract according to agreement	Simulator rides	None.
	Chinese Company BB3015	2014.12~May terminate the contract according to agreement	Simulator rides	None.
	US Company BB3017	2015.02~May terminate the contract according to agreement	Simulator rides	None.
	Arabian Company BB3018	2015.03~May terminate the contract according to agreement	Simulator rides	None.
	Spain Company BB3019	2015.07~May terminate the contract according to agreement	Simulator rides	None.
	German Company BB3020	2015.10~May terminate the contract according to agreement	Simulator rides	None.
Sales Agency Agreement	Vekoma Rides Manufacturing B.V.	2009.01.06~No period (May terminate when either party fails to execute its responsibilities or when both parties provide a written notification 6 months prior to contract termination)	Sales agency	None.
Land Rental Agreement	Export Processing Zone Administration, MOEA	2012.3.14 - 2032.3.13	Renting of Kaohsiung Software Park Land	None.
Construction Project Contract	Phase 2 Construction of the R&D Testing and Experience Center	2014.07~May terminate the contract according to agreement	Xu-Yi Construction Co. Ltd.	None.
		2014.07~May terminate the contract according to	Li-Yao Mechanoelectrical Technology Co. Ltd.	None.

		agreement		
Loan Agreement	Taiwan Cooperative Bank	2013.02.06 - 2027.08.10	Long-term collateral-based loan application	None.

VI. Financial Overview

1. Condensed balance sheets and statement of income (2011 - 2015)

(1) Condensed balance sheets

1. Condensed balance sheets- International Financial Reporting Standards (IFRS)- Consolidated

Unit: NT$1,000

Item \ Year		Financial information: FY2011 - FY2015 (Note 1)					As of March 31, 2016 (Note 3)
		2011	2012	2013	2014	2015	
Current assets		-	-	-	-	2,341,930	2,271,164
Property, plant and equipment		-	-	-	-	557,047	800,167
Intangible assets		-	-	-	-	13,987	166,102
Other assets		-	-	-	-	235,074	58735
Total Assets		-	-	-	-	3,148,038	3,296,168
Current liabilities	Basic	-	-	-	-	566,592	509,744
	Diluted	-	-	-	-	(Note 2)	(Note 2)
Non-current liabilities		-	-	-	-	88,140	125,642
Total liabilities	Basic	-	-	-	-	654,732	635,386
	Diluted	-	-	-	-	(Note 2)	(Note 2)
Equity attributable to owners of parent		-	-	-	-	2,444,938	2,613,977
Share capital		-	-	-	-	446,780	446,780
Capital reserve		-	-	-	-	2,043,087	2,052,653
Retained earnings	Basic	-	-		-	220,459	229,945
	Diluted	-	-		-	(Note 2)	(Note 2)
Other interests		-	-	-	-	684	75
Treasury stock		-	-	-	-	266,072	115,476
Non-controlling interests		-	-	-	-	48,368	46,805
Total shareholders' equity	Basic	-	-	-	-	2,493,306	2,660,782
	Diluted	-	-	-	-	(Note 2)	(Note 2)

Note 1: Starting from 2015, the Company has consolidated financial reports.
Note 2: The 2015 proposal of surplus distribution has not been resolved in the shareholders' meeting.
Note 3: The year to date March 31. 2016 financial results has been reviewed by a CPA.

2. Condensed balance sheets- International Financial Reporting Standards (IFRS)- Individual

Unit: NT$1,000

Item \ Year		Financial information: FY2011 - FY2015 (Note 1)					As of March 31, 2016 (Note 3)
		2011	2012	2013	2014	2015	
Current assets		-	374,091	717,863	1,046,900	1,967,995	-
Property, plant and equipment		-	159,704	161,607	310,698	551,001	-
Intangible assets		-	2,952	3,284	6,086	13,934	-
Other assets		-	44,238	105,798	53,163	594,044	-
Total Assets		-	580,985	988,552	1,416,847	3,126,974	-
Current liabilities	Basic	-	137,936	192,503	208,712	593,896	-
	Diluted	-	163,391	192,503	288,072	(Note 2)	-
Non-current liabilities		-	6,586	329,297	180,165	88,140	-
Total liabilities	Basic	-	144,522	521,800	388,877	682,036	-
	Diluted	-	169,977	521,800	468,237	(Note 2)	-
Equity attributable to owners of parent		-	436,463	466,752	1,027,970	2,444,938	-
Share capital		-	254,550	267,277	341,294	446,780	-
Capital reserve		-	134,356	188,618	459,496	2,043,087	-
Retained earnings	Basic	-	47,557	3,434	227,180	220,459	-
	Diluted	-	22,102	3,434	147,820	(Note 2)	-
Other interests		-	-	-	-	684	-
Treasury stock		-	-	-	-	266,072	-
Non-controlling interests		-	-	-	-	-	-
Total shareholders' equity	Basic	-	436,463	466,752	1,027,970	2,444,938	-
	Diluted	-	411,008	466,752	948,610	(Note 2)	-

Note 1: The 2012, 2013, 2014 and 2015 Financial Reports of the Company have been reviewed by a CPA.
Note 2: The 2015 proposal of surplus distribution has not been resolved in the shareholders' meeting.
Note 3: The company does not have individual financial report as of March 31, 2016.

3. Condensed balance sheets- Taiwan financial reporting standards

Unit: NT$1,000

Item \ Year		Financial information: FY2011 - FY2015 (Note)				
		2011	2012	2013	2014	2015
Current assets		241,961	380,801	-	-	
Funds and long-term investments		-	22,500	-	-	
Fixed assets		1,221	158,889	-	-	
Intangible assets		1,046	991	-	-	
Other assets		28,316	18,795	-	-	
Total Assets		272,544	581,976	-	-	
Current liabilities	Basic	41,318	136,693	-	-	
	Diluted	41,318	162,148	-	-	
Long-term liabilities		3,378	2,252	-	-	
Other liabilities		1,334	2,553	-	-	
Total liabilities	Basic	46,123	140,988	-	-	
	Diluted	46,123	166,443	-	-	
Share capital		226,260	254,550	-	-	
Capital reserve		-	134,356	-	-	
Retained earnings	Basic	826	52,914	-	-	
	Diluted	826	27,459	-	-	
Unrealized gain/loss on financial instrument		-	-	-	-	
Cumulative translation adjustments		-	-	-	-	
Net losses not recognized as pension costs		(665)	(832)	-	-	
Total shareholders' equity	Basic	226,421	440,988	-	-	
	Diluted	226,421	415,533	-	-	

Note: The 2011 - 2015 financial reports have been certified by the CPA.

(2) Condensed statements of income

1. Condensed statements of income- International Financial Reporting Standards (IFRS)-Consolidated (Note 1)

Unit: NT$1,000

Item \ Year	Financial information: FY2011 - FY2015 (Note 2)					As of March 31, 2016 (Note 3)
	2011	2012	2013	2014	2015	
Sales revenue	-	-	-	-	705,424	167,275
Gross profit	-	-	-	-	333,961	75,136
Operating income (loss)	-	-	-	-	130,412	6,372
Non-operating income and expense	-	-	-	-	21,815	1,650
Net income (loss) before tax					152,227	8,022
Continuing operations Net income	-	-	-	-	119,769	7,923
Profit and loss of discontinuing operations	-	-	-	-	-	-
Net income (loss)	-	-	-	-	119,769	7,923
Other comprehensive income (net income)	-	-	-	-	619	(609)
Total comprehensive income	-	-	-	-	120,388	7,314
Net income belongs to the parent company	-	-	-	-	112,384	9,486
Net income belongs to non-controlling interests	-	-	-	-	7,385	(1,563)
Total comprehensive income belongs to the parent company	-	-	-	-	113,003	8,877
Total comprehensive income belongs to the non-controlling interests	-	-	-	-	7,385	(1,563)
Earnings per share	-	-	-	-	2.57	0.22

Note 1: Starting from 2015, the Company has consolidated financial reports..
Note 2: The 2015 consolidate financial results has been verified by a CPA.
Note 3: The year to date March 31. 2016 financial results has been reviewed by a CPA.

2. Condensed statements of income- International Financial Reporting Standards (IFRS)-Individual

Unit: NT$1,000

Year / Item	Financial information: FY2011 - FY2015 (Note 1)					As of March 31, 2016 (Note 2)
	2011	2012	2013	2014	2015	
Sales revenue	-	285,896	333,559	829,511	690,617	-
Gross profit	-	156,071	140,655	426,915	304,396	-
Operating income (loss)	-	61,175	2,134	231,250	110,586	-
Non-operating income and expense	-	1,505	2,863	38,492	30,730	-
Net income (loss) before tax		62,680	4,997	269,742	141,316	-
Continuing operations Net income	-	51,870	(5,982)	224,432	112,384	-
Profit and loss of discontinuing operations	-	-	-	-	-	-
Net income (loss)		51,870	(5,982)	224,432	112,384	-
Other comprehensive income (net income)	-	(575)	41	(686)	619	-
Total comprehensive income	-	51,295	(5,941)	223,746	113,003	-
Net income belongs to the parent company	-	51,295	(5,941)	223,746	112,384	-
Net income belongs to non-controlling interests	-	-	-	-	-	-
Total comprehensive income belongs to the parent company	-	51,295	(5,941)	223,746	113,003	-
Total comprehensive income belongs to the non-controlling interests	-	-	-	-	-	-
Earnings per share	-	2.18	(0.22)	6.83	2.57	-

Note 1: The 2012, 2013, 2014 and 2015 Financial Reports of the Company have been reviewed by a CPA
Note 2: The company does not have individual financial report as of March 31, 2016.

3. Condensed statements of income- Taiwan financial reporting standards

Unit: NT$1,000

Item \ Year	Financial information: FY2011 - FY2015 (Note)				
	2011	2012	2013	2014	2015
Sales revenue	168,810	285,896	-	-	
Gross profit	107,310	156,701	-	-	
Operating income (loss)	31,957	61,393	-	-	
Non-operating income and gain	14,386	4,658	-	-	
Non-operating expense and loss	1,261	3,153	-	-	
Before-tax profit and loss of continuing operations department	45,082	62,898	-	-	
Profit and loss of continuing operations department	36,713	52,088	-	-	
Profit and loss of discontinuing operations department	-	-	-	-	
Extraordinary profit and loss	-	-	-	-	
Cumulative impact of change in accounting principle number	-	-	-	-	
Net income (loss) for the current period	36,713	52,088	-	-	
Earnings per share	1.74	2.29	-	-	

Note: The 2011 - 2015 financial reports have been certified by the CPA.
Earnings per share are after tax.

2-1. Names of auditors and audit opinions

Year	Name of accounting firm	CPA	Audit opinion
2011	BDO Taiwan	Yi-Shun Chang, Tsu-Cheng Huang, CPA	Unqualified opinion
2012	BDO Taiwan	Yi-Shun Chang, Tsu-Cheng Huang, CPA	Unqualified opinion
2013	Grant Thornton Taiwan	Yi-Shun Chang, Yu-Chieh Lo	Unqualified opinion
2014	Grant Thornton Taiwan	Yi-Shun Chang, Yu-Chieh Lo	Unqualified opinion
2015	Grant Thornton Taiwan	Yi-Shun Chang, Yu-Chieh Lo	Unqualified opinion

2. Financial Analysis

(1) Financial analysis (2011 - 2015)

1. Financial Analysis- International Financial Reporting Standards (IFRSs)-Consolidated(Note 1)

Item (Note 3) \ Year (Note 1)		Financial analysis (2011 - 2015) (Note2)					As of March 31, 2016 (Note 3)
		2011	2012	2013	2014	2015	
Financial structure (%)	Debt-to-assets ratio	-	-	-	-	20.80	19.28
	Long-term fund to property, plant and equipment (fixed assets) ratio	-	-	-	-	463.42	348.23
Solvency (%)	Current ratio	-	-	-	-	413.34	445.55
	Quick ratio	-	-	-	-	361.30	390.76
	Times interest earned	-	-	-	-	31,358.11	1,271.09
Operating ability	Receivables turnover ratio (times)	-	-	-	-	4.05	0.55
	Average days of collection	-	-	-	-	90.12	165.16
	Inventory turnover ratio (times) (Note 2)	-	-	-	-	-	-
	Payables turnover ratio (times)	-	-	-	-	3.74	1.59
	Average days of sales	-	-	-	-	-	-
	Property, plant and equipment (fixed assets) turnover ratio (times)	-	-	-	-	1.36	0.25
	Total assets turnover ratio (times)	-	-	-	-	0.23	0.05
Profitability	Return on assets (%)	-	-	-	-	3.89	0.26
	Return on equity (%)	-	-	-	-	4.82	0.31
	Paid-in capital to income before tax (%) (Note 8)	-	-	-	-	34.07	1.8
	Net profit margin (%)	-	-	-	-	16.98	4.74
	Earnings per share (NT$)	-	-	-	-	2.57	0.22
Cash flows	Cash flow ratio (%)	-	-	-	-	(52.84)	12.8
	Cash flow adequacy ratio (%)	-	-	-	-	24.42	(27.18)
	Cash reinvestment ratio (%)	-	-	-	-	(14.91)	2.53
Leverage	Operating leverage	-	-	-	-	1.27	4.49
	Financial leverage	-	-	-	-	1.00	1.12

Note 1: Starting from 2015, the Company has consolidated financial reports..
Note 2: The 2015 consolidate financial results has been verified by a CPA.
Note 3: The year to date March 31. 2016 financial results has been reviewed by a CPA.

2. Financial Analysis- International Financial Reporting Standards (IFRSs)-Individual(Note 1)

Item (Note 3)	Year (Note 1)	Financial analysis (2011 - 2015)					As of March 31, 2016 (Note 3)
		2011	2012	2013	2014	2015	
Financial structure (%)	Debt-to-assets ratio	-	24.88	52.78	27.45	21.81	-
	Long-term fund to property, plant and equipment (fixed assets) ratio	-	274.00	492.58	386.42	459.72	-
Solvency (%)	Current ratio	-	271.21	372.91	501.60	331.37	-
	Quick ratio	-	197.13	342.50	445.08	280.17	-
	Times interest earned	-	514.77	1.96	85.32	29,117.66	-
Operating ability	Receivables turnover ratio (times)	-	16.84	4.08	5.46	4.03	-
	Average days of collection	-	21.67	89.46	66.8	90.57	-
	Inventory turnover ratio (times) (Note 2)	-	-	-	-	-	-
	Payables turnover ratio (times)	-	6.98	9.46	7.37	3.55	-
	Average days of sales	-	-	-	-	-	-
	Property, plant and equipment (fixed assets) turnover ratio (times)	-	3.55	2.08	3.51	1.33	-
	Total assets turnover ratio (times)	-	0.67	0.43	0.69	0.22	-
Profitability	Return on assets (%)	-	12.18	(0.21)	18.88	3.66	-
	Return on equity (%)	-	15.65	(1.32)	30.03	4.60	-
	Paid-in capital to income before tax (%) (Note 8)	-	24.62	1.87	80.09	31.63	-
	Net profit margin (%)	-	18.14	(1.79)	27.06	16.27	-
	Earnings per share (NT$)	-	2.28	(0.22)	6.83	2.57	-
Cash flows	Cash flow ratio (%)	-	(15.74)	53.14	28.21	(50.73)	-
	Cash flow adequacy ratio (%)	-	7.87	15.2	(25.39)	38.06	-
	Cash reinvestment ratio (%)	-	(5.22)	9.69	4.79	(17.96)	-
Leverage	Operating leverage	-	1.19	11.47	1.12	1.37	-
	Financial leverage	-	1.00	(0.69)	1.01	1.00	-

Reasons for changes in financial ratios in the most recent 2 years. (Can be left blank of the increase or decrease is less than 20%) 1. Liability to asset ratio: The liability to asset ratio was reduced in 2015 compared with 2014 primarily because of issuring common stock for cash and repayment of company debts. 2. Long-term fund to fixed assets ratio: Decline in ratio was attributed to issurance common stock for cash. 3. Times interest earned: Times interest earned increased after 2014 primarily due to the increase in capitalized interest of the loan for constracting the R&D Testing Center. 4. Average days of collection: Average number of days declined primarily because the payments for the implementation of customized design plans, scale, and completion progress were received on time in 2015. 5. The Company primarily focuses on the R&D and design of simulator rides by using its design, R&D, and system integration capabilities as well as the hardware equipment of outsourced vendors. Because the Company's core value is its design, R&D, and system integration capabilities, its business characteristic differs from general manufacturing industries in that the Company manufactures and sells physical products. Therefore, inventory turnover ratio is not calculated. 6. Payables turnover ratio: Payables turnover ratio declined primarily because that the amount of purchase in past 6 months increased compared to 2014. 7. Property, plant and equipment turnover ratio: Property, plant and equipment turnover ratio was reduced in 2015 because of decrease in operating income and constracting the R&D Testing Center. 8. Total assets turnover ratio: Total assets turnover ratio declined because of decrease in operating income and issuring common stock for cash. 9. Profitability (return on assets, return on shareholder's equity, percentage of net operating income to paid-in capital, percentage of income before tax to paid-in capital, net profit margin, and earnings per share): Each ratio declined due to the decrease in operating income in 2015 compared with 2014, which decrease the gross margin, thus decreasing the net operating income. 10. Cash flow ratio: Cash flow ratio in 2015 decreased because of increase in inventory and increase in other noncurrent assets.

Note 1: The 2012, 2013, 2014 and 2015 Financial Reports of the Company have been reviewed by the CPA.

Note 2: The Company primarily focuses on the R&D and design of simulator rides by using its design, R&D, and system integration capabilities as well as the hardware equipment of outsourced vendors. Because the Company's core value is its design, R&D, and system integration capabilities, its business characteristic differs from general manufacturing industries in that the Company manufactures and sells physical products. Therefore, inventory turnover ratio is not calculated.

Note 3: The company does not have individual financial report as of March 31, 2016.

Note 4: The following calculation formulas shall be displayed at the end of the tables of the annual report.

1. Financial structure

(1) Debt-to-asset ratio = total liabilities / total assets.

(2) Long-term fund to property, plant and equipment ratio = (total equity + non-current liabilities) / net property, plant and equipment.

2. Solvency

(1) Current ratio = current assets / current liabilities.

(2) Quick ratio = (current assets - inventory - prepaid expense) / current liabilities.

(3) Times interest earned = net income before income tax and interest expense / current interest expense.

3. Operating ability

(1) Receivable (including accounts receivable and business-related notes receivable) turnover ratio = net operating revenue / average balance of receivable of the period (including accounts receivable and business-related notes receivable).

(2) Average days of collection = 365 / receivables turnover ratio.

(3) Inventory turnover ratio = cost of goods sold / average amount of inventory.

(4) Payable (including accounts payable and business-related notes payable) turnover ratio = cost of goods sold / average balance of payable of the period (including accounts payable and business-related notes payable).

(5) Average days of sales = 365 / inventory turnover ratio.

(6) Property, plant and equipment turnover ratio = net sales / net average property, plant and equipment.

(7) Total assets turnover ratio = net sales / total average assets.

4. Profitability

(1) Return on assets ＝ [net income + interest expense (1 - tax rate)] / average total assets.

(2) Return on equity = after-tax profit /total average equity.

(3) Net profit margin = net income / net sales.
(4) Earnings per share = (income attributable to owners of parent - dividend to preferred stock) / weighted average of shares issued. (Note 4)
5. Cash flows
(1) Cash flow ratio = new cash flows from operating activities / current liabilities.
(2) Cash flow adequacy ratio = net cash flows from operating activities in the past five years / (capital expenditure + increase in inventory + cash dividend) in the past five years.
(3) Cash reinvestment ratio = (net cash flows from operating activities - cash dividend) / (gross margin of property, plant and equipment + long-term investment + other non-current assets + working capital). (Note 5)
6. Leverage:
(1) Operating leverage = (net operating income - variable operating cost and expenses) / operating income (Note 6).
(2) Financial leverage = operating income / (operating income - interest expense).
Note 5: Precautions shall be taken when measuring the aforementioned earnings per share:
1. Based on the weighted average number of ordinary shares, rather than on the year-end number of issued shares.
2. Weighted average number of shares shall be based on the flow period during capital increase or treasury stock transactions.
3. For earnings transfer or capital reserve transfer, annual and semiannual earnings per share shall be tracked and adjusted according to the proportion of capital increase without considering the issuance period when capital increased.
4. If the preferred stocks are nonconvertible cumulative preferred stocks, the annual stock dividend (issued or not issued) shall exclude after-tax income or include after-tax loss. If the preferred stocks are noncumulative, then when there is after-tax income, preferred stocks shall exclude after-tax income, and no adjustment to preferred stocks is required when there are losses.
Note 6: The following precautions shall be taken when measuring cash flow:
1. Net cash flow of business activities refer to the net cash inflow in the company's business activity.
2. Capital expenditure refers to the cash outflow for annual capital investments.
3. Increase in inventory is calculated only when the balance at the end of a period exceeds the balance at the initial period; if the year-end inventory is reduced, then it shall be zeroed.
4. Cash dividend includes the cash dividend from holding ordinary and preferred stocks.
5. Gross property, plant, and equipment refer to the total property, plant, and equipment values before cumulative depreciation.
Note 7: Issuer shall categorize operating costs and expenditures into fixed or variable costs and expenditures according to their characteristics; when costs and expenditures are estimated or subjectively determined, their rationality and consistency shall be ensured.
Note 8: When company stocks have no face value or the face value per share is not NT$10, face value to paid-in capital shall be calculated according to the equity ratio that is based on the balance sheets of the owner of the parent.

2. Financial Analysis- Taiwan financial reporting standards

Unit: NT$1,000

Item (Note 2)			2010	2011	2012	2013	2014
Year (Note 1)			Financial analysis (2010 - 2014)				
Financial structure (%)	Debt-to-assets ratio		11.28	16.92	24.23	-	-
	Long-term fund to fixed assets ratio		9,027.50	18,728.34	278.25	-	-
Solvency (%)	Current ratio		934.01	585.61	278.58	-	-
	Quick ratio		855.41	527.54	203.83	-	-
	Times interest earned		(828.73)	654.36	516.56	-	-
Operating ability	Receivables turnover ratio (times)		4.92	16.47	16.84	-	-
	Average days of collection		74	22	22	-	-
	Inventory turnover ratio (times) (Note 2)		-	-	-	-	-
	Payables turnover ratio (times)		2.32	4.63	6.98	-	-
	Average days of sales		-	-	-	-	-
	Fixed assets turnover ratio (times)		22.93	122.68	3.57	-	-
	Total assets turnover ratio (times)		0.20	0.80	0.67	-	-
Profitability	Return on assets (%)		(25.48)	17.32	12.21	-	-
	Return on shareholder's equity (%)		(29.34)	20.33	15.61	-	-
	Percentage of paid-in capital (%)	Operating income	(20.64)	14.12	24.12	-	
		Income before tax	(21.58)	19.92	24.71	-	
	Net profit margin (%)		(130.23)	21.75	18.22	-	-
	Earnings per share (NT$)		(2.04)	1.74	2.29	-	-
Cash flows	Cash flow ratio (%)		-	69.97	-	-	-
	Cash flow adequacy ratio (%)		-	-	-	-	-
	Cash reinvestment ratio (%)		-	12.51	-	-	-
Leverage	Operating leverage		0.91	1.16	1.19	-	-
	Financial leverage		1.00	1.00	1.00	-	-

Note 1: The 2010 - 2014 financial reports have been certified by the CPA.

Note 2: The Company is an information software service industry, with its primary business activity being the R&D and design of simulator rides. Regarding the mobile device software, the various application software are developed according to customer needs and are delivered to customers in the form of software applications. Therefore, the Company has no physical inventory of software systems. The Company primarily focuses on the R&D and design of simulator rides by using its design, R&D, and system integration capabilities as well as the hardware equipment of outsourced vendors. Because the Company's core value is its design, R&D, and system integration capabilities, its business characteristic differs from general manufacturing industries in that the Company manufactures and sells physical products. Therefore, inventory turnover ratio is not calculated.

Note 3: The business cash flow is nonsignificant when it is a negative value; therefore, its related ratios are not displayed.

Note 4: The following calculation formulas shall be displayed at the end of the tables of the annual report.

1. Financial structure
   (1) Debt-to-asset ratio = total liabilities / total assets.
   (2) Long-term fund to fixed assets ratio＝(net shareholders' equity + long-term debt) / net fixed assets.
2. Solvency
   (1) Current ratio = current assets / current liabilities.
   (2) Quick ratio = (current assets - inventory - prepaid expense) / current liabilities.
   (3) Times interest earned = net income before income tax and interest expense / current interest expense.
3. Operating ability
   (1) Receivable (including accounts receivable and business-related notes receivable) turnover ratio = net operating revenue / average balance of receivable of the period (including accounts receivable and business-related notes receivable).
   (2) Average days of collection = 365 / receivables turnover ratio.
   (3) Inventory turnover ratio = cost of goods sold / average amount of inventory.
   (4) Payable (including accounts payable and business-related notes payable) turnover ratio = cost of goods sold / average balance of payable of the period (including accounts payable and business-related notes payable).
   (5) Average days of sales = 365 / inventory turnover ratio.
   (6) Fixed assets turnover ratio＝net sales / net average fixed assets.
   (7) Total assets turnover ratio = net sales / total average assets.
4. Profitability
   (1) Return on assets ＝ [net income + interest expense (1 - tax rate)] / average total assets.
   (2) Return on shareholder's equity＝ net income / net average shareholders' equity.
   (3) Net profit margin = net income / net sales.
   (4) Earnings per share＝(net income - dividend to preferred stock) / weighted average of shares issued. (Note 4)
5. Cash flows
   (1) Cash flow ratio = new cash flows from operating activities / current liabilities.
   (2) Cash flow adequacy ratio = net cash flows from operating activities in the past five years / (capital expenditure + increase in inventory + cash dividend) in the past five years.
   (3) Cash reinvestment ratio = (net cash flows from operating activities - cash dividend) / (gross fixed assets + long-term investment + other assets + working capital). (Note 5)
6. Leverage:
   (1) Operating leverage = (net operating income - variable operating cost and expenses) / operating income (Note 6).
   (2) Financial leverage = operating income / (operating income - interest expense).

Note 5: Precautions shall be taken when measuring the aforementioned earnings per share:

1. Based on the weighted average number of ordinary shares, rather than on the year-end number of issued shares.
2. Weighted average number of shares shall be based on the flow period during capital increase or treasury stock transactions.
3. For earnings transfer or capital reserve transfer, annual and semiannual earnings per share shall be tracked and adjusted according to the proportion of capital increase without considering the issuance period when capital increased.
4. If the preferred stocks are nonconvertible cumulative preferred stocks, the annual stock dividend (issued or not issued) shall exclude after-tax income or include after-tax loss. If the preferred stocks are noncumulative, then when there is after-tax income, preferred stocks shall exclude after-tax income, and no adjustment to preferred stocks is required when there are losses.

Note 6: The following precautions shall be taken when measuring cash flow:

1. Net cash flow of business activities refer to the net cash inflow in the company's business activity.
2. Capital expenditure refers to the cash outflow for annual capital investments.
3. Increase in inventory is calculated only when the balance at the end of a period exceeds the balance at the initial period; if the year-end inventory is reduced, then it shall be zeroed.
4. Cash dividend includes the cash dividend from holding ordinary and preferred stocks.
5. Gross fixed asset refers to the total fixed asset before cumulative depreciation.

Note 7: Issuer shall categorize operating costs and expenditures into fixed or variable costs and expenditures according to their characteristics; when costs and expenditures are estimated or subjectively determined, their rationality and consistency shall be ensured.

3. Supervisor Review Report

Refer to Appendix 2.

4. Financial Report and CPA Review Report

Refer to Appendix 3.

5. Individual financial report reviewed by CPA (2011 - 2015)

None.

6. Financial difficulties and corporate events encountered by the Company and affiliates in the past two years and up to the date of report that have material impact on the financial status of the Company: None.

VII. Precautions of Review and Analysis of Financial Status and Business Performance

1. Financial status

(1) Consolidated

Unit: NT$1,000

Item \ Year	End of 2014	End of 2015	Variation	
			Amount	%
Current assets	-	2,341,930	-	-
Property, plant and equipment	-	557,047	-	-
Other assets	-	249,061	-	-
Total Assets	-	3,148,038	-	-
Current liabilities	-	566,592	-	-
Non-current liabilities	-	88,140	-	-
Total liabilities	-	654,732	-	-
Share capital	-	446,780	-	-
Capital reserve	-	2,043,087	-	-
Undistributed earnings	-	220,459	-	-
Total shareholders' equity	-	2,493,306	-	-
Satrting from Year 2015, the company has consolidated financial report; therefore, no YoY comparison is presented.				

(2) Induvidual

Unit: NT$1,000

Item \ Year	End of 2014	End of 2015	Variation	
			Amount	%
Current assets	1,028,066	1,967,995	939,929	91.43
Property, plant and equipment	310,698	551,001	240,303	77.34
Other assets	78,083	609,978	529,895	678.63
Total Assets	1,416,847	3,126,974	1,710,127	120.70
Current liabilities	208,712	593,896	385,184	184.55
Non-current liabilities	180,165	88,140	(92,025)	(51.08)
Total liabilities	388,877	682,036	293,159	75.39
Share capital	341,294	446,780	105,486	30.91
Capital reserve	459,496	2,043,087	1,583,591	344.64
Undistributed earnings	227,180	220,459	(6,721)	(2.96)
Total shareholders' equity	1,027,970	2,444,938	1,416,968	137.84

Analysis and explanation of changes:
(1) Increase in current asset in 2015 was attributed to issuranse common stock for cash.
(2) Increase in fixed asset in 2015 was attributed to the construction of the R&D Testing and Experience Center.
(3) Increase in other assets in 2015 was attributed to the recognization of profit sharing right of ticket sales and increase in prepayment for equipment for construction of the R&D Testing and Experience Center.
(4) Increase in current liabilities and reduction in noncurrent liabilities in 2015 because long-term liabilities will due within 12 months and reclassified to current liabilities.
(5) Increase in share capital and capital reserves in 2015 was attributed to issuranse common stock for cash.

2. Financial performance

(1) Comparative analysis of business performance- Consolidate

Year / Item	2014	2015	Change (amount)	Variation as a percentage (%)
Sales revenue	-	705,424	-	-
Less: Returns and Allowances	-	-	-	-
Net revenue	-	705,424	-	-
Operating cost	-	371,463	-	-
Gross profit	-	333,961	-	-
Operating expenses	-	203,549	-	-
Operating income	-	130,412	-	-
Non-operating income and gain	-	33,618	-	-
Non-operating expense and loss	-	11,803	-	-
Income (loss) before tax	-	152,227	-	-
Income tax benefits (expenses)	-	(32,458)	-	-
Net profit (loss)	-	119,769	-	-
Satrting from Year 2015, the company has consolidated financial report; therefore, no YoY comparison is presented.				

(2) Comparative analysis of business performance- Individual

Unit: NT$1,000

Year / Item	2014	2015	Change (amount)	Variation as a percentage (%)
Sales revenue	829,511	690,617	(138,894)	(16.74)
Less: Returns and Allowances	-	-	-	-
Net revenue	829,511	690,617	(138,894)	(16.74)
Operating cost	402,596	381,147	(21,449)	(5.33)
Gross profit	426,915	304,396	(122,519)	(28.70)
Operating expenses	195,665	193,810	(1,855)	(0.95)
Operating income	231,250	110,586	(120,664)	(52.18)
Non-operating income and gain	42,304	42,533	229	0.54
Non-operating expense and loss	3,812	11,803	7,991	209.63
Income (loss) before tax	269,742	141,316	(128,426)	(47.61)

Item / Year	2014	2015	Change (amount)	Variation as a percentage (%)
Income tax benefits (expenses)	(45,310)	(28,932)	(16,378)	(36.15)
Net profit (loss)	224,432	112,384	(112,048)	(49.93)
Analysis and explanation of changes: (1) The Revenue booked in 2015 was less than 2014, since the 2015 exsiting contracts were mostly signed and constructed in 2014. The most revenue was booked in 2014. As for the new contracts signed in 2015, the majority were signed and undergone the manufacturing in the 2nd half of 2015. Therefore, the reduction in gross profit and operating income is due to less revenue recognition in 2015. (2) Increase in non-operating expense and loss was caused by loss on financial assets at fair value through profit or loss. (3) Decrease in net income .profit before tax and Income tax expense was caused by reasons mentioned above.				

(3) Expected Sales Volume and Criteria

On the basis of current industrial environment and future market supply and demand, as well as information relevant to R&D schedule and business development, the Company expects its business to growth steadily in 2016.

3. Cash flows

(1) Analysis on the cash flow changes - Consolidated

Item	2014	2015	Changes (increase/decrease)
Net cash inflow (outflow) from operating activities	-	(299,404)	-
Net cash inflow (outflow) from investing activities	-	(766,615)	-
Net cash inflow (outflow) from financing activities	-	1,484,212	-
Satrting from Year 2015, the company has consolidated financial report; therefore, no YoY comparison is presented.			

(2) Analysis on the cash flow changes - Individual

Unit: NT$1,000

Item	2014	2015	Changes (increase/decrease)
Net cash inflow (outflow) from operating activities	58,874	(301,286)	(360,160)
Net cash inflow (outflow) from investing activities	(306,825)	(1,116,265)	(809,440)
Net cash inflow (outflow) from financing activities	187,914	1,443,212	1,255,298

Analysis on the cash flow changes of two years: (1) In 2015, net business cash outflow increased by NT$360,160,000 primarily because of net income and the change of related assets and liabilities. (2)In 2015, net investment cash outflow increased by NT$809,440 primarily because of Acquisition of held-to-maturity financial assets, acquisition of investments accounted for using equity method, and the construction of the Phase 2 R&D Testing and Experience Center. (3) In 2015, the net financing cash inflow increased by approximately NT$1,225,298primarily because of insurance common stock for cash.

(3) Improvement plan for inadequate liquidity: None.

(4) Cash flow analysis for the coming year

Unit: NT$1,000

Cash balance, beginning	Expected cash flow from operating activities	Expected cash flow from investment and financing activities	Expected cash surplus (deficit) + -	Remedial measures for expected cash deficit	
				Investment plan	Financing plan
703,135	185,000	30,000	918,135	-	-

(1) Expected cash flow from operating activities: Cash inflow will be attribute to net income and the change of related assets and liabilities.
(2) Expected cash flow from investment and financing activities: Cash inflow will be attribute to share of the profit of subsidiaries and associates and interest earned.
(3) Remedial measures for expected cash deficit:None

4. Effect of major capital spending on financial position and business operation

(1) Major capital spending and sources of funds

Unit: NT$1,000

Project	Actual or expected source of funds	Actual or estimated completion date	Total funding need	Actual or expected status of spending	
				2015	2016
Expand R&D Testing and Experience Center	Market fund-raising	104.09	250,000	252,513	-
Business office	Market fund-raising	106.11	940,000	418,063	-

(2) Anticipated benefit

(1) Enhance R&D testing capacity to increase corporate competitiveness

(2) Integrate office and plant to raise operational efficiency

(3) Improve working environment to increase employee commitment

5. Investment policy in the past year, profit/loss analysis, improvement plan, and investment plan for the coming year

(1) Investment transfer policy

The Company currently focuses its investment transfer policy on business investment related targets and does not invest in other businesses. Related executing department handles affairs according to the Investment Circulation regulations of its internal control system and Procedure for Processing the Acquisition and Disposal of Assets, both of which have been reviewed and approved by the Board of Directors.

(2) Reasons for profit or loss due to investment transfer in recent years

In accordance with the Company's business expansion and future development, Brogent's subsidiaries were set up in 2015 for different purposes listed as below:

Investee Company	Business Scope
Brogent Mechanical Inc.	Manufacture and sales of the simulator rides and its key components
Brogent Creative Inc.	Development and sales of the peripheral products of simulator rides
Brogent Global Inc.	Development and management business of self-operated outlets
Brogent Hong Kong Limited	Reinvestment and trading business

Investee Company	Business Scope
Brogent Rides (Shanghai) Limited	Import and export business
Brogent Creative (Shanghai) Limited	Development and management business of self-operated outlets

Since the subsidiaries are newly established, no significant revenue was generated. In 2015, the total revenue from the affiliated companies accounted 2.1% of the consolidated revenue. The total profit was NT$9,168,000. Once the subsidiaries grow, the Company's consoliated revenue is expected to increase accordingly.

(3) Investment plan for the next year

The Company will review and evaluate our investment plant from a long-term strategic perspective to strengthen the channel-content management strategy and continue to strengthen our global competitiveness.

6. Analysis of risks in recent years up to the publishing date of the annual report

(1) Impact of interest rate and exchange rate changes and inflation on Company's profit and response measures:

(1) Impact of interest rate on Company's profit and response measures

The Company uses its funds conservatively and steadily; the operation-generated funds are stored as time deposits and current deposits. The interests earned in 2014 and 2015 were respectively NT$5,634,000 and 14,659,000. The bank loan interest expenses were respectively NT$3,199,000 and 487,000. The interest earned and ratio of expenditure as a percentage of operating income and net income before tax was low. Because the Company is increasing its business scale and building the R&D Testing and Experience Center, it is expected that the Company will need more loans in NTD. The Company will remain vigilant at changes in the banks' interest rate and maintain a good relationship with its cooperating banks so that the Company can acquire preferential interest rate to reduce the effects of interest rate variations on the Company operation.

(2) During recent years up to the annual report publishing date, the effects of exchange rate variations on the Company's profit and its future response

measures

The business focus of the Company is mobile device software and simulator rides; the downstream customers are major foreign and domestic cellphone manufacturers as well as developers of theme parks. Our mobile device software is priced in USD, and the simulator rides are priced in either NTD or foreign currency depending on the region of sale. Therefore, foreign currency assets are generated. The net foreign exchange (loss) gain were respectively NT$12,180,000 and NT$ 7,435,000, accounting for 1.47% and 1.05% in 2014 and 4.52% and 4.88% in 2015 of the operating income and net profit margin before tax. Because exchange rate changes influence the profits of the Company, the Company's management authorities pay close attention to the exchange rate trends and reinforce the management of risks in exchange rate fluctuations. The corresponding measures adopted are as follows:

①Because of the gradual increase in export sales, the Company attempts to mitigate the effects of exchange rate changes by setting up a foreign currency savings account to manage foreign currencies. The Company assigns designated personnel from the finance department to sell excess foreign currencies under optimal conditions according to the daily foreign currency balance and monthly fund estimates, to reduce the impact of exchange rate changes on the profit.

②When giving quotes to foreign customers, the business department considers the effects of exchange rate variations on product prices and refers to the prices adjusted according to the changing exchange rates, or negotiates a new price in NTD with the customer, thereby mitigating the effects of exchange rate variations on the profit of the Company.

③Our finance department personnel maintains a close contact with the foreign exchange departments of frequent interacting banks to adequately acquire market information and use such information to forecast the long- and short-term trends of the exchange rage and sell or buy in foreign currencies in a timely manner. Thus, the effects of exchange rate variations on the profitability of the Company can be reduced.

④At the appropriate timing, the Company will have its finance department personnel to review the changes in the foreign exchange market and consider foreign exchange fund requirements and balances to determine whether hedging derivative financial instrument operating strategies should be used in accordance with the Procedure for Processing the Acquisition and Disposal of Assets, such as buying forwards in advance to avert exchange rate risks, thereby minimizing the effects of exchange rate variations on the profit of the Company.

(3) During recent years up to the annual report publishing date, the effects of inflation on the Company's profit and its future response measures:

The Company profits have not experienced material influence from inflation; it is predicted that such effect remains limited on the Company's profits. The Company will continue to monitor the inflation situation and adequately adjust its product prices accordingly.

(2) Policies of engaging in high-risk, high-leverage investments, lending to others, providing endorsement and guarantee, and derivatives transactions, profit/loss analysis, and future response measures:

(1) The Company has always focused on its main business activities and upheld the practical principle of managing a business. Our financial policy is based on the principle of robustness and conservativeness, and thus the Company does not engage in high-risk, high-leveraging investment as well as derivative instrument transactions.

(2) From 2014 to 2015 and up to the annual report publishing date, the Company has not engaged in providing endorsement and guarantee, lending to others, and derivatives transactions. If such engagements are required in the future, it shall be executed in accordance with the "Operating Procedure for Endorsements and Guarantees," "Operating Procedure for Fund Lending," and "Procedure for Acquisition or Disposal of Assets" and relevant transaction information shall be announced in accordance with laws and regulations.

(3) Future R&D projects and estimated R&D expenditure:

To continuously enhance the Company’s competitiveness, the Company has always actively invested in R&D efforts. In 2014 and 2015, it has expended a total of NT$89,069 million and NT$63,288 million in R&D, respectively accounting for 10.74% and 8.97% of the net operating income. It is expected that a total of NT$90,820 million will be expended in R&D in 2016, and the Company's future R&D projects are as follows:

Unit	New products under development
Creativity center	A.Games (1).Interactive game combining motion simulation and technology (2).Sensory interactive game combining augmented reality and related 3D imaging technologies (3).d-Ride interactive shooting game B.Digital content production (including cooperative development) (1). Product x-Ride imaging production (2). Product T-Rex imaging production (3). Product i-Ride imaging production (4). Product Odyssey imaging production (5). Product Media Free Fall imaging production C.Theme planning and renovation design D.Applied equipment combined with wearable device E.Novel projector technical development F.Theme-based peripheral product development
Technical center	A.Group interactive motion theater development B.Novel simulator ride product development C.Platform-controlled technological optimization D.Mechanical design optimization

Unit	New products under development
	E.Arts design refinement F.Equipment miniaturization

(4) Major changes in government policies and laws at home and broad and the impact on Company finance and business and response measures:

During recent years up to the annual report publishing date, major changes in government policies and laws at home and broad exerted no material effect on Company finance and business. The Company will acquire relevant information in a timely manner and formulate necessary response measures to meet company operation requirements.

(5) Impact of recent technological and market changes during recent years up to the annual report publishing date on the Company's finance and business, and response measures:

The Company has constantly paid attention to technological and market changes and designated personnel to search for information regarding industry-related technologies and trend variations to provide a reference for decision-making at the management level. The information can facilitate adjusting operational strategies and devise response measures. Therefore, there were no impact of recent technological and market changes on the Company's finance and business.

(6) Impact of corporate image change on risk management and response measures:

Since its inception, the Company actively strengthens its internal management, focusing on the management of its main business activities. In addition, it endeavors to maintain corporate image and compliance with relevant laws and regulations. To date, there have been no changes to the Company's image that would cause risks to company operation. In future, the Company will continue to comply with and implement corporate governance requirement, and consult relevant experts in a timely manner, to reduce the effects of such risk on the Company's finance and business.

(7) Expected benefits and potential risks of merger and acquisition and response measures:

During recent years up to the annual report publishing date, the Company has not undertaken merger and acquisition plans. In the future, when evaluating and implementing relevant plans, the Company shall handle related matters according to laws and regulations and the Company's internal management regulations.

(8) Expected benefits and potential risks of capacity expansion and response measures:

The Company has relocated to the newly constructed R&D Testing Center in January 2013, as a response to prepare for the Company's future expansion, increase its R&D and testing capacities, and raise its operational efficiency requirements. After relocating to the new plant, the Company's image, ability to receive orders, and management efficiency have improved, which is conducive to its business expansion. Because of the currently accepted and expected projects, the Company's R&D testing capacity is inadequate. The Company has started the construction of a R&D Testing and Experience Center in the lower half of 2014 and completed construction in 2016. The R&D Testing and Experience Center not only facilitates determining consumers' entertainment needs regarding simulator rides, but also improves product development, testing and production capacity, increases the capacity to receive more orders and market share, and magnify the gap between the Company and its competitors in competitive advantage. The Company has carefully evaluated the funding requirement for business expansion and properly planned the use of the funds. The Company will raise funds in a capital market to support the construction works. However, if market fund-raising fails, the Company has a low credit limit remaining in bank loans and thus it will apply for construction financing loans from the bank. In addition, the Company's cash flow from operating activities should be enough to support the expansion requirement; therefore, the Company is not subject to the risk of shortage of funds caused by the construction of the R&D Testing and Experience Center.

(9) Risks associated with over-concentration in purchase or sale and response measures:

(1) Purchases

The Company is a professional manufacturer of simulator rides, purchasing stocks according to the project designs of various simulator rides. The Company also commissions manufacturers to undergo hardware processing. In the past 2 years, no purchases exceeding 15% were made from each manufacturer. Therefore, the Company is not associated with risks of overly concentrating stock purchases.

(2) Sales

Because simulator rides involve high manufacturing cost, the Company primarily receives income from selling simulator rides since our entry into the simulator ride market. The proportion of sales to simulator ride customers is also demonstrating an increasing trend annually. Following the successful operation of the FlyOver Taiwan project, the Company has attracted the attention of global amusement park and tourist attraction operators, and these operators have visited the Company to engage in negotiations and experience the products themselves. According to customer demand, the Company designs and integrates upstream software and hardware systems and technologies, selling them to downstream operators, including theme parks, museums, shopping malls, and urban experience center. With the increasing popularity and word of mouth of the Company as well as partnering with internationally well-known companies, the Company has expanded from the domestic market to China, North American regions, and Euroasian regions, effectively reducing its reliance on a single customer, thereby mitigating the risk of sales concentration.

The upstream industries associated with the simulator ride equipment comprise the hardware section, including precision machinery industry and manufacturers of spherical screens and projectors, and the software section, including wireless embedded control system, spherical projector and playback control systems, and digital contents.

(10) Impact of mass transfer of equity by or change of directors, supervisors, or shareholders holding more than 10% interests on the Company, associated risks and response measures:

During recent years up to the annual report publishing date, there were no mass transfers of equity by or change of directors, supervisors, or shareholders holding more than 10% interests on the Company.

(11) Impact of change of management rights on the Company, associated risk and response measures:

In 2014 and 2015 up to the annual report publishing date, there were no negative impacts from changes in management rights.

(12) Litigation or non-litigation events

(1) Disclose the litigation facts, target amount, litigation start date, main parties involved, and current progress regarding concluded or pending litigious, non-litigious, or administrative litigation events, the potential effects of the outcomes on shareholder equity or security prices during the recent two years up to the annual report publishing date: None.

(2) The outcome of concluded or pending litigious, non-litigious, or administrative litigation events involving the director, supervisor, president, de facto responsible person, major shareholders holding more than 10% interest, or subsidiary of the Company during the recent two years up to the annual report publishing date: None.

(3) The involvement of the director, supervisor, president, and major shareholders holding more than 10% interest in events regulated in Article 157 of the Securities and Exchange Act during the recent two years up to the annual report publishing date, and the Company's current progress in handling such events: None.

(13) Other significant risks and response measures: None.

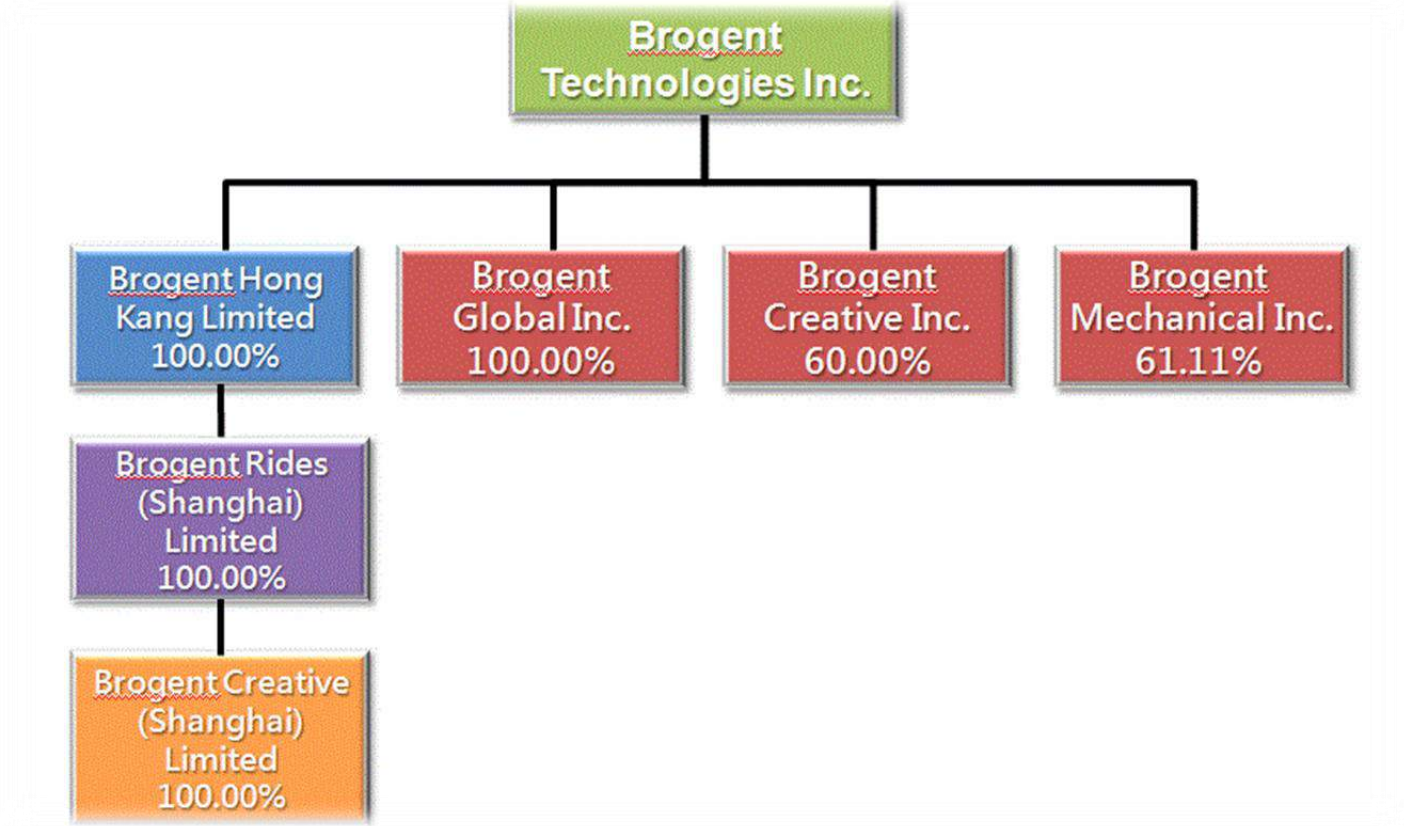
I. Other important events: None.

VIII. Important Notices

1. Profile on affiliates and subsidiaries

(1) Subsidiaries Iperation Report

A. Subsidiary Chart



B. Business Scope of each subsidiary

Investee Company	Date of Establishment	Location	Investment Amount	Business Scope
Brogent Mechanical Inc.	May, 2015	Taoyuan, Taiwan	NTD 55,000,000	Manufacture and sales of the simulator rides and its key components
Brogent Creative Inc.	April, 2015	Kaohsiung, Taiwan	NTD 9,000,000	Development and sales of the peripheral products of simulator rides
Brogent Global Inc.	September, 2015	Taipei, Taiwan	NTD 300,000,000	Development and management business of self-operated outlets

Investee Company	Date of Establishment	Location	Investment Amount	Business Scope
Brogent Hong Kong Limited	June, 2015	Kowloon, Hong Kong	USD1,700,000	Reinvestment and trading business
Brogent Rides (Shanghai) Limited	July, 2015	Shanghai, China	USD700,000	Import and export business
Brogent Creative (Shanghai) Limited	September, 2015	Shanghai, China	RMB3,000,000	Development and management business of self-operated outlets

C. Shareholders in Common of Brogent and Its Subsidiaries with Deemed Control and Subordination: **None.**

D. Rosters of Directors, Supervisors, and Presidents of Brogent's Subsidiaries

Investee	Title	Name or Representative	Shares Held	
			Shares	Percentatge
Brogent Creative Inc.	Chairman	Brogent Technologies Inc. Representative：Pei-Chi Ho	900,000	60 %
	Director	Brogent Technologies Inc. Representative：Chun-Hao Cheng	900,000	60 %
	Director	Brogent Technologies Inc Representative：Nobuyasu Suzuki	900,000	60 %
	Director	Brogent Technologies Inc Representative：Osamu Yoshiba	900,000	60 %
	Director	Muse Communication Co., Ltd. Representative：Kuo-Hsiang Yang	75,000	5%
	Supervisor	Pei-Kuan Lee	-	-
Brogent Mechanical Inc.	Chairman	Brogent Technologies Inc. Representative：Chih-Hung Ouyang	5,500,000	61.11%
	Director	Sunny Enterprises Co., Ltd. Representative：Wen-Hsiang Kao	3,500,000	38.89%
	Director	Brogent Technologies Inc. Representative：Teng-Hung Lai	5,500,000	61.11%
	Supervisor	Fei-Hsiu Hsu	-	-
Brogent Hong Kong Limited	Chairman	Brogent Technologies Inc. Representative：Pei-Chi Ho	-	100%

Investee	Title	Name or Representative	Shares Held	
			Shares	Percentatge
Brogent Rides (Shanghai) Limited	Chairman	Brogent Technologies Inc. Representative：Pei-Chi Ho	-	100%
	Supervisor	Brogent Technologies Inc. Representative：Pei-Kuan Lee	-	100%
Brogent Creative (Shanghai) Limited	Chairman	Brogent Technologies Inc. Representative：Pei-Chi Ho	-	100%
	Supervisor	Brogent Technologies Inc. Representative：Pei-Kuan Lee	-	100%
Brogent Global Inc.	Chairman	Brogent Technologies Inc. Representative：Chih-Hung Ouyang	30,000,000	100%
	Director	Brogent Technologies Inc. Representative：Pei-Chi Ho	30,000,000	100%
	Director	Brogent Technologies Inc. Representative：Ming-Chi Chang	30,000,000	100%
	Supervisor	Brogent Technologies Inc. Representative：Sui-Chuan Lin	30,000,000	100%

(2) Operational Highlights of Subsidiaries

Unit: NT$1,000 As of Dec. 31, 2015

Investee	Capital	Total Asset	Total Liabilities	Net Value	Revenue	Profit	Net Income (After Tax)	EPS (NTD)
Brogent Creative Inc	15,000	14,935	11	14,924	0	(106)	(76)	(0.05)
Brogent Mechanical Inc.	90,000	197,071	88,024	109,046	84,711	22,820	19,046	2.12
Brogent Global Inc.	300,000	300,592	2,369	298,223	0	(2,282)	(1,777)	(0.06)
Brogent Hong Kong Limited	54,063	54,248	0	54,248	0	(377)	(641)	-
Brogent Rides (Shanghai) Limited	22,690	21,935	75	21,860	0	(85)	(264)	-
Brogent Creative (Shanghai) Limited	14,961	14,911	196	14,715	0	(199)	(199)	-

(3) Consolidated Financial Statements: Please refer to Appendix 3.

2. Private placement of corporate bonds in the past years to the date of the annual report

<table>
<tr><td>Item</td><td colspan="5">Private Placement No.1
Date of Issue: February 06, 2015</td></tr>
<tr><td>Types of Privately Placed Securities</td><td colspan="5">Ordinary shares</td></tr>
<tr><td>Date and number of shares passed in the shareholders' meeting</td><td colspan="5">On December 19, 2014, the Shareholders' extraordinary meeting passed the private placement of 6,000 ordinary shares, which shall take place once in a year starting from the date of resolution.</td></tr>
<tr><td>Pricing criteria and rationality</td><td colspan="5">The pricing criterion for the issuance of privately placed ordinary share resolved in the shareholders' meeting on December 19, 2014 was no less than 60% of the reference price. Because the private placement price was less than 80% of the private placement reference price, CPA Shun-Fa Hsu from Deloitte & Touche was requested to produce a private placement price rationality independent expert opinion book on November 1, 2014. This conforms to the regulation of public issuing companies regarding the terms and condition of private placement securities; therefore, the price should be reasonable.</td></tr>
<tr><td>Method of selecting designated party</td><td colspan="5">Limited to the designated party as regulated under Article 43-6 of the Securities and Exchange Act.</td></tr>
<tr><td>Necessary reason for private placement</td><td colspan="5">The current private placement is aimed to recruit strategic investors through which the Company can strengthen its customer structure, product combination, and marketing abilities. Compared with publicly placed securities, privately placed securities may not be transferred freely within three years, and such regulation ensures the long-term cooperation between the Company and placement subscribers.</td></tr>
<tr><td>Date of Payment Completion</td><td colspan="5">2015.01.05</td></tr>
<tr><td rowspan="16">Subscriber information</td><td>Private placement subject
(Note 5)</td><td>Criteria
(Note 6)</td><td>Number of shares subscribed</td><td>Relation with company</td><td>Participation in corporate management</td></tr>
<tr><td>Ruentex Development Co. Ltd.</td><td rowspan="15">Conforms to Article 43-6 of the Securities and Exchange Act</td><td>1,800,000</td><td>None.</td><td>None.</td></tr>
<tr><td>Ruentex Industries Ltd.</td><td>1,800,000</td><td>None.</td><td>None.</td></tr>
<tr><td>Changchun Investment Co. Ltd.</td><td>1,555,000</td><td>None.</td><td>None.</td></tr>
<tr><td>Chihping Investment Co. Ltd.</td><td>200,000</td><td>None.</td><td>None.</td></tr>
<tr><td>Yong-Fang Chiang</td><td>6,000</td><td>None.</td><td>None.</td></tr>
<tr><td>Sheng-Yu Hsu</td><td>6,000</td><td>None.</td><td>None.</td></tr>
<tr><td>Shou-Jen Chen</td><td>28,000</td><td>None.</td><td>None.</td></tr>
<tr><td>Ling-Chung Meng</td><td>7,000</td><td>None.</td><td>None.</td></tr>
<tr><td>Shun-Long Chen</td><td>123,000</td><td>None.</td><td>None.</td></tr>
<tr><td>Kuo-Ming Lu</td><td>6,000</td><td>None.</td><td>None.</td></tr>
<tr><td>Deng-Chih Chang</td><td>6,000</td><td>None.</td><td>None.</td></tr>
<tr><td>Shu-Feng Yeh</td><td>6,000</td><td>None.</td><td>None.</td></tr>
<tr><td>Shu-Ming Liu</td><td>6,000</td><td>None.</td><td>None.</td></tr>
<tr><td>Bi-Yang Tsai</td><td>37,000</td><td>None.</td><td>None.</td></tr>
<tr><td>Hua-Tong Chao</td><td>18,000</td><td>None.</td><td>None.</td></tr>
</table>

	Chun-Hsiang Wu		18,000	None.	None.
	Kuo-Song Chan		3,000	None.	None.
	Tong-Hui Lin		18,000	None.	None.
	Cheng-Cheng Liu		1,000	None.	None.
	Chih-Tsang Lu		6,000	None.	None.
	Chih-Chuan Chen		22,000	None.	None.
	Chen-Wei Mah		20,000	None.	None.
	Cheng-Chuan Chen	Conforms to Article 43-6 of the Securities and Exchange Act	22,000	None.	None.
	Chih-Fan Wang		22,000	None.	None.
	Chuan-Thai Cheng		22,000	None.	None.
	Chong-Hsian Liu		22,000	None.	None.
	Dah-Meng Tseng		22,000	None.	None.
	Fan-Wen Meng		22,000	None.	None.
	Long-Yeh Chuo		22,000	None.	None.
	Chih-Chang Hsu		22,000	None.	None.
	Shih-Hsun Lai		22,000	None.	None.
	Shih-Ning Dong		44,000	None.	None.
	Chang-Cheng Chien		22,000	None.	None.
	Chih-Hong Li		22,000	None.	None.
	Ming-Chun Chen		22,000	None.	None.
Actual subscription (or conversion) price	NT$240.				
Actual subscription (or conversion) price and difference with reference price	No difference				
Effect of private placement on shareholder's equity	The current private placement funds are utilized as operational funds to strengthen financial structure, facilitate operation promotion, attract long-term partners, and promote stable business growth, thus benefiting the shareholders' rights and interests.				
Status of private placement fund spending and project implementation progress	All funds have been received and will be successively utilized following planning completion.				
Manifestation of private placement benefits	Not applicable.				

<table>
<tr><th>Item</th><th colspan="5">Private Placement No. 2
Date of Issue: July 06, 2015</th></tr>
<tr><td>Types of Privately Placed Securities</td><td colspan="5">Ordinary shares</td></tr>
<tr><td>Date and number of shares passed in the shareholders' meeting</td><td colspan="5">On June 11, 2014, the Shareholders' meeting passed the private placement of 3,300 ordinary shares, which shall take place once or twice in a year starting from the date of resolution.</td></tr>
<tr><td>Pricing criteria and rationality</td><td colspan="5">The pricing criterion for the issuance of privately placed ordinary share resolved in the shareholders' meeting on June 11, 2014, was no less than 6 80% of the private placement reference price. This conforms to the regulation of public issuing companies regarding the terms and condition of private placement securities; therefore, the price should be reasonable.</td></tr>
<tr><td>Method of selecting designated party</td><td colspan="5">Not applicable.</td></tr>
<tr><td>Necessary reason for private placement</td><td colspan="5">The current private placement is aimed to recruit strategic investors through which the Company can strengthen its customer structure, product combination, and marketing abilities. Compared with publicly placed securities, privately placed securities may not be transferred freely within three years, and such regulation ensures the long-term cooperation between the Company and placement subscribers.</td></tr>
<tr><td>Date of Payment Completion</td><td colspan="5">2015.06.03</td></tr>
<tr><td rowspan="7">Subscriber information</td><td>Private placement subject</td><td>Criteria</td><td>Number of shares subscribed</td><td>Relation with company</td><td>Participation in corporate management</td></tr>
<tr><td>Kodasha Custody Account in Taipei Fubon Financial Bank</td><td rowspan="6">Conforms to Article 43-6 of the Securities and Exchange Act</td><td>250,000</td><td>None</td><td>None</td></tr>
<tr><td>Gains Investment Corporation</td><td>500,000</td><td>None</td><td>None</td></tr>
<tr><td>Shang Yang Investment Corporation</td><td>100,000</td><td>None</td><td>None</td></tr>
<tr><td>Chao Yang Investment Corporation</td><td>100,000</td><td>None</td><td>None</td></tr>
<tr><td>Cheng-Chien Pu</td><td>50,000</td><td>None</td><td>None</td></tr>
<tr><td>Ming-Chu Kuo</td><td>30,000</td><td>None</td><td>None</td></tr>
<tr><td>Actual subscription (or conversion) price</td><td colspan="5">NT$308</td></tr>
<tr><td>Actual subscription (or conversion) price and difference with reference price</td><td colspan="5">No difference</td></tr>
<tr><td>Effect of private placement on shareholder's equity</td><td colspan="5">The current private placement funds are utilized as operational funds to strengthen financial structure, facilitate operation promotion, attract long-term partners, and promote stable business growth, thus benefiting the shareholders' rights and interests.</td></tr>
<tr><td>Status of private placement fund spending and</td><td colspan="5">All funds have been received and will be successively utilized following planning completion.</td></tr>
</table>

project implementation progress	
Manifestation of private placement benefits	Not applicable.

3. Holding or disposal of stocks of the Company by subsidiaries in the past year and up to the date of report: Not applicable.

4. Other supplemental information

Items of Commitment: The Company has executed or signed letter of understanding regarding items of commitment to listing and trading over the counter.

IX. Items of impact of interests of shareholders or stock price

None.

Appendix

Appendix 1：Statement of Internal Control System

Brogent Technologies Inc.

Statement of Internal Control System

Date: March 9, 2016

Based on the findings of a self-assessment, Brogent Technologies Inc. (Brogent) states the following with regard to its internal control system during the year of 2015：

1. Brogent's Board of Directors and Management are responsible for establishing, implementing, and maintaining an adequate internal control system. Our internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance, and safeguarding of assets), reliability, timeliness, transparency of our reporting, and compliance with applicable rulings, laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and Brogent takes immediate remedial actions in response to any identified deficiencies.
3. Brogent evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities.
4. Brogent has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the findings of such evaluation, Brogent believes that, on December 31, 2015, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.
6. This Statement will be an integral part of Brogent's Annual Report for the year 2015 and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This Statement has been passed by the Board of Directors in their meeting held on March 9, 2016, with the five attending dire[illegible]ming the content of this Statement.

Brogent Technologies Inc.

Chairman：Chung-Ming Huang

President： Chih-Hung Ouyang

Appendix 2：Supervisor’s Review Report

Supervisor’s Review Report

The Board of Directors has prepared the Company’s 2015 Business Report, Financial Statements, and proposal for allocation of profits. The CPA firm of Grant Thornton was retained to audit the Company’s Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements and Profit Allocation Proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Brogent Technologies Inc. According to Article 219 of the Company Law, we hereby submit the report.

To the 2015 Annual General Meeting

Brogent Technologies Inc.

Supervisor：Chun-Nan Chen

Supervisor：Chun-Hao Cheng

Supervisor：Yung-Liang Huang

March 9. 2016

Appendix 3：Consolidated Financial Statements and Independent Auditors' Report

Brogent Technologies Inc. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2015 and 2014 and Independent Auditors' Report

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in Taiwan, the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of Brogent Technologies Inc. as of and for the year ended December 31, 2015, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards No.10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Brogent Technologies Inc. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

BROGENT TECHNOLOGIES INC.

By

HUANG, CHUNG-MING
Chairman
March 9, 2016

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Grant Thornton
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TEL: +886 7 537 2589 FAX: +886 7 537 3589

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
Brogent Technologies Inc.

We have audited the accompanying consolidated balance sheets of Brogent Technologies Inc. and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in Taiwan, the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Brogent Technologies Inc. and subsidiaries as of December 31, 2015 and 2014, and the consolidated financial performance and the consolidated cash flows for the years then ended, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards, International Accounting Standards, interpretations as well as related guidance translated by the Accounting Research and Development Foundation endorsed by the Financial Supervisory Commission in Taiwan, the Republic of China with the effective dates.

We have also audited the parent company only financial statements of Brogent Technologies Inc. as of and for the years ended December 31, 2015 and 2014, on which we have expressed an unqualified opinion on such financial statements.

Grant Thornton.

Grant Thornton
March 9, 2016
Kaohsiung, Taiwan
(File No. B002.16F0010)

The accompanying consolidated financial statements are not intended to present the financial position, financial performance and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than in Taiwan, the Republic of China. The standards, procedures and practices in Taiwan, the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than in Taiwan, the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in Taiwan, the Republic of China, and their applications in practice.
As the financial statements are the responsibility of the management, Grant Thornton cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

BROGENT TECHNOLOGIES INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2015 AND 2014

(In Thousands of New Taiwan Dollars)

	December 31, 2015		December 31, 2014	
Assets	Amount	%	Amount	%
Current Assets				
Cash and cash equivalents (Note 6(1))	$703,135	22.33	$284,118	20.05
Financial assets at fair value through profit or loss-current (Note 6(2))	128,671	4.09	121,867	8.60
Held-to-maturity financial assets-current (Note 6(3))	719,952	22.87	327,435	23.11
Notes receivable	66,647	2.12	6,055	0.43
Accounts receivable, net (Note 6(4))	204,417	6.49	135,419	9.56
Accounts receivable-related parties, net (Notes 6(4) and 7)	3,095	0.10	—	—
Construction receipts receivable (Note 6(5))	138,140	4.39	56,772	4.01
Inventories (Note 6(6))	221,366	7.03	24,857	1.75
Prepayments	73,484	2.33	36,526	2.58
Other current assets (Notes 6(9) and 8)	83,023	2.64	35,017	2.47
Total current assets	2,341,930	74.39	1,028,066	72.56
Noncurrent Assets				
Property, plant and equipment (Notes 6(7) and 8)	557,047	17.70	310,698	21.93
Intangible assets (Note 6(8))	13,987	0.44	6,086	0.43
Deferred income tax assets (Note 6(20))	1,177	0.04	—	—
Refundable deposits	9,633	0.31	3,422	0.24
Long-term notes and accounts receivable (Note 6(4))	16,368	0.52	18,834	1.33
Other noncurrent assets (Notes 6(9), 7 and 8)	207,896	6.60	49,741	3.51
Total noncurrent assets	806,108	25.61	388,781	27.44
Total Assets	$3,148,038	100.00	$1,416,847	100.00

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

BROGENT TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars)

Liabilities & Equity	December 31, 2015 Amount	%	December 31, 2014 Amount	%
Current Liabilities				
Notes payable	$ 38,653	1.23	$ 25,123	1.77
Accounts payable	27,047	0.86	55,029	3.88
Accounts payable-related parties (Note 7)	8,496	0.27	—	—
Construction receipts payable (Note 6(5))	164,144	5.21	2,152	0.15
Other payables (Note 6(10))	66,686	2.12	84,662	5.98
Other payables-related parties (Note 7)	150	0.01	—	—
Income tax payable	19,180	0.61	32,024	2.26
Long-term liabilities-current portion (Note 6(11))	238,060	7.56	6,569	0.47
Other current liabilities	4,176	0.13	3,153	0.22
Total current liabilities	566,592	18.00	208,712	14.73
Noncurrent Liabilities				
Long-term bank loans (Note 6(11))	80,564	2.56	172,629	12.19
Deferred income tax liabilities (Note 6(20))	—	—	549	0.04
Net defined benefit liabilities-noncurrent (Note 6(12))	7,576	0.24	6,987	0.49
Total noncurrent liabilities	88,140	2.80	180,165	12.72
Total Liabilities	654,732	20.80	388,877	27.45
Equity Attributable To Shareholders Of The Parent				
Capital stock				
Common stock (Note 6(13))	446,780	14.19	336,800	23.77
Advance receipts for common stock (Note 6(13))	—	—	4,494	0.32
Total capital stock	446,780	14.19	341,294	24.09
Additional paid-in capital (Note 6(14))	2,043,087	64.90	459,496	32.43
Retained earnings				
Legal reserve	25,877	0.82	3,434	0.24
Unappropriated earnings (Note 6(15))	194,582	6.18	223,746	15.79
Total retained earnings	220,459	7.00	227,180	16.03
Other equity	684	0.02	—	—
Treasury stock (Note 6(16))	(266,072)	(8.45)	—	—
Equity Attributable To Shareholders Of The Parent	2,444,938	77.66	1,027,970	72.55
Noncontrolling Interests	48,368	1.54	—	—
Total Equity	2,493,306	79.20	1,027,970	72.55
Total Liabilities and Equity	$3,148,038	100.00	$1,416,847	100.00

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

BROGENT TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars, Except Earnings per Share)

Items	2015 Amount	2015 %	2014 Amount	2014 %
Net Revenue (Notes 6(17) and 7)	$705,424	100.00	$829,511	100.00
Cost of Revenue (Note 7)	(371,463)	(52.66)	(402,596)	(48.53)
Gross Profit	333,961	47.34	426,915	51.47
Operating Expenses				
Selling and marketing	(21,498)	(3.05)	(16,799)	(2.02)
General and administrative	(118,763)	(16.83)	(89,797)	(10.83)
Research and development	(63,288)	(8.97)	(89,069)	(10.74)
Total operating expenses (Note 6(19))	(203,549)	(28.85)	(195,665)	(23.59)
Operating Income	130,412	18.49	231,250	27.88
Non-operating Income and Loss				
Other gains and losses (Note 6(18))	7,643	1.08	36,057	4.35
Interest income	14,659	2.08	5,634	0.68
Interest costs	(487)	(0.07)	(3,199)	(0.39)
Total non-operating income and loss	21,815	3.09	38,492	4.64
Income Before Income Tax	152,227	21.58	269,742	32.52
Income Tax Expenses (Note 6(20))	(32,458)	(4.60)	(45,310)	(5.46)
Net Income	119,769	16.98	224,432	27.06
Other Comprehensive Income (Loss)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans (Note 6(12))	(78)	(0.01)	(686)	(0.09)
Income tax benefit related to components of other comprehensive income that will not be reclassified subsequently (Note 6(20))	13	-	-	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences arising on translation of foreign operations	824	0.12	-	-
Income tax expense related to components of other comprehensive income that may be reclassified subsequently (Note 6(20))	(140)	(0.02)	-	-
Other comprehensive income (loss) for the year, net of income tax	619	0.09	(686)	(0.09)
Total Comprehensive Income (Loss) For The Year	$120,388	17.07	$223,746	26.97
Net Income Attributable To：				
Shareholders of the parent	$112,384	15.93	$224,432	27.06
Noncontrolling interests	7,385	1.05	-	-
	$119,769	16.98	$224,432	27.06
Total Comprehensive Income Attributable To：				
Shareholders of the parent	$113,003	16.02	$223,746	26.97
Noncontrolling interests	7,385	1.05	-	-
	$120,388	17.07	$223,746	26.97
Basic earnings per share (Note 6(21))	$2.57		$6.22	
Diluted earnings per share (Note 6(21))	$2.57		$6.22	

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

BROGENT TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars)

Items	Equity Attributable to Shareholders of the Parent											
	Capital Stock				Retained Earnings			Other Equity				
	Common Stock	The Certificate of Bond Conversion to Stocks	Advance Receipts for Common Stock	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Earnings (Deficit)	Exchange Differences Arising on Translation of Foreign Operations	Treasury Stock	Equity Attributable to Shareholders of the Parent	Noncontrolling Interests	Total Equity
Balance at January 1, 2015	$336,800	$-	$4,494	$459,496	$3,434	$-	$223,746	$-	$-	$1,027,970	$-	$1,027,970
Appropriations of prior year's earnings												
Legal reserve	-	-	-	-	22,443	-	(22,443)	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(79,360)	-	-	(79,360)	-	(79,360)
Stock dividends	39,680	-	-	-	-	-	(39,680)	-	-	-	-	-
Adjustments to share of changes in equities of associates and joint venture	-	-	-	17	-	-	-	-	-	17	-	17
Net income in 2015	-	-	-	-	-	-	112,384	-	-	112,384	7,385	119,769
Other comprehensive income (loss) in 2015	-	-	-	-	-	-	(65)	684	-	619	-	619
Total comprehensive income in 2015	-	-	-	-	-	-	112,319	684	-	113,003	7,385	120,388
Issuance of common stock for cash	70,300	-	(4,494)	1,583,574	-	-	-	-	-	1,649,380	-	1,649,380
Purchase of Treasury stock	-	-	-	-	-	-	-	-	(266,072)	(266,072)	-	(266,072)
Noncontrolling interests	-	-	-	-	-	-	-	-	-	-	40,983	40,983
Balance at December 31, 2015	$446,780	$-	$-	$2,043,087	$25,877	$-	$194,582	$684	($266,072)	$2,444,938	$48,368	$2,493,306
Balance at January 1, 2014	$267,277	$7,423	$-	$188,618	$5,292	$832	($2,690)	$-	$-	$466,752	$-	$466,752
Appropriations of prior year's earnings												
Offsetting the deficit with legal reserve	-	-	-	-	(1,858)	-	1,858	-	-	-	-	-
Offsetting the deficit with special reserve	-	-	-	-	-	(832)	832	-	-	-	-	-
Capitalization of additional paid-in capital	27,470	-	-	(27,470)	-	-	-	-	-	-	-	-
Net income in 2014	-	-	-	-	-	-	224,432	-	-	224,432	-	224,432
Other comprehensive loss in 2014	-	-	-	-	-	-	(686)	-	-	(686)	-	(686)
Total comprehensive income in 2014	-	-	-	-	-	-	223,746	-	-	223,746	-	223,746
Issuance of common stock for cash	-	-	4,494	103,366	-	-	-	-	-	107,860	-	107,860
Convertible bonds converted to stocks	-	34,630	-	194,982	-	-	-	-	-	229,612	-	229,612
The certificate of bond conversion to stocks	42,053	(42,053)	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2014	$336,800	$-	$4,494	$459,496	$3,434	$-	$223,746	$-	$-	$1,027,970	$-	$1,027,970

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, 2015 AND 2014
(In Thousands of New Taiwan Dollars)

Items	2015	2014
Cash Flows From Operating Activities		
Income Before Income Tax	$152,227	$269,742
Adjustments for:		
The items of gains and losses:		
Depreciation	17,815	15,573
Amortization	5,882	3,116
Allowance for bad debts	985	-
Loss (gain) on financial assets at fair value through profit or loss	4,714	(3,172)
Interest expense	487	3,199
Interest income	(14,659)	(5,634)
Loss on disposal of property, plant and equipment	8	-
Total adjustments for the items of gains and losses	15,232	13,082
Changes in operating assets and liabilities:		
(Increase) decrease in financial instruments held for trading	(11,518)	(67,523)
(Increase) decrease in notes receivable	(60,592)	(6,055)
(Increase) decrease in accounts receivable	(60,075)	25,974
(Increase) decrease in accounts receivable-related parties	(3,095)	-
(Increase) decrease in construction receipts receivable	(81,368)	(46,620)
(Increase) decrease in inventories	(196,509)	4,049
(Increase) decrease in prepayments	(36,958)	(16,843)
(Increase) decrease in other current assets	(9,669)	(1,699)
(Increase) decrease in other financial assets	(17,433)	(18,004)
(Increase) decrease in long-term notes and accounts receivable	(7,442)	(36,931)
(Increase) decrease in other operating assets	(104,981)	(6,661)
(Decrease) increase in notes payable	13,530	22,475
(Decrease) increase in accounts payable	(27,982)	28,526
(Decrease) increase in accounts payable-related parties	8,496	-
(Decrease) increase in construction receipts payable	161,992	(133,177)
(Decrease) increase in other payables	12,212	34,403
(Decrease) increase in other payables-related parties	150	-
(Decrease) increase in other current liabilities	1,023	(2,165)
(Decrease) increase in net defined benefit liabilities-noncurrent	511	449
Net changes in operating assets and liabilities	(419,708)	(219,802)
Total adjustments	(404,476)	(206,720)
Cash generated from (used in) operations	(252,249)	63,022
Income taxes paid	(47,155)	(4,148)
Net cash provided by (used in) operating activities	(299,404)	58,874

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

BROGENT TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars)

Items	2015	2014
Cash Flows From Investing Activities		
Acquisition of held-to-maturity financial assets	(392,517)	(222,722)
Acquisition of property, plant and equipment	(294,685)	(131,498)
Proceeds from disposal of property, plant and equipment	-	15
(Increase) decrease in refundable deposits	(6,211)	(761)
Acquisition of intangible assets	(13,783)	(5,918)
(Increase) decrease in other financial assets	-	48,425
Increase in prepayments for equipment	(73,754)	-
Interest received	14,335	5,634
Net cash used in investing activities	(766,615)	(306,825)
Cash Flows From Financing Activities		
Proceeds from long-term bank loans	146,020	85,360
Repayments of long-term bank loans	(6,594)	(3,288)
Cash dividends paid	(79,360)	-
Proceeds from issuing shares	1,649,380	107,860
Cash paid for purchase of treasury stock	(266,072)	-
Interest paid	(162)	(2,018)
Increase (decrease) in noncontrolling interests	41,000	-
Net cash provided by financing activities	1,484,212	187,914
Effect of Exchange Rate Changes on Cash and Cash Equivalents	824	-
Net Increase (Decrease) in Cash and Cash Equivalents	419,017	(60,037)
Cash and Cash Equivalents, Beginning of Year	284,118	344,155
Cash and Cash Equivalents, End of Year	$703,135	$284,118

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

BROGENT TECHNOLOGIES INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. GENERAL

Brogent Technologies Inc. (the "Brogent" or the "Company") was incorporated under the Company Law of Taiwan, the Republic of China (R.O.C.) in October, 2001. On December 18, 2012, the Company's shares were traded on the GreTai Securities Market. The Company and its subsidiaries (collectively as the "Group") are primarily engaged in the research, development, design, production and sales of the simulation entertainment equipment and its key components and peripheral products, embedded/mobile software, streaming media/video, real-time rendering (3D above), interactive multimedia network, and multi-screen seamless integration systems.

The address of its registered office and principal place of business is No.9, Fuxing 4th Rd., Qianzhen Dist., Kaohsiung City, Taiwan.

2. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on March 9, 2016.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission ("FSC")

According to Rule No.1030010325 issued by FSC on April 3, 2014, commencing 2015, companies with shares traded on the Taiwan Stock Exchange, the GreTai Securities Market and Emerging Stock Market shall adopt the 2013 version of IFRS (not including IFRS 9, "Financial instruments") as endorsed by the FSC and the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" effective January 1, 2015 (collectively as the "2013 version of IFRSs") in preparing the consolidated financial statements. The effect of the adoption of the 2013 version of IFRSs is as follows:

A. IFRS 12, "Disclosure of Interests in Other Entities"

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than in the current standards.

B. IFRS 13, "Fair Value Measurement"

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. It defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy previously required for financial instruments only are be extended by IFRS 13 to cover all assets and liabilities within its scope. The measurement requirements of IFRS 13 have been applied prospectively from January 1, 2015. Please refer to Note 12 for related disclosures.

C. IAS 19, "Employee Benefits"

The amendments to IAS 19 eliminate the accounting treatment of either corridor approach or the immediate recognition of actuarial gains and losses to profit or loss when it incurs, and instead, required to recognize all actuarial gains and losses immediately through other comprehensive income or loss. The past service cost, on the other hand, will be expensed immediately when it incurs and no longer be amortized over the average period before vested on a straight-line basis. In addition, the standard also requires a broader disclosure in defined benefit plans.

According to the application of aforementioned amendments, as of January 1, 2014 and December 31, 2014, the primary impacts on the Group would include the increase in accrued pension liabilities of NT$55 and NT$64, respectively, the increase in deferred income tax assets of NT$9 and NT$11, respectively, and the decrease in retained earnings of NT$46 and NT$53, respectively. The operating expenses for the year ended December 31, 2014 would have increased by NT$2. The above adjustments are not material, and the Group does not re-state the consolidated financial statement for the prior period.

D. IAS 1, "Presentation of Financial Statements"

According to the amendments to IAS 1, the items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. In addition, income tax on items of other comprehensive income is also required to be allocated on the same basis. Items included in other comprehensive income can either be shown net of tax effects, or before tax effects with an aggregate amount of income tax that relates to all of the other comprehensive items. Accordingly, the Group will adjust its presentation of the statement of comprehensive income.

(2) <u>Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group</u>

None.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

A. New, revised and amended standards and interpretations issued by IASB but not yet included in the 2013 version of IFRSs as endorsed by the FSC are summarized as follows:

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Annual Improvements to IFRSs 2010 - 2012 Cycle	July 1, 2014 or transactions on or after July 1, 2014
Annual Improvements to IFRSs 2011 - 2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012 - 2014 Cycle	January 1, 2016
IFRS 9, "Financial Instruments"	January 1, 2018
Amendments to IFRS 9 and IFRS 7 Mandatory Effective Date of IFRS 9 and Transition Disclosure	January 1, 2018
Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date to be determined by IASB
Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception	January 1, 2016
Amendment to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations	January 1, 2016
IFRS 14, "Regulatory Deferral Accounts"	January 1, 2016
IFRS 15, "Revenue from Contracts with Customers"	January 1, 2018
IFRS 16, "Leases"	January 1, 2019
Amendment to IAS 1 Disclosure Initiative	January 1, 2016
Amendment to IAS 7 Disclosure Initiative	January 1, 2017
Amendment to IAS 12 Recognition of Deferred Tax Assets for Unrealized Losses	January 1, 2017
Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortization	January 1, 2016
Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants	January 1, 2016
Amendment to IAS 19 Defined Benefit Plans: Employee Contributions	July 1, 2014
Amendment to IAS 27 Equity Method in Separate Financial Statements	January 1, 2016
Amendment to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets	January 1, 2014
Amendment to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting	January 1, 2014
IFRIC 21, "Levies"	January 1, 2014

B. As of the date that the accompanying consolidated financial statements were authorized for issue, the Group continues in evaluating the impact on its financial position and financial performance as a result of the initial adoption of aforementioned standards and interpretations. The related impact will be disclosed when the Group completes the evaluation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of Compliance

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standards endorsed by the FSC.

(2) Basis of Preparation

The accompanying consolidated financial statements have been prepared on the historical cost basis except for financial instruments measured at fair value and defined benefit assets or liabilities. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

(3) Basis of Consolidation

A. Basis for preparation of consolidated financial statements

The Group shall prepare consolidated financial statements for the first time in the second quarter of 2015. The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Brogent has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Total comprehensive income of subsidiaries is attributed to the shareholders of the parent and to the noncontrolling interests even if this results in the noncontrolling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All significant intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company's interests and the noncontrolling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the noncontrolling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to shareholders of the parent.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between: (a) the aggregate of the fair value of consideration received and the fair value of any retained interest at the date when control is lost; and (b) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any noncontrolling interest. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the cost on initial recognition of an investment in an associate. The Group shall account for all amounts recognized in other comprehensive income in relation to the subsidiary on the same basis as would be required if the Group had directly disposed of the related assets and liabilities. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements

The detail information of the subsidiaries at the end of reporting period was as follows:

Name of Investor	Name of Investee	Business Scope	Location	Percentage of Ownership December 31, 2015	Percentage of Ownership December 31, 2014	Note
Brogent Technologies Inc.	Brogent Mechanical Inc.	Manufacture and sales of the simulator rides and its key components	May, 2015 Taoyuan City	61.11%	-	1
	Brogent Creative Inc.	Development and sales of the peripheral products of simulator rides	April, 2015 Kaohsiung City	60.00%	-	1
	Brogent Hong Kong Limited	Reinvestment and trading business	June, 2015 Hong Kong	100%	-	1
	Brogent Global Inc.	Development and management business of self-operated outlets	September, 2015 Taipei City	100%	-	1
Brogent Hong Kong Limited	Brogent Rides (Shanghai) Limited	Import and export business	July, 2015 Shanghai	100%	-	1
Brogent Rides (Shanghai) Limited	Brogent Creative (Shanghai) Limited	Development and management business of self-operated outlets	September, 2015 Shanghai	100%	-	1

Note 1: The consolidated financial statements are prepared by according to the Accountants auditing financial statements of subsidiaries.

C. Subsidiaries not included in the consolidated financial statements: None.

(4) Foreign Currency Translation

Foreign currency transactions of each of the Group's entities are expressed in the functional currency. Monetary assets and liabilities denominated in foreign currencies are recognized using the exchange rates at the dates of the transactions. Exchange differences arising when monetary items are settled or when monetary items are translated at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognized in profit or loss in the period in which they arise.

Regarding to the net investment in a foreign operation or long-term receivables or loans, including all foreign subsidiaries, their financial statements are translated into the presentation currency as follows: assets and liabilities are translated at the closing exchange rate at the date of that balance sheet; income and expenses for each statement of comprehensive income are translated at the average exchange rates of that period; equity items, other than the beginning retained earnings carryforward, are translated at the historical exchange rates; dividends are translated using the exchange rates at the declaration date; and all resulting exchange differences are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in a separate component of equity, shall be reclassified from equity to profit or loss when the gain or loss on disposal is recognized.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss shall be recognized in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss shall be recognized in profit or loss.

(5) Classification of Current and Noncurrent Assets and Liabilities

Current assets include: (a) unrestricted cash or cash equivalents; (b) assets held mainly for trading purposes; (c) assets that are expected to be realized within twelve months from the balance sheet date; and (d) assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle. Current liabilities include: (a) liabilities that are to be paid off within twelve months from the balance sheet date; and (b) liabilities that are expected to be paid off within the normal operating cycle. Assets and liabilities that are not classified as current are noncurrent assets and liabilities, respectively.

As the operating cycle for construction contracts usually exceeds one year, the Group uses the operating cycle as its criteria for classifying current and noncurrent assets and liabilities related to construction contracts. For other assets and liabilities, the criterion is one year.

(6) Cash Equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the above criteria and are held for the purpose of meeting short-term cash commitment in operations are classified as cash equivalents.

(7) **Inventories**

Inventories mainly include the materials of simulation entertainment equipment. Inventories are accounted for on a perpetual basis, and stated at cost at the time of acquisition or initial measurement. Cost is determined using the weighted average method. Except for allowance for obsolescence, inventories are subsequently measured at the lower of cost and net realizable value. The item by item approach is used in applying the lower of cost and net realizable value. Write-downs of inventories and any reversal of write-downs are recorded as cost of goods sold for the period.

(8) **Construction Contracts**

If the outcome of a construction contract can be estimated reliably and it is probable that this contract would make a profit, contract revenue and costs should be recognized by reference to the stage of completion of the contract activity at the end of the reporting period. The stage of completion of a contract is measured by the percentage-of-completion method. Contract revenue should include the revenue arising from variations in contract work, claims and incentive payments as long as it is probable that they will result in revenue and can be measured reliably.

If the outcome of a construction contract cannot be estimated reliably, contract revenue should be recognized only to the extent of contract costs incurred that it is probable will be recoverable and contract costs should be expensed as incurred.

If it is probable that total contract costs will exceed total contract revenue, the expected loss should be recognized as an expense immediately.

The excess of the cumulative costs incurred plus recognized profits (less recognized losses) over the progress billings on each construction contract is presented as an asset within "Construction receipts receivable". While, the excess of the progress billings over the cumulative costs incurred plus recognized profits (less recognized losses) on each construction contract is presented as a liability within "Construction receipts payable".

(9) **Property, Plant and Equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment. Costs include any incremental costs that are directly attributable to the construction or acquisition of the item of property, plant and equipment.

Depreciation is recognized so as to write off the cost of the assets less their residual values over their useful lives, and it is computed using the straight-line method over the following estimated useful lives: buildings – 5 to 20 years; machinery and equipment – 3 to 5 years; transportation equipment – 5 years; office equipment – 3 to 5 years; and other equipment – 3 to 15 years. The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial year, with the effect of any changes in estimates accounted for on a prospective basis.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

(10) Intangible Assets

Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. Cost is the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of its acquisition or construction.

Computer software is amortized on an average basis over its estimated useful life of 3 years. The exchange of simulation entertainment equipment for profit-sharing right of ticket sales is amortized on an average basis over its estimated useful life of 5 to 10 years. If the fair value of the asset received cannot be measured reliably, its cost is measured at the carrying amount of the asset given up.

The estimated useful life and amortization method are reviewed at the end of each financial year, with the effect of any changes in estimate being accounted for on a prospective basis.

(11) Impairment of Tangible and Intangible Assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of (a) the time value of money and (b) the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(12) Provisions

Provisions are recognized when: (a) the Group has a present legal or constructive obligation as a result of a past event; (b) it is probable that the Group will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(13) Employee Benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

For defined contribution plan, payments to the benefit plan are recognized as an expense when the employees have rendered service entitling them to the contribution. For defined benefit plan, the cost of providing benefit is recognized based on actuarial calculations.

Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date).

Remeasurement under a defined benefit plan recognized in other comprehensive income is reflected immediately in retained earnings. Past service costs are recognized immediately in profit or loss.

(14) Financial Instruments

Financial assets and liabilities shall be recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

(15) Financial Assets

All regular way purchases or sales of financial assets are recognized and derecognized on a settlement date basis.

Financial assets are classified as "Financial assets at fair value through profit or loss", "Held-to-maturity financial assets" and "Loans and receivables" by nature.

A. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are stated at fair value at the end of the reporting period, with any gains or losses arising on remeasurement recognized in profit or loss. Such gains or losses include any dividends and interest received.

B. Held-to-maturity financial assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortized cost using the effective interest method less any impairment.

C. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than: (a) financial assets at fair value through profit or loss; (b) available-for-sale financial assets; (c) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Such financial assets are measured at amortized cost using the effective interest method, less any impairment, except for those loans and receivables with immaterial discounted effect. The effective interest rate calculation includes discounts or premiums and transaction costs.

D. Impairment of financial assets

Financial assets, other than those carried at fair value through profit or loss, are assessed for indicators of impairment at the end of the reporting period. Those financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, their estimated future cash flows have been affected less.

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (has reflected collateral and guarantee) discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of loans and receivables, where the carrying amount is reduced through the use of an allowance account. When loans and receivables are considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial assets at the date the impairment loss is reversed does not exceed what the amortized cost would have been had the impairment loss not been recognized.

E. Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset to another entity.

On derecognition of a financial asset, the difference between the financial asset's carrying amount and the consideration received and receivable is recognized in profit or loss.

(16) Financial Liabilities and Equity Instruments

A. Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

B. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

C. Financial liabilities

Financial liabilities other than those held for trading purposes and designated as at fair value through profit or loss are subsequently measured at amortized cost at the end of the reporting period.

Financial liabilities at fair value through profit or loss are stated at fair value at the end of the reporting period, with any gains or losses arising on remeasurement recognized in profit or loss.

D. Derecognition of financial liabilities

The Group derecognizes financial liabilities only when the obligations are discharged, cancelled or has expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

(17) Share-based Payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments is measured by appropriate pricing model.

(18) Employees' Bonus and Directors' and Supervisors' Remuneration

Employees' bonus and directors' and supervisors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be estimated reliably. However, if the accrued amounts for employees' bonus and directors' and supervisors' remuneration are different from the actual distributed amounts as resolved by the shareholders' meeting subsequently, the differences should be recognized based on the accounting for changes in estimates.

(19) Income Tax

Income tax expense (benefit) for the period comprises current and deferred tax.

A. Current tax

The tax charge of current period and of current adjustments on prior years tax estimation are calculated on the basis of the tax laws enacted or substantively enacted by the end of the reporting period.

An additional 10% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.

B. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax assets are recognized for an unused tax loss and credit carryforward if, and only if, it is considered probable that there will be sufficient future taxable profits against which the loss and credit carryforward can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be recovered. The deferred tax assets which originally not recognized is also reviewed at the end of each reporting period and recognized to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liabilities are settled or the assets are realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

C. Others

Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which cases the tax is also recognized in other comprehensive income or directly in equity, respectively.

Tax privilege arising from research and development expenses uses income tax credits accounting.

Income tax expense of the interim period is recognized based on the estimated average annual effective income tax rate applied to the pretax income of the interim period, and the related information is disclosed accordingly.

(20) Government Grants

Government grants are recognized at their fair value only when there is reasonable assurance that (a) the Group will comply with any conditions attached to the grants and (b) the grants will be received.

Government grants related to income should be recognized as revenue in a rational and systematic way over the periods when the related costs are expected to be incurred. However, the government grants that are not realized yet should be presented as deferred revenue. If there is no rational and systematic way available to recognize such government grants, then the amount of government grants should be recognized in full when received.

Government grants related to assets should be recognized as deferred revenue. If the government grants are related to depreciable assets, they should be recognized as revenue over the useful lives and in the proportions in which depreciation expenses on those assets are charged. If the government grants are not related to depreciable assets and if the government requires an enterprise to fulfill certain obligations, the enterprise should recognize such government grants over the periods and in the proportions in which the related costs are incurred by the enterprise to fulfill the obligations.

If the government grants are intended to compensate for expenses or losses already incurred, or are intended to give immediate financial support with no future related costs, the amount of government grants should be recognized in full when there is reasonable assurance that the grants will be received.

(21) Revenue and Expense Recognition

Income and expenses are recognized in the consolidated statements of comprehensive income when an increase or decrease in economic benefits can be measured reliably. Income includes revenues and gains, while expenses include costs, losses and other expenses. If the expenditures cannot generate future economic benefits, or if the future economic benefits do not meet the criteria for recognition as an asset, the expenditures should be recognized as expenses in the consolidated statements of comprehensive income.

Revenues is recognized when it is realized or realizable and earned, that is, when the earning process is complete or virtually complete. Expense is recognized when it is incurred.

The Group provides customized software development services. When the outcome of the transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognized by reference to the stage of completion of the transaction at the end of the reporting period. When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognized only to the extent of the costs incurred that are recoverable. If it is not probable that the costs incurred will be recovered, revenue is not recognized and the costs incurred are recognized as expenses.

If the outcome of the transaction involving the rendering of services is estimated to bear a loss, the loss should be recognized immediately. However, if the loss is estimated to be smaller in future years, the difference should be reversed and recognized as a gain in that year.

(22) **Earnings Per Share**

Basic earnings per share are calculated as net income divided by the weighted average number of common shares outstanding. Basic earnings per share are retrospectively adjusted to reflect the effect of the capitalization of stock dividends from capital reserve and retained earnings. For the purpose of calculating the diluted earnings per share, potentially dilutive common shares are deemed to have been converted into common stock at the beginning of the period, and the effect on the net income attributable to additional common shares outstanding is considered accordingly.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgments in applying International Financial Reporting Standards endorsed by the FSC and make critical assumptions and estimates concerning future events. Judgments and estimates are continually evaluated and adjusted based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The following are information on key assumptions about the future and other key sources of estimation and uncertainty at the end of the reporting period. Such assumptions and estimates may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(1) **Impairment of Tangible and Intangible Assets**

In the process of evaluating the potential impairment of tangible and intangible assets other than goodwill, the Group is required to make subjective judgments in determining the independent cash flows, useful lives, expected future revenue and expenses related to the specific asset groups with the consideration of the nature of industry. Any changes in these estimates based on changed economic conditions or business strategies could result in significant impairment charges or reversal in future years.

(2) **Realization of Deferred Income Tax Assets**

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which those deferred tax assets can be utilized. Assessment of the realization of the deferred tax assets requires the Group's subjective judgments and estimates, including the future revenue growth and profitability, tax holidays, the amount of tax credits can be utilized and feasible tax planning strategies. Any changes in the global economic environment, the industry trends and relevant laws and regulations could result in significant adjustments to the deferred tax assets.

(3) Valuation of Inventory

Inventories are stated at the lower of cost or net realizable value, and the Group use judgments and estimates to determine the net realizable value of inventory at the end of the reporting period.

Due to the rapid technological changes, the Group estimates the net realizable value of inventory for obsolescence and unmarketable items at the end of reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions of future demand within a specific time horizon.

(4) Accrued Pension Liabilities

When calculating the present value of defined benefit obligation, the Company should use judgments and estimates to determine relevant actuarial assumptions at the end of the reporting period. Actuarial assumptions comprise the discount rate and expected rate of return on plan assets. Changes in any actuarial assumptions may have a material impact on the amount of defined benefit obligation.

(5) Share-based Payment

Equity-settled transaction costs between the Group and employees are measured at the fair value of equity instruments in accordance with the given terms to determine the best pricing model. The estimate also requires the best parameters to determine the pricing model, including stock options' expected duration, expected volatility, expected dividend yield, and other assumptions.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and Cash Equivalents

	December 31, 2015	December 31, 2014
Cash	$955	$1,085
Checking accounts	53	53
Demand deposits	411,958	137,141
Foreign currency demand deposits	92,503	75,049
Cash equivalents	197,666	70,790
Total	$703,135	$284,118

Cash equivalents, for the purpose of meeting short-term cash commitments, consist of highly liquid time deposits and short-term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(2) Financial Assets at Fair Value Through Profit or Loss-Current

Held for Trading Financial Assets	December 31, 2015	December 31, 2014
Beneficiary certificates	$128,671	$121,867

(3) Held-to-maturity Financial Assets-Current

	December 31, 2015	December 31, 2014
Time deposits	$719,952	$327,435

Time deposits represent deposits with maturities of more than three months.

(4) Accounts Receivables and Long-term Accounts Receivables

	December 31, 2015	December 31, 2014
Accounts receivable-current	$177,397	$117,322
Long-term accounts receivable		
Recoverable amount within a year	28,005	18,097
Less：Allowance for doubtful receivables	(985)	-
Accounts receivable, net	$204,417	$135,419
Accounts receivable-related parties	$3,095	$-
Less：Allowance for doubtful receivables	-	-
Accounts receivable-related parties, net	$3,095	$-
Long-term accounts receivable	$62,932	$55,490
Less：Allowance for doubtful receivables	(18,559)	(18,559)
Less：Recoverable amount within a year	(28,005)	(18,097)
Long-term accounts receivable, net	$16,368	$18,834

In principle, the payment term granted to customers is due 30 days from the invoice date. The allowance for bad debts is assessed by reference to the collectability of receivables by performing the account aging analysis, historical experience and current financial condition of customers.

Except for those impaired, for the rest of accounts receivable, the account aging analysis at the end of the reporting period is summarized in the following table. Accounts receivables include amounts that are past due but for which the Group has not recognized a specific allowance for doubtful receivables after the assessment since there has not been a significant change in the credit quality of its customers and the amounts are still considered recoverable. The Group does not hold any collateral for accounts receivable.

Aging analysis of accounts receivable

	December 31, 2015	December 31, 2014
Neither past due nor impaired	$144,888	$-
Past due but not impaired		
within 30 days	3,023	115,950
31-90 days	4,350	13
91-180 days	36,758	19,456
over 181 days	15,398	-
Total	$204,417	$135,419

Movements of the allowance for doubtful receivables

	2015	2014
Balance at January 1	($18,559)	($18,559)
Provision of impairment	(985)	-
Balance at December 31	($19,544)	($18,559)

(5) Construction Contracts

	December 31, 2015	December 31, 2014
Aggregate costs incurred plus recognized profits	$1,182,592	$775,180
Less：Progress billings	(1,208,596)	(720,560)
Net balance sheet position for construction in progress	($26,004)	$54,620
Presented as:		
Construction Receipts Receivable	$138,140	$56,772
Construction Receipts Payable	(164,144)	(2,152)
	($26,004)	$54,620

As of December 31, 2015 and 2014, the retentions relating to construction contracts and the advances received before the related construction work is performed amounted to NT$0 and NT$0, respectively.

(6) Inventories

	December 31, 2015	December 31, 2014
Raw materials	$39,049	$-
Supplies	5,859	-
Work in process	359	-
Finished goods	184	-
Simulator ride materials	175,915	24,857
Less：Allowance for losses	-	-
Total	$221,366	$24,857

(7) Property, Plant and Equipment

	2015						
	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Other Equipment	Equipment under Installation and Construction in Progress	Total
Cost							
Balance at January 1	$152,421	$-	$-	$14,400	$19,281	$154,501	$340,603
Additions	857	6,001	1,140	6,340	8,374	241,460	264,172
Disposals	-	-	-	(71)	-	-	(71)
Reclassifications	-	5,033	-	-	(5,033)	-	-
Balance at December 31	153,278	11,034	1,140	20,669	22,622	395,961	604,704
Accumulated Depreciation and Impairment							
Balance at January 1	17,161	-	-	5,465	7,279	-	29,905
Depreciation	9,263	1,641	56	4,611	2,244	-	17,815
Disposals	-	-	-	(63)	-	-	(63)
Reclassifications	-	3,829	-	-	(3,829)	-	-
Balance at December 31	26,424	5,470	56	10,013	5,694	-	47,657
Balance at December 31, net	$126,854	$5,564	$1,084	$10,656	$16,928	$395,961	$557,047
Balance at January 1, net	$135,260	$-	$-	$8,935	$12,002	$154,501	$310,698

	2014						
	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Other Equipment	Equipment under Installation and Construction in Progress	Total
Cost							
Balance at January 1	$149,973	$-	$-	$7,146	$18,851	$ -	$175,970
Additions	2,448	-	-	7,300	430	154,501	164,679
Disposals	-	-	-	(46)	-	-	(46)
Balance at December 31	152,421	-	-	14,400	19,281	154,501	340,603
Accumulated Depreciation and Impairment							
Balance at January 1	8,221	-	-	2,661	3,481	-	14,363
Depreciation	8,940	-	-	2,835	3,798	-	15,573
Disposals	-	-	-	(31)	-	-	(31)
Balance at December 31	17,161	-	-	5,465	7,279	-	29,905
Balance at December 31, net	$135,260	$-	$-	$8,935	$12,002	$154,501	$310,698
Balance at January 1, net	$141,752	$-	$-	$4,485	$15,370	$-	$161,607

A. The significant parts of the Group's buildings include main plants, electricity, decoration, plumbing and drainage, extinguishing protection and air conditioning equipment, and the related depreciation is calculated using the estimated useful lives of 20 years, 20 years, 10 years, 10 years and 8 years, respectively.

B. For the years ended December 31, 2015 and 2014, the amount of equipment under installation and construction in progress was NT$395,961 thousand and NT$154,501 thousand, respectively, mainly arising from the construction of offices and factories for phase 2 Research and Testing Center. As of December 31, 2015 and 2014, the construction work was not yet completed.

C. The amount of capitalized interest for the years ended December 31, 2015 and 2014 was NT$4,712 thousand and NT$0 thousand, respectively.

D. Please refer to Note 8 for the details of pledged property, plant and equipment.

(8) Intangible Assets

	2015	2014
	Computer Software	Computer Software
Cost		
Balance at January 1	$11,301	$5,742
Additions	13,783	5,918
Disposals	(965)	(359)
Balance at December 31	24,119	11,301
Accumulated amortization and impairment		
Balance at January 1	5,215	2,458
Amortization	5,882	3,116
Disposals	(965)	(359)
Balance at December 31	10,132	5,215
Balance at December 31, net	$13,987	$6,086
Balance at January 1, net	$6,086	$3,284

(9) Other Current and Noncurrent Assets

	December 31, 2015	December 31, 2014
Other financial assets	$92,917	$75,484
Tax receivable	5,701	1,726
Temporary payments	5,192	638
Prepayments for equipment	73,754	-
Others	1,713	249
Other noncurrent assets		
a) Profit sharing right of ticket sales	97,274	6,661
b) Franchise fee and guaranteed royalty	14,368	-
Total	$290,919	$84,758

	December 31, 2015	December 31, 2014
Current portion	$83,023	$35,017
Noncurrent portion	207,896	49,741
Total	$290,919	$84,758

A. Please refer to Note 8 for the details of other financial assets used as collateral.

B. Brogent Mechanical Inc., a subsidiary of the Company, signed a purchase contract for land and plant amounting to NT$168,000 thousand in November, 2015. As of December 31, 2015, the amount of prepayments was NT$60,721 thousand.

C. Please refer to Notes 9(3) and (4) for the details of the contract commitments related to other noncurrent assets.

(10) Other Payables

	December 31, 2015	December 31, 2014
Accrued payroll	$44,497	$43,534
Payables on equipment	4,084	34,597
Accrued insurance	1,966	1,349
Accrued professional fee	2,462	-
VAT payable	1,827	-
Accrued pension	1,079	735
Others	10,771	4,447
Total	$66,686	$84,662

(11) Long-term Bank Loans

	December 31, 2015	December 31, 2014
Secured Loans		
Taiwan Cooperative Bank：		
Loan period from February, 2013 to August, 2027; monthly repayments beginning from August, 2014 to August, 2027 at an annual rate of 1.71% ~2.36%.	$87,244	$93,838
Loan period from October, 2014 to April, 2016; monthly payment of interest at an annual rate of 1.83% beginning in October, 2014 and repayment of principal upon maturity.	21,933	21,933
Loan period from November, 2014 to April, 2016; monthly payment of interest at an annual rate of 1.83% beginning in November, 2014 and repayment of principal upon maturity.	18,178	18,178
Loan period from December, 2014 to April, 2016; monthly payment of interest at an annual rate of 1.83% beginning in December 2014 and repayment of principal upon maturity.	45,249	45,249
Loan period from January, 2015 to April, 2016; monthly payment of interest at an annual rate of 1.83% beginning in January, 2015 and repayment of principal upon maturity.	28,756	-
Loan period from February, 2015 to April, 2016; monthly payment of interest at an annual rate of 1.83% beginning in February, 2015 and repayment of principal upon maturity.	22,666	-
Loan period from March, 2015 to April, 2016; monthly payment of interest at an annual rate of 1.83% beginning in March, 2015 and repayment of principal upon maturity.	12,501	-
Loan period from April, 2015 to April, 2016; monthly payment of interest at an annual rate of 1.83% beginning in April, 2015 and repayment of principal upon maturity.	5,789	-
Loan period from May, 2015 to April, 2016; monthly payment of interest at an interest rate of 1.83% beginning in May, 2015 and repayment of principal upon maturity.	7,975	-

(Continued)

	December 31, 2015	December 31, 2014
Secured Loans		
Loan period from June, 2015 to April, 2016; monthly payment of interest at an annual rate of 1.83% beginning in June, 2015 and repayment of principal upon maturity.	15,314	-
Loan period from July, 2015 to April, 2016; monthly payment of interest at an annual rate of 1.83% beginning in July, 2015 and repayment of principal upon maturity.	11,788	-
Loan period from August, 2015 to April, 2016; monthly payment of interest at an annual rate of 1.83% beginning in August, 2015 and repayment of principal upon maturity.	13,342	-
Loan period from September, 2015 to April, 2016; monthly payment of interest at an annual rate of 1.83% beginning in September, 2015 and repayment of principal upon maturity.	10,078	-
Loan period from October, 2015 to April, 2016; monthly payment of interest at an annual rate of 1.83% beginning in October, 2015 and repayment of principal upon maturity.	7,337	-
Loan period from December, 2015 to April, 2016; monthly payment of interest at an annual rate of 1.83%beginning in December, 2015 and repayment of principal upon maturity.	10,474	-
	318,624	179,198
Less：Current portion	(238,060)	(6,569)
Noncurrent liabilities	$80,564	$172,629

(Concluded)

A. The Company signed a long-term contract with Taiwan Cooperative Bank Co., Ltd. in February, 2013, and the total financing amount was NT$96,000 thousand.

B. The Company signed a long-term contract for Phase 2 construction project of Kaohsiung Software Park with Taiwan Cooperative Bank Co., Ltd. in October, 2014, and the total financing amount was NT$240,000 thousand.

C. Brogent Mechanical Inc., a subsidiary of the Company, signed a General Agreement for Omnibus Credit Lines and Banking Transactions with CTBC Bank Co., Ltd. in December, 2015, and the total financing amount was NT$120,000 thousand. As of December 31, 2015, the actual drawings was NT$0.

D. The Company's buildings were used as first-priority mortgage on the collateral for the secured loans. Details were summarized in Note 8.

(12) Pensions

	2015	2014
Defined benefit pension costs	$563	$472
Defined contribution pensions	5,659	3,606
Total	$6,222	$4,078

A. The Company has a defined benefit plan under the Labor Standards Law that provides benefits based on an employee's length of service and average monthly salary for the six-month period prior to retirement. The Company makes monthly contributions to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, the Company will make contributions to cover the deficit by next March. As of December 31, 2015 and 2014, the Company's pension account balance was NT$991 thousand and NT$923 thousand, respectively.

B. Reconciliation on the present value of defined benefit obligation and the fair value of plan assets were as follows:

	December 31, 2015	December 31, 2014
Present value of defined benefit obligation	$8,576	$7,910
Fair value of plan assets	(1,000)	(923)
Accrued pension liabilities	$7,576	$6,987

C. Accumulated amounts of actuarial gains or losses recognized under other comprehensive income were as follows:

	2015	2014
Balance at January 1	($1,220)	($534)
Current actuarial gain (loss)	(78)	(686)
Balance at December 31	($1,298)	($1,220)

D. The retirement funds are all deposited in the Trust Department, Bank of Taiwan. Expected return on plan assets was estimated based on historical returns and shall not be less than the interest rate of a two-year time deposit of local banks by reference to the status of Labor Retirement Fund utilization by the Labor Pension Fund Supervisory Committee.

E. Actuarial assumptions:

	December 31, 2015	December 31, 2014
Discount rate	1.80%	1.90%
Expected rate of return on plan assets	1.20%	1.20%
Future salary increase rate	2.00%	2.00%

F. Historical information of experience adjustments was as follows:

	2015	2014
Present value of defined benefit obligation at year end	$8,576	$7,910
Fair value of plan assets at year end	(1,000)	(923)
Surplus or deficit in the plan	$7,576	$6,987
Experience adjustments on plan liabilities	$286	$835
Experience adjustments on plan assets	($6)	($10)

G. The Company disclosed related pension information in accordance with the actuarial valuation report as follows:

	2015	2014
Service cost	$422	$355
Interest cost	160	128
Expected return on pension assets	(19)	(11)
Current pension costs	$563	$472

H. As of December 31, 2015, the Group expects to make contributions of NT$192 thousand to the defined benefit plans in the next twelve months.

I. The new pension plan under the Labor Pension Act which became effective on July 1, 2005, is deemed a defined contribution plan. The employees with R.O.C. nationality can choose to continue to use the Labor Standards Law's pension regulations, or be subject to the pension mechanism under the Labor Pension Act, and their seniority prior to the enforcement of this Act shall be maintained. The Company and its domestic subsidiaries have made monthly contributions equal to 6% of each employee's monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. For defined contribution plan, payments to the benefit plan are recognized as an expense.

(13) Capital Stock

	December 31, 2015	December 31, 2014
Authorized capital	$500,000	$500,000
Issued capital	$446,780	$336,800
Advance receipts for common stock	$-	$4,494

As of December 31, 2015, the authorized shares were 50,000 thousand shares, including 2,000 thousand shares reserved for employee stock options. A holder of issued shares with par value of NT$10 per share is entitled to vote and to receive dividends. The issued and paid shares were 44,678 thousand shares.

To bring in strategic investors, the issuance of 6,000 thousand shares at a premium of NT$240 per share by private placement had been resolved at the interim shareholders' meeting on

December 19, 2014, resulting in advance receipts for common stock for the year ended December 31, 2014. To fulfill the needs of future operation and enhancing the working capital, the issuance of not more than 3,300 thousand shares by private placement had been resolved at the general shareholders' meeting on June 11, 2014. The privately placed shares would be issued in one or several installments (not more than two times) within one year after the resolution of the shareholders' meeting. The shareholders' meeting authorized the Board of Directors with full power and authority to handle related matters. The record date determined by the resolution of the Board of Directors was June 4, 2015. There were 1,030 thousand shares issued by private placement at a premium of NT$308 per share. Aforementioned issuance of new shares had already been registered. As of the date of the consolidated financial statements, there are 7,030 thousand shares issued by private placement. All the rights and obligations for the privately placed shares are the same as those for the issued common shares of the Company. However, except for being transferred to a transferee meeting the requirement under Article 43-8 of the Securities and Exchange Act, the privately placed shares cannot be sold within three years after delivery of shares.

(14) Additional Paid-in Capital

Under the R.O.C. Company Law, except for covering accumulated deficit or issuing new shares or cash to shareholders, the capital reserve shall not be used for any other purpose. Unless the legal reserve is insufficient, the capital reserve should not be used to cover accumulated deficit.

The capital reserve arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to issue new shares or cash to shareholders by the special resolution of the shareholders' meeting, provided that the Company has no accumulated deficit. Further, the amount of capital reserve to be capitalized mentioned above should not exceed 10% of the paid-in capital each year.

(15) Retained Earnings and Dividend Policy

A. When allocating the net profits for each fiscal year, the Company shall first offset its losses in previous years and set aside a legal capital reserve at 10% of the profits left over, until the accumulated legal capital reserve has equaled the total capital of the Company; then set aside special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge; and then set aside 10%~15% of the balance as employees' bonus and not more than 2% of the balance as directors' and supervisors' remuneration. The Company may issue stock bonuses to employees of an affiliated company meeting the conditions set by the Board of Directors. The remaining balance along with the unappropriated earnings at the beginning of the period shall be distributed according to the resolution of the shareholders' meeting.

   As the Company operates in a volatile business environment and is in the stable growth stage, the residual dividend policy is adopted taking into consideration the Company's operation expansion, working capital and long-term financial planning. The Company measures future capital needs through future capital budgeting, then use retained earnings to fund its capital needs. The remainder will be distributed by way of cash dividend or stock dividend, and the cash dividend shall not be less than 10% of total dividends.

B. Under the R.O.C. Company Law, the Company shall not pay dividends or bonuses when there is no profit. Except for covering accumulated deficit or issuing new shares or cash to shareholders, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.

C. The appropriations of earnings for 2014 had been resolved at the shareholders' meeting on May 20, 2015. The appropriations were as follows:

	2014	
	Amount	Dividends Per Share (NT$)
Legal reserve	$22,443	
Cash dividends	79,360	$2
Stock dividends	39,680	1
Total	$141,483	

D. The appropriations of earnings for 2015 had been approved in the meeting of the Board of Directors held on March 9, 2015 and are to be presented for approval in the shareholders' meeting. The appropriations were as follows:

	2015	
	Amount	Dividends Per Share (NT$)
Legal reserve	$11,238	
Special reserve	751	
Cash dividends	110,610	$2.50
Total	$122,599	

E. According to the amendments to the R.O.C. Company Law in May, 2015, the dividends and bonuses shall be distributed to shareholders and the employees are not entitled to share bonuses. Please refer to Note 6(19) for the details of the accrued and actual amounts of employees' bonuses and directors' and supervisors' remuneration. The Company expects to amend the Articles of Association at the general shareholders' meeting in 2016.

(16) Treasury Stock

In order to retain and recruit talents, motivate employees and enhance their centripetal force, the Company expected to repurchase 1,000 thousand shares representing 2.24% of the total issued shares on the approval of the Board of Directors in July, 2015. The repurchase period was from July 22, 2015 to September 21, 2015. The predetermined interval of repurchase price was from NT$170 to NT$448 per share.

From July 23, 2015 to September 1, 2015, the Company repurchased 1,000 thousand shares at the price of NT$249.5-NT$283 per share, and the total amount of the repurchase was NT$266,072 thousand. As of December 31, 2015, the Company had 43,678 thousand shares outstanding.

(17) Net Revenue

Items	2015	2014
Construction contract revenue	$675,537	$812,086
Mobile phone software revenue	593	2,377
Service and maintenance revenue	4,348	15,048
Sales revenue	24,946	-
Total	$705,424	$829,511

(18) Other Gains and Losses

	2015	2014
Gain (Loss) on financial assets at fair value through profit or loss	($4,714)	$2,700
Gain on financial liabilities at fair value through profit or loss	-	472
Net currency exchange gain	7,435	12,180
Gain on disposal of investment	2,181	3,264
Loss on disposal of property, plant and equipment	(8)	-
Other gains	9,343	18,054
Other losses	(6,594)	(613)
Total	$7,643	$36,057

(19) Additional Information of Expenses by Nature

Items	2015 Cost of Revenue	2015 Operating Expenses	2015 Total
Employee benefit expense			
Salaries and wages	$53,210	$84,855	$138,065
Labor/Health insurance expenses	5,505	5,820	11,325
Pension costs	3,002	3,220	6,222
Other employee benefit expenses	2,561	4,620	7,181
Total	$64,278	$98,515	$162,793
Depreciation expense	$10	$17,805	$17,815
Amortization expense	$7	$5,875	$5,882

Items	2014 Cost of Revenue	2014 Operating Expenses	2014 Total
Employee benefit expense			
Salaries and wages	$16,758	$83,879	$100,637
Labor/Health insurance expenses	1,784	5,176	6,960
Pension costs	944	3,134	4,078
Other employee benefit expenses	999	4,228	5,227
Total	$20,485	$96,417	$116,902
Depreciation expense	$-	$15,573	$15,573
Amortization expense	$-	$3,116	$3,116

As of December 31, 2015 and 2014, the number of the Company's employees was 209 and 145, respectively, state of agreeing with the calculation basis of employee benefit expense recognized above.

The accrued amounts of employees' compensation and directors' and supervisors' remuneration for 2015 based on income before tax as proposed by the Board of Directors on March 9, 2016 were NT$16,059 thousand and NT$3,212 thousand, respectively. The proposed distribution amounts above were state of agreeing with the amounts recognized as expenses in 2015, and such amounts are to be resolved by the general shareholders' meetings in 2016.

The accrued amounts of employees' bonus and directors' and supervisors' remuneration for 2014 based on net income as resolved by the shareholders' meeting on May 20, 2015 were NT$20,199 thousand and NT$4,040 thousand, respectively. The actual distribution amounts above were state of agreeing with the proposal of the Board of Directors on March 24, 2015 and had been recognized as expenses in 2014.

The accrued amounts of employees' compensation and directors' and supervisors' remuneration were recognized as expenses. If the actual distribution amounts subsequently resolved by the shareholders' meeting differ from the accrued amounts, the differences should be recognized in profit or loss in next year. The information about the appropriations of employees' compensation and directors' and supervisors' remuneration as proposed by the Board of Directors and resolved by the shareholders' meeting will be posted in the "Market Observation Post System" at the website of Taiwan Stock Exchange.

(20) Income Tax

A. Income tax expense recognized in profit or loss consisted of the following:

	2015	2014
Current tax:		
Current tax on profits for the period	$28,132	$34,193
Additional income tax on unappropriated earnings	8,226	-
Current adjustments on prior years tax estimation	(2,174)	119
Total current tax	34,184	34,312
Deferred tax:		
The origination and reversal of temporary differences	(1,351)	(24)
Loss carryforwards	(375)	11,022
Income tax credits	-	-
Total deferred tax	(1,726)	10,998
Income tax expense	$32,458	$45,310

B. Income tax expense recognized in other comprehensive income:

	2015	2014
Deferred income tax expense (benefit)		
Remeasurement of defined benefit plans	($13)	$-
Exchange differences arising on translation of foreign operations	140	-
	$127	$-

C. A reconciliation of income before income tax and income tax expense recognized in profit or loss was as follows:

	2015	2014
Income before income tax	$152,227	$269,742
Income tax expense at the statutory rate (17%)	$27,546	$45,856
Effects from adjusting items in determining taxable income	586	(11,663)
The origination and reversal of temporary differences	(1,351)	(24)
Loss carryforwards	(375)	11,022
Additional income tax on unappropriated earnings	8,226	-
Current investment tax credits	-	-
Income tax adjustments on prior years	(2,174)	119
Income tax expense recognized in profit or loss	$32,458	$45,310

D. Amounts of deferred tax assets or liabilities were as follows:

	December 31, 2015	December 31, 2014
Temporary differences		
Unrealized defined benefit pensions	$465	$378
Loss on valuation of accounts receivable	278	584
Unrealized exchange gains	(1,161)	(1,052)
Loss (Gain) on valuation of financial assets	342	(459)
Depreciation expense	1,701	-
Unrealized sales profit	863	-
Gain on investment using equity method	(1,559)	-
Others	(127)	-
Loss carryforwards	375	-
Deferred income tax assets (liabilities)	$1,177	($549)

E. Unused loss carryforwards and tax-exemption information were as follows:

As of December 31, 2015, unused loss carryforwards of Brogent Creative Inc., a subsidiary of the Company, consisted of the following:

Year Incurred	Creditable Amount	Used Creditable Amount	Remaining Creditable Amount	Usable Until Year
2015	$91	$-	$91	2025

As of December 31, 2015, unused loss carryforwards of Brogent Global Inc., a subsidiary of the Company, consisted of the following:

Year Incurred	Creditable Amount	Used Creditable Amount	Remaining Creditable Amount	Usable Until Year
2015	$2,115	$-	$2,115	2025

F. Integrated income tax information of the Company:

	December 31, 2015	December 31, 2014
Balance of the Imputation Credit Account	$37,410	$6,885

	2015(Expected)	2014(Actual)
Tax creditable ratio of earnings distribution	19.22%	15.80%

Under the Income Tax Law, the imputation credit allocated to shareholders is based on its balance as of the date of the dividend distribution. The estimated creditable ratio may change when the actual distribution of the imputation credit is made.

Effective from January 1, 2015, the creditable ratio for individual shareholders residing in the Republic of China will be half of the original creditable ratio according to the revised Income Tax Law.

G. As of December, 2015, the Company's income tax returns through 2013 have been assessed and approved by the Tax Authority.

(21) Earnings Per Share

	2015	2014
Basic earnings per share	$2.57	$6.22
Diluted earnings per share	$2.57	$6.22

Earnings per share is computed as follows:

	Amount (In Thousands)	Number of Shares (In Thousands)	Earnings Per Share (NT$)
2015			
Basic earnings per share			
Net income attributable to common shareholders of the parent	$112,384	43,712	$2.57
Effect of dilutive potential common shares	-	-	
Diluted earnings per share			
Net income attributable to common shareholders of the parent (including effect of dilutive potential common shares)	$112,384	43,712	$2.57
2014			
Basic earnings per share			
Net income attributable to common shareholders of the parent	$224,432	36,078	$6.22
Effect of dilutive potential common shares	-	-	
Diluted earnings per share			
Net income attributable to common shareholders of the parent (including effect of dilutive potential common shares)	$224,432	36,078	$6.22

The effect of the issuance of stock dividends had been retrospectively adjusted in calculation of earnings per share. The movements of basic and diluted earnings per share because of retrospective adjustments were as follows:

	2014	
	Before Retrospective Adjustments	After Retrospective Adjustments
Basic earnings per share	$6.83	$6.22
Diluted earnings per share	$6.83	$6.22

7. RELATED PARTY TRANSACTIONS

(1) In preparing the consolidated financial statements, the transaction amounts and balances between the Company and its subsidiaries (the Company's related parties) had been eliminated and were not disclosed in this Note. The significant transactions between the Group and other related parties were as follows:

A. Sales

Type of Related Parties	2015	2014
Entities with significant influence over the subsidiary	$3,390	$-

B. Purchases

Type of Related Parties	2015	2014
Entities with significant influence over the subsidiary	$48,123	$-

C. Receivables from related parties

Financial Statement Items	Type of Related Parties	December 31, 2015	December 31, 2014
Accounts receivable-related parties	Entities with significant influence over the subsidiary	$3,095	$-

D. Payables to related parties

Financial Statement Items	Type of Related Parties	December 31, 2015	December 31, 2014
Accounts payable-related parties	Entities with significant influence over the subsidiary	$8,496	$-
Other payables-related parties	Entities with significant influence over the subsidiary	$150	$-

E. Acquisition of other assets

Type of Related Parties	2015	2014
Entities with significant influence over the subsidiary	$14,368	$-

F. Other related parties transactions

Financial Statement Items	Type of Related Parties	2015	2014
Manufacturing expenses	Entities with significant influence over the subsidiary	$9,995	$-
Administrative expenses	Entities with significant influence over the subsidiary	$3,000	$-
Selling and marketing expenses	Entities with significant influence over the subsidiary	$920	$-
Research and development expenses	Entities with significant influence over the subsidiary	$286	$-
Refundable deposits	Entities with significant influence over the subsidiary	$500	$-

The sales prices and payment terms between the Group and its related parties are not significantly different from those to non-related parties. For other related party transactions with no same classified variety, which prices and terms are determined in accordance with mutual agreements.

(2) Key management compensation was as follows:

	2015	2014
Short-term employee benefits	$12,822	$11,295
Post-employment benefits	626	472
Total	$13,448	$11,767

8. PLEDGED ASSETS

Pledged Assets	December 31, 2015	December 31, 2014	Purpose
Other financial assets-current (Pledged time deposits)	$67,133	$32,404	Construction performance guarantee , warranty
Other financial assets-current (Restricted assets-reserve account)	3,284	-	Construction performance guarantee
Other financial assets-noncurrent (Restricted assets-reserve account)	-	20,580	Construction performance guarantee
Other financial assets-noncurrent (Pledged time deposits)	22,500	22,500	Lease development guarantee
Buildings	126,854	135,260	Long-term loans
Total book value	$219,771	$210,744	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) As of December 31, 2015 and 2014, the Company had outstanding notes payable for the purpose of construction performance guarantee and warranty amounting to NT$15,468 thousand and NT$180,481 thousand, respectively.

(2) Significant Operating Lease Arrangements

In order to raise up the technical level, corporate image, and focus on research and development resources in response to future continual growth, the Company should increase capacity to achieve the goal of sustainable management. The Company leased 1.85 hectares of land from the Kaohsiung Software Technology Park to establish the Operations Research and Development Center on February 29, 2012. The lease period is 20 years, beginning from March 14, 2012 to March 13, 2032. The lease agreements can be renewed upon expiration. As of December 31, 2015 and 2014, the Company had pledged time deposits for the purpose of lease development guarantee amounting to NT$22,500 thousand and NT$22,500 thousand, respectively. The lease payments recognized in 2015 and 2014 were NT$6,437 thousand and NT$5,551 thousand, respectively.

The future aggregated minimum lease payments are as follows:

Years Range on the Lease	December 31, 2015	December 31, 2014
Within 1 year	$6,661	$6,437
Over 1 year and not later than 5 years	39,069	34,629
Later than 5 years	124,351	135,452
Total	$170,081	$176,518

(3) The Company signed a construction contract for indoor playground equipment of the theme park amounting to NT$375,000 thousand with the buyer in July, 2014. The buyer shall pay NT$150,000 thousand for construction work to the Company and the remaining NT$225,000 thousand shall be paid by the proceeds from ticket sales. After the buyer pays up the total contract price, it still needs to pay the proceeds from ticket sales to the Company until the equipment is out of operation.

According to the above contract, because of the exchange of the other 60% value of the playground equipment assets, the Company has obtained the right to share the profits of the tickets and the sale of its peripheral products and asks for monthly payments from the operation start date of the equipment.

(4) The Company signed a copyright contract with the seller in October, 2014, including franchise fees amounting to 6,250 thousand yen and guaranteed royalties amounting to 48,000 thousand yen. The Company shall continue to pay royalties based on the contract provision even the guaranteed royalties are in-sufficient during the copyright period.

10.SIGNIFICANT DISASTER LOSS

None.

11.SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

(1) The Company's buildings are structured with a steel-reinforced concrete construction. After considering the main structure and actual usage of the buildings, the buildings were assessed to have longer useful life. Therefore, to be in compliance with the consumption of the future economic benefits of the buildings, the Company re-considered the estimated useful life of these buildings.

Effective from 2015, in response to the buildings' current status and future economic benefits, the Board of Directors resolved to change the useful life from 20 years to 50 years on December 30, 2015. The change of the estimated useful life will decrease depreciation expenses by NT$3,622 thousand in 2016, with the effect of any changes in estimates accounted for on a prospective basis.

(2) Brogent Mechanical Inc., a subsidiary of the Company, borrowed NT$120,000 thousand from CTBC Bank Co., Ltd. with 15-years installment starting in January, 2016.

(3) Brogent Mechanical Inc., a subsidiary of the Company, purchased land and plant for NT$168,000 thousand, and paid in full to acquire the assets in January, 2016.

12.OTHERS

(1) Financial Instruments

A. Categories of financial instruments

Financial Assets	December 31, 2015	December 31, 2014
Cash and cash equivalents	$703,135	$284,118
Financial assets at fair value through profit or loss	128,671	121,867
Held-to-maturity financial assets-current	719,952	327,435
Accounts and notes receivable	271,064	141,474
Accounts and notes receivable-related parties	3,095	-
Refundable deposits	9,633	3,422
Other financial assets	92,917	75,484
Long-term receivables	16,368	18,834
Total	$1,944,835	$972,634

Financial Liabilities	December 31, 2015	December 31, 2014
Accounts and notes payable	$65,700	$80,152
Accounts and notes payable-related parties	8,496	-
Other payables	66,686	84,662
Other payables-related parties	150	-
Long-term bank loans (including current portion)	318,624	179,198
Total	$459,656	$344,012

B. Financial risk management objectives

The Group manages its exposure to market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk with the objective to reduce the potentially adverse effects the market uncertainties may have on its financial performance.

The plans for material treasury activities are reviewed by the Board of Directors in accordance with procedures required by relevant regulations and internal controls. During the implementation of such plans, the Group must comply with certain treasury procedures that provide guides for overall financial risk management and segregation of duties.

C. Market risk

The Group is exposed to the market risks arising from changes in foreign exchange rates and interest rates.

(a) Foreign currency risk

Some majority of the Group's operating activities are denominated in foreign currencies. Consequently, the Group is exposed to foreign currency risk.

The Group's sensitivity analysis to foreign currency risk mainly focuses on the foreign currency monetary items at the end of the reporting period. Assuming an unfavorable (or favorable) 10% movement in the levels of the United States dollar against the New Taiwan dollar, the net income for the years ended December 31, 2015 and 2014 would have decreased (or increased) by NT$50,953 thousand and NT$16,141 thousand, respectively. Assuming an unfavorable (or favorable) 10% movement in the levels of the Canadian dollar against the New Taiwan dollar, the net income for the years ended December 31, 2015 and 2014 would have decreased (or increased) by NT$4,038 thousand and NT$6,053 thousand, respectively. Assuming an unfavorable (or favorable) 10% movement in the levels of the Euro against the New Taiwan dollar, the net income for the years ended December 31, 2015 and 2014 would have decreased (or increased) by NT$7,037 thousand and NT$8,194 thousand, respectively. Assuming an unfavorable (or favorable) 10% movement in the levels of the Chinese Yuan against the New Taiwan dollar, the net income for the years ended December 31, 2015 and 2014 would have decreased (or increased) by NT$16,816 thousand and NT$15,640 thousand, respectively.

(b) Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments will change as a result of changes in market interest rates. The Group is exposed to interest rate risk arising from fixed-income investments and fixed-rate loans.

The Group's sensitivity analysis to interest rate risk mainly focuses on changes in interest rates of fixed-income investments and fixed-rate loans at the end of the reporting period. Assuming an increase (or decrease) in interest rates of 10 basis point (0.1%), the net income for the years ended December 31, 2015 and 2014 would have decreased (or increased) by NT$359 thousand and NT$122 thousand, respectively.

(c) Other price risk

The Group is exposed to price risk arising from financial assets and liabilities at fair value through profit or loss.

The Group's sensitivity analysis to price risk mainly focuses on changes in fair value at the end of the reporting period. Assuming an increase (or decrease) of 7% in prices of financial instruments, the net income for the years ended December 31, 2015 and 2014 would have increased (or decreased) by NT$9,007 thousand and NT$8,531 thousand, respectively.

D. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from operating activities, primarily accounts receivables, and from financing activities, primarily bank deposits, fixed-income investments and other financial instruments. Credit risk is managed separately for business related and financial related exposures.

(a) Business related credit risk

The Group has set the procedures for business related credit risk to maintain the quality of accounts receivable. The Group assesses the credit quality of the customers by taking into account their financial position, the credit rating agencies' rating, the Group's internal credit rating, historical trading records, current economic situation and other factors. The Group also uses some credit enhancement instruments such as prepayment for purchases and credit insurance to reduce certain customers' credit risk.

As of December 31, 2015 and 2014, the Group's three largest customers accounted for 65.43% and 99.13% of accounts receivable, respectively. The Group believes the concentration of credit risk is insignificant for the remaining accounts receivable.

(b) Financial credit risk

The Group monitors and reviews credit risk of bank deposits, fixed-income investments and other financial instruments. The counterparties are banks with good credit quality, financial institutions with investment grade or above, corporations and government agencies, so there is no significant compliance concerns and credit risk.

E. Liquidity risk management

The objective of liquidity risk management is to ensure the Group has sufficient cash and cash equivalents, highly liquid securities and adequate bank lines to maintain financial flexibility.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments, including principal and interest.

	Less than 1 year	2-3 years	4-5 years	Over 5 years	Total
December 31, 2015					
Accounts and notes payable	$65,700	$-	$-	$-	$65,700
Accounts and notes payable-related parties	8,496	-	-	-	8,496
Other payables	66,686	-	-	-	66,686
Other payables-related parties	150	-	-	-	150
Long-term bank loans	240,887	16,985	16,985	57,324	332,181
Total	$381,919	$16,985	$16,985	$57,324	$473,213

	Less than 1 year	2-3 years	4-5 years	Over 5 years	Total
December 31, 2014					
Accounts and notes payable	$80,152	$-	$-	$-	$80,152
Other payables	84,662	-	-	-	84,662
Long-term bank loans	8,290	102,074	16,714	64,763	191,841
Total	$173,104	$102,074	$16,714	$64,763	$356,655

F. Fair value of financial instruments

(a) Fair value of financial instruments carried at amortized cost

The Group considers that the carrying amounts of financial assets and financial liabilities carried at amortized cost in the consolidated financial statements approximate their fair values.

(b) Valuation techniques and assumptions used in fair value measurement are as follows:

I. The fair values of cash and cash equivalents, accounts receivable, other financial assets-current, short-term loans and accounts payable are approximately equal to the carry amounts because of short maturity.

II. The fair values of financial assets and financial liabilities with standard terms and trading in active liquid markets are determined with reference to quoted market prices (includes publicly traded stocks and beneficiary certificates).

III. The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

(c) Fair value measurements recognized in the consolidated balance sheets

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

I. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

II. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

III. Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets and liabilities measured at fair value on a recurring basis

Financial instruments that are measured subsequent to initial recognition at fair value are primarily publicly traded stocks and beneficiary certificates that their fair value measurements are those derived from quoted prices in active markets for identical assets.

The following table presents the Group's financial assets and liabilities measured at fair value on a recurring basis:

	December 31, 2015			
	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or Loss				
Beneficiary certificates	$128,671	$-	$-	$128,671

	December 31, 2014			
	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or Loss				
Beneficiary certificates	$121,867	$-	$-	$121,867

For assets and liabilities held as of December 31, 2015 and 2014 that are measured at fair value on a recurring basis, there were no transfers between Level 1 and Level 2 of the fair value hierarchy.

There were no purchases and disposals for assets on Level 3 for the years ended December 31, 2015 and 2014, respectively.

(2) Capital Risk Management

The Group's objective of capital management is to maintain robust credit rating and good capital ratio to support business operations and maximize shareholders' interests. In order to maintain and adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

(3) Information about Foreign Currency Financial Assets and Liabilities with a Significant Impact on the Group

	December 31, 2015			December 31, 2014		
	Foreign Currencies	Exchange Rate	TWD	Foreign Currencies	Exchange Rate	TWD
Financial Assets						
Monetary items						
USD	$15,610	32.78	$511,696	$5,108	31.60	$161,414
CAD	1,716	23.53	40,377	2,229	27.16	60,528
EUR	2,053	35.68	73,251	2,141	38.27	81,937
CNY	33,874	4.97	168,354	30,866	5.067	156,398
JPY	107	0.27	29	1,349	0.263	354
Non-monetary items						
JPY	48,000	0.27	12,960	-	-	-
CNY	4	4.97	20	-	-	-
Financial Liabilities						
Monetary items						
USD	66	32.88	2,170	-	-	-
EUR	5	36.08	180	-	-	-
CNY	41	5.02	206	-	-	-

13. ADDITIONAL DISCLOSURES

(1) Related Information on Significant Transactions

No.	Items	Table
1	Financings provided	None
2	Endorsement/guarantee provided	None
3	Marketable securities held at the end of the period (excluding investments in subsidiaries, associates and jointly controlled entities)	1
4	Aggregate purchases or sales of the same securities reaching NT$300 million or 20% of the paid-in capital or more	2
5	Acquisition of individual real estate reaching NT$300 million or 20% of the paid-in capital or more	3
6	Disposal of individual real estate reaching NT$300 million or 20% of the paid-in capital or more	None
7	Total purchases from or sales to related parties reaching NT$100 million or 20% of the paid-in capital or more	None
8	Receivables from related parties reaching NT$100 million or 20% of the paid-in capital or more	None
9	Derivative financial instruments undertaken during the reporting period	None
10	Others: The business relationship between the parent and the subsidiaries and significant transactions between them	4

(2) Information on Investees

Please see Table 5 attached (excluding the investee in Mainland China).

(3) Information on Investments in Mainland China

Please see Table 6 attached.

Table 1: Marketable Securities Held as of December 31, 2015 (Excluding Investments in Subsidiaries, Associates and Jointly Controlled Entities)

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Held Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Securities Issuer (Note 2)	Financial Statement Item	December 31, 2015 Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands) (Note 3)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands) (Note 4)	Remark (Note 4)
Brogent Technologies Inc.	Callable Bond							
	14CHB1B	None	Cash equivalents	-	USD 1,337	-	USD 1,337	
	Bank of India 21	None	Cash equivalents	-	USD 1,622	-	USD 1,622	
	Industrial and Commercial Bank 23	None	Cash equivalents	-	USD 1,178	-	USD 1,178	
	Sumitomo Mitsui 22	None	Cash equivalents	-	USD 1,772	-	USD 1,772	
	Fund							
	Nomura - Global Bond Portfolio	None	Financial assets at fair value through profit or loss-current	2,288	29,307	-	29,307	
	JPMorgan - Global Emerging Markets Corporate Bond Fund	None	Financial assets at fair value through profit or loss-current	4,786	49,304	-	49,304	
	Taishin - 1699 Money Market Fund	None	Financial assets at fair value through profit or loss-current	752	10,040	-	10,040	
	Bank SinoPac - Mega RMB Money Market Fund	None	Financial assets at fair value through profit or loss-current	764	40,020	-	40,020	

Note 1 : Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IAS 39, "Financial instruments : Recognition and Measurement".

Note 2 : Leave the column blank if the issuer of marketable securities is non-related party.

Note 3 : For items measured at fair value, the carrying value represents fair value adjustments less accumulated impairment. For items that are not measured at fair value, the carrying value represents original cost or amortized cost less accumulated impairment.

Note 4 : The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

Table 2: Aggregate Purchases or Sales of the Same Securities Reaching NT$300 Million or 20% of the Paid-in Capital or More

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Item	Counterparty	Relationship with the counterparty	Balance at January 1, 2015		Acquisition		Disposal				Balance at December 31, 2015	
					Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Amount	Carrying Value	Gain/Loss on Disposal	Shares/Units (In Thousands)	Amount
Brogent Technologies Inc.	Callable Bond													
	97 Cathay Financial Holdings	cash equivalents	-	-	-	$30,000	-	$177,778	-	$207,902	$207,778	$124	-	$-
	02 China Airlines 1A	cash equivalents	-	-	-	-	-	222,111	-	222,252	222,111	141	-	-
	01 United Microelectronics Corporation 1A	cash equivalents	-	-	-	-	-	217,000	-	217,162	217,000	162	-	-
	01 Fubon Financial Holdings 1A	cash equivalents	-	-	-	-	-	129,500	-	129,589	129,500	89	-	-
	99 Bank SinoPac 1A	cash equivalents	-	-	-	-	-	100,000	-	100,084	100,000	84	-	-
	Formosa Group (Cayman) Limited 25	cash equivalents	-	-	-	-	-	USD 4,450	-	USD 4,452	USD 4,450	USD 2	-	-
	Fund													
	Fuh Hwa - RMB Money Market Fund	Financial assets at fair value through profit or loss	-	-	2,311	119,167	-	-	2,311	120,290	119,167	1,123	-	-

Table 3: Acquisition of Individual Real Estate Reaching NT$300 Million or 20% of the Paid-in Capital or More

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Type of Property	Transaction Date	Transaction Amount	Payment Term	Counterparty	Relationship with the Counterparty	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationship	Transfer Date	Amount			
Brogent Technologies Inc.	Research and Testing Center Phase Two	July 15, 2014 to October 31, 2015	$328,000	By the construction progress	Bright First Manufacturing Limited	-	N/A	N/A	N/A	N/A	Open bidding	Growth purpose	None
Brogent Technologies Inc.	Research and Testing Center Phase Two	July 15, 2014 to November 16, 2015	$63,800	By the construction progress	Li Yao Electrical and Mechanical Technology Limited	-	N/A	N/A	N/A	N/A	Open bidding	Growth purpose	None

Table 4: Intercompany Relationships and Significant Intercompany Transactions

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Company Name	Counterparty	Relationship with the Counterparty (Note 1)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms (Note 2)	Percentage of Consolidated Net Revenue or Total Assets
0	Brogent Technologies Inc.	Brogent Mechanical Inc.	1	Purchases	$59,791	-	8%
				Construction expenses	6	-	-
				Payables to related parties	36,284	-	1%
				Prepayment for purchases	56,430	-	2%
		Brogent Global Inc.	1	Other revenues	55	-	-
				Construction receipts payable	23,642	-	1%
				Accounts receivable	31,500	-	1%

Note 1：No. 1 represents the transactions from parent company to subsidiary.

Note 2：The sales prices and payment terms of intercompany sales are not significantly different from those to third parties. For other intercompany transactions, prices and terms are determined in accordance with mutual agreements.

Table 5: Information on Investees (Excluding the Investee in Mainland China)

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Location	Business Scope	Original Investment Amount		Balance as of December 31, 2015			Net Income (Loss) of the Investee	Share of Profits/Losses of Investee (Note 1)	Note
				December 31, 2015(Foreign Currencies in Thousands)	December 31, 2014	Shares (In Thousands)	Percentage of Ownership	Carrying Value(Foreign Currencies in Thousands)			
Brogent Technologies Inc.	Brogent Mechanical Inc.	Taoyuan City	Manufacture and sales of the simulator rides and its key components	$55,000	$-	5,500	61.11%	$66,639	$19,046	$11,639	Subsidiary
	Brogent Creative Inc.	Kaohsiung City	Development and sales of the peripheral products of simulator rides	$9,000	-	900	60.00%	$8,964	(75)	(53)	Subsidiary
	Brogent Hong Kong Limited	Hong Kong	Reinvestment and trading business	54,063 (USD 1,700)	-	-	100.00%	54,247 (USD 1,655)	(641) (USD (20))	(641)	Subsidiary
	Brogent Global Inc.	Taipei City	Development and management business of self-operated outlets	300,000	-	30,000	100.00%	293,149	(1,777)	(1,777)	Subsidiary

Table 6: <u>Information on Investments in Mainland China</u>

(Amounts in Thousands of New Taiwan Dollars/Foreign Currencies in Thousands)

Investee Company	Main Businesses	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2015	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2015	Net Income (Loss) of the Investee Company	Percentage of Ownership	Share of Profits/Losses	Carrying Amount as of December 31, 2015	Accumulated Inward Remittance of Earnings as of December 31, 2015
					Outflow	Inflow						
Brogent Rides (Shanghai) Limited	Import and export business	$22,690 (USD 700)	2	$-	$22,690 (USD 700)	$-	$22,690 (USD 700)	($264) (USD (8))	100%	($264)	$21,861 (USD 667) (Note 2)	$-
Brogent Creative (Shanghai) Limited	Development and management business of self-operated outlets	14,961 (RMB 3,000)	2	-	-	-	-	(199) (RMB (39))	100%	(199)	14,717 (RMB 2,961) (Note 2)	-

Accumulated Investment in Mainland China as of December 31, 2015	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
$22,690 (USD 700)	$22,690 (USD 700)	$1,466,963

Note 1：Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

(1) Directly invest in a company in Mainland China.

(2) Through investing in an existing company in the third area (Brogent Hong Kong Limited), which then invested in the investee in Mainland China.

(3) Others.

Note 2：Amount was recognized based on the audited financial statements.

14.OPERATING SEGMENTS INFORMATION

(1) Operating Segments

The Group's revenues are principally from the research, development, design, production and sales of the media-based attraction (MBA). The Group will uphold the concept of sustainable development, and achieve the objective of making profits for the shareholders in the coming year. Starting from this year, the Group executes the operating strategy of double C by taking a two-pronged approach ("channel" and "content") to transform into the cooperators of the entertainment industry from a supplier of amusement park facilities. In the meantime, the Group implements the diversification strategy, the profit sharing model, and the integration of the one-time outright sale of equipment to expand the sites of global sales and optimize the product content and value.

The Group's operating decision maker reviews the Groups' overall operating results to make decisions about resource allocation and assess the Groups' overall performance. Therefore, the Group has a single operating segment.

(2) Geographic Information

	Revenue		Noncurrent Assets	
	2015	2014	December 31, 2015	December 31, 2014
Taiwan	$79,964	$557,413	$756,430	$323,445
Asia	222,244	222,358	-	-
Europe	191,648	47,370		
United States	211,568	2,370	-	-
Total	$705,424	$829,511	$756,430	$323,445

The Group categorized the revenues mainly by region. Noncurrent assets include property, plant and equipment, intangible assets and other assets, except for financial instruments, deferred tax assets and pension assets.

(3) Production and Service Information

Production/Service	2015	2014
Construction contracts	$675,537	$812,086
Mobile phone software	593	2,377
Others	29,294	15,048
Total	$705,424	$829,511

(4) Major Customer's Information

Customer	2015		2014	
	Amount	Percentage of Net Revenue	Amount	Percentage of Net Revenue
Customer N	$210,975	29.91	$-	-
Customer L	115,259	16.34	14,341	1.73
Customer O	97,010	13.75	-	-
Customer Q	80,572	11.42	-	-
Customer P	74,976	10.63	-	-
Customer F	55,743	7.90	547,802	66.04
Customer J	5,292	0.75	86,786	10.46
Customer I	-	-	115,787	13.96

智崴資訊科技股份有限公司

董事長　　黃仲銘