Stock Code 5263

Brogent Technologies Inc.

2020

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: 31 March, 2021

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: Chief Financial Officer

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: Chiu-Yen Wu, CPA

Lee-Yuan Kuo, CPA

Accounting firm: Deloitte & Touche Certified Public Accountants

Address: 3F, ChinaSteel Building, No.88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City 80661, Taiwan.

Website: www.deloitte.com.tw

Telephone:(07)530-1888

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,

Thank you very much for supporting Brogent Group and taking time to attend 2021 annual meeting of shareholders.

In 2020, Brogent Group’s consolidated revenue amounted to NT$1.06 billion, net income NT$502 million, and earnings per share NT$(0.88). The tourism industry in worldwide has been highly affected by the novel coronavirus (COVID-19) pandemic. However, Brogent Group is quite optimistic about the industry in the near future. We expect that more than 20 immersive amusement rides will be opened around the world, and the revenue from these projects will be recognized in the second half of 2021.

Brogent Group now has a global market share of over 85% in the flying theater market. During the novel coronavirus (COVID-19) pandemic, Brogent’s R&D team still puts efforts on new innovation. Our latest 8K LED Dome Flying Theater i-Ride 2.0 is made with more than 8,000 pieces of LED panel. The new LED dome screen is 10 times brighter than the original screen with a resolution of over 8K which will help to create more realistic flying experience.

Brogent Group’s efforts to enter the content licensing market have proven successful with its continually growing percentage of total revenue in 2020. We will continue to promote the idea of a turnkey solution for the customers, provid the hardware for the amusement equipment, and increase royalty income from the content design. In the future, we will take up the role to support the digital content transform from media base to gaming base in the theme park industry by using new technologies such as artificial intelligence, 5G high-speed networks, and new digital content types. This will create a new kind of product that people can experience in both online and offline.

Although the novel coronavirus (COVID-19) pandemic has put great impact on the theme park industry worldwide, Brogent Group believes that people will not stop looking for fun. Therefore, the theme park market is still promising in the long run.

We thank you for your trust and commitment to Brogent Group, and look forward to a prosperous future with our shareholders.

Chairman, Chih-Hung Ouyang

1. Accomplishments in 2020

(1) Business Plan Implementation Outcomes in 2020

Unit: NT$1,000

Year / Item	2019	2020	Change (amount)	% Change
Sales revenue	2,080,441	1,062,899	(1,017,542)	(48.91)
Gross profit	1,002,360	502,416	(499,944)	(49.88)
Operating expenses	581,551	524,940	(56,611)	(9.73)
Operating income	420,809	(22,524)	(443,333)	(105.35)
Net income (loss) before tax	471,901	(41,838)	(513,739)	(108.87)
Net income (loss)	383,810	(51,758)	(435,568)	(113.49)
Net income attributable to shareholders of the parent	366,525	(49,184)	(415,709)	(113.42)

(2) 2020 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 2020, and therefore this section is not disclosed.

(3) Analysis of Financial Gains and Losses and Profitability

Unit: %

Item		2019	2020
Financial structure (%)	Debt-to-assets ratio (%)	40.93	48.19
	Long-term fund to property, plant and equipment (fixed assets) ratio (%)	402.42	467.08
Solvency (%)	Current ratio (%)	324.08	495.03
	Quick ratio (%)	275.27	439.02
	Times interest earned	2,088.88	(43.27)
Profitability	Return on assets (%)	8.60	(0.55)
	Return on equity (%)	12.63	(1.75)
	Paid-in capital to income before tax (%)	84.65	(7.50)
	Net profit margin (%)	18.45	(4.87)
	Earnings per share (NT$)	6.57	(0.88)

(4) Research and Development

To continuously enhance the Company's competitiveness, the Company has always actively invested in R&D efforts. In 2019 and 2020, it has expended a total of NT$172,403 million and NT$167,313 million in R&D, respectively accounting for 8.29% and 15.74% of the net operating income. Brogent will continue to innovate and remain committed to research and development because these aspects of operation embody corporate competitiveness. The Company shall continue to engage in advanced technological R&D and innovative applications, and implement product-centric design and research as well as systematic management to maintain the leading position of products and technologies.

(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 2020, 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.

(1) 2021 Operational Goals and Crucial Product Marketing Policies

1. Continue to optimize the quality of immersive amusement park facilities and diversify product category.
2. Expend the international market and raise the 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 2020, and therefore this section is not disclosed.

2. Future Corporate Development Strategy

(1) Product diversification
(2) Market internationalization
(3) Diversification of revenue models
(4) Integration of strategic partner resources

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.
May 2016	The Joint Research and Development Center between Brogent and National Sun Yat-Sen University was established.
July 2016	The Research and Development Center of Somatosensory Content between Brogent and Southern Taiwan University of Science and Technology was established.
September 2016	The Lord Mayor of Brisbane, Australia, Graham Quirk, visited Brogent with the Brisbane delegation and experienced i-Ride flight theater.

December 2016	Awarded the Enterprise with Outstanding Contribution by Export Processing Zone, M.O.E.
March 2017	Feng Tang, Minister without Portfolio of Executive Yuan, came to Brogent to experience i-Ride flight theater.
March 2017	Activated the filming project "Flying Over Australia" with Cutting Edge, a leading Australian filmmaker.
April 2017	The Flying Theater of Spain's famous theme park officially opened
June 2017	The Flying Theater "Voletarium" of Germany's prestigious Europa Park officially opened.
September 2017	Won Europe's Best New Ride of the European Star Awards 2017.
October 2017	The Flying Theater "This is Holland" of Netherland officially opened in Amsterdam.
November 2017	Brognet's i-Ride Experience Center officially opened in Kaohsiung Software Park.
November 2017	Brogent's new VR product "Q-Ride" launched in IAAPA Attractions Expo in Orlando, Florida, U.S.A.
December 2017	Dentsu Japan invested in Brogent's subsidiary "Brogent Japan Entertainment."
December 2017	Vice President Chien-Jen Chen visited i-Ride Experience Center of Brogent.
January 2018	Brogent is the first TÜ V SÜ D client in Asia to have passed its challenging test with i-Ride Flying Theater.
January 2018	Taipei City Mayor Wen-Je Ko visited the Flying Theater "This is Holland" in Amsterdam.
May 2018	Brogent unveiled its new VR and motion simulation gaming product at the 2018 Vision Get Wild Exhibition.
June 2018	Brogent's VR gaming products were presented at Computex Taipei 2018.
July 2018	Brogent's VR gaming tournament, Lightning Wings, kicked off its regional preliminary contest at Kaohsiung Beer Rock Festival.
July 2018	Brogent's first carousel officially opened at KW2 (Kaohsiung Port Warehouse No.2)
July 2018	The Flying Theater of Abu Dhabi's renowned theme park officially opened.
August 2018	The Flying Theater "FLYOVER CHINA" of Beijing Shijingshan Amusement Park officially opened.
August 2018	Brogent's VR gaming tournament, Lightning Wings, held its regional preliminary contest in Taichung.
September 2018	Tom Tate, Mayor of the City of Gold Coast, Australia, visited Brogent with City of Gold Coast delegation and experienced i-Ride flight theater.
September 2018	Won Media-based Attraction of the Year of the Park World Excellence Awards 2018 Europe.
October 2018	Brogent's VR gaming tournament, Lightning Wings, held its regional preliminary contest in Taipei.

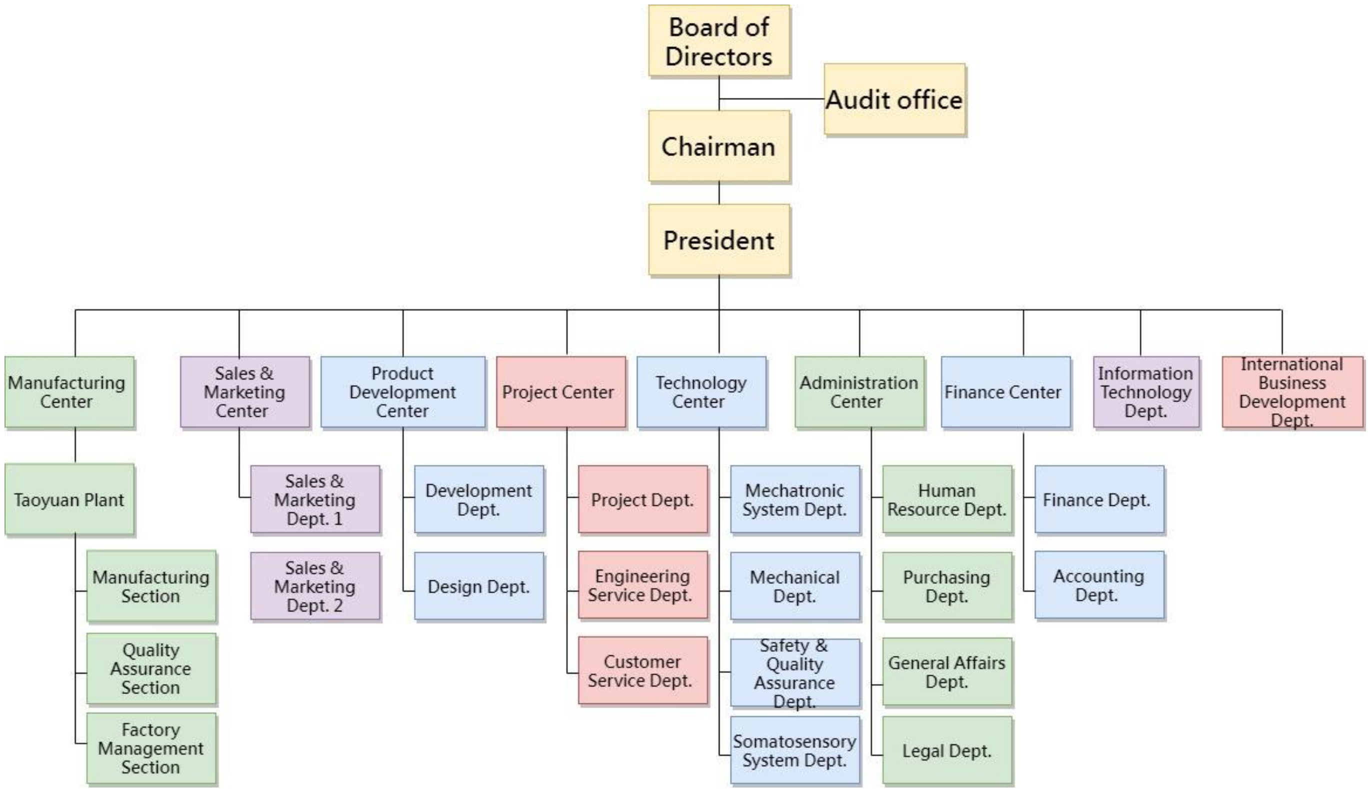
November 2018	Brogent's hexaRide VR and the first original VR film "Ghost in the Shell" made its debut at Diver City Plaza in Odaiba, Tokyo.
November 2018	Brogent's VR gaming tournament, Lightning Wings, held its championship game in Kaohsiung Arena.
December 2018	Brogent introduced "Art-Zoo Inflatable Park" from Singapore opened at Kaohsiung Harbor Pier 7.
December 2018	hexaRide 's second original VR film "Attack on Titan" premiered at Diver City Plaza in Odaiba, Tokyo.
January 2019	The Flying Theater "i-Ride Taipei" of Taipei Nan Shan Plaza officially opened.
February 2019	Brogent's VR gaming simulation ride "Lightning Wings" was invited to 2019 Mobile World Congress in Barcelona.
March 2019	The Flying Theater "THE LEGO® MOVIE™ Masters of Flight" officially opened in Legoland Florida Resort.
May 2019	Brogent presented Q-Ride, VR gaming simulation ride "Lightning Wings" and the newly developed racing simulator at the 2019 Vision Get Wild Exhibition.
July 2019	Brogent Group collaborated with American Institute in Taiwan (AIT) to premiere "Discover America" in the celebration of US-Taiwan Travel Year.
July 2019	Brogent's new racing simulator made its world debut at 2019 Asia Pacific Cities Summit in Brisbane, Australia.
August 2019	The Flying Theater "Sky Voyager" of Australia's biggest theme park Dreamworld officially opened on the Gold Coast.
September 2019	The second Flying Theater of Beijing Shijingshan Amusement Park officially opened.
September 2019	Brogent's flying theater won the " Best Dark Rides" of the 2019 European Star Award.
October 2019	The Flying Theater "FlyOver Iceland" of Iceland officially opened in Reykjavík .
December 2019	Brogent received " 2019 Chinese Outstanding 3D/Motion Theatre Suppliers" of the Asia Attraction Gold Crown.
February 2020	Brogent Group cooperated with the American company Positron to invent a new single-person ride simulator: Voyager. Voyager was invited to exhibit at Festival de Cannes.
April 2020	Brogent was ranked within the TOP 300 High-Growth Companies for the Asia-Pacific region by the Financial Times.
May 2020	Brogent signed a priority sales contract with Sansei Technologies, Inc. forming a strategic partnership with the Japanese based company.
July 2020	Brogent held a press conference with the Australian Office Taipei and the Canadian Trade Office to celebrate "FlyOver Canada" and "Discover Australia" at i-Ride Taipei in Breeze Nan Shan.
July 2020	Launched new game based real-time controlled simulator esports series at IAAPA Virtual Expo Asia.

August 2020	The first 5G VR esports game “Land” debuted at Brogent Group’s headquarters.
October 2020	Brogent Technologies was the winner of Asiamoney’s Asia’s Outstanding Companies Poll 2020 in the sector of Software & Internet Services.
October 2020	Exhibited at CAE in Beijing, returning to normal in the region after the pandemic impact.
November 2020	Won the “Corporate Sustainability Award” at the Global Corporate Sustainability Forum (GCSF) held by Taiwan Corporate Sustainability Awards (TCSA) and Global Corporate Sustainability Award (GCSA).
November 2020	Won the “Queensland-Taiwan Business Excellence Award” from the Australia New Zealand Chamber of Commerce in Taipei.

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.Inspect and evaluate whether internal control systems are sound and provide recommendations for analysis and evaluations. B.Plan, implement, and improve internal auditing systems; requests operational procedures to comply with laws, regulations, and articles of incorporation and assist in increasing business performance.
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.
Manufacuring Plant	A.Assembling products B.Build up database for Products and Machine C.Quality affairs and Factory Service

Major Divisions	Primary Duties
Sales & Marketing Center	A.Plan and implement marketing strategies. B.Achieve company-defined business goals and join overseas exhibitions. C.Handle general tasks (product presentation, proposal, quotation, negotiation, payment collection, and payment notification) and determine customer's status in contract compliance. D.Coordinate and communicate with marketing business and technical teams. E.After sales service execute and management. F.Develop potential China area business opportunities. G.Develop China area potential customers.
Product Development Center	A.Design and develop new technology and products. B. Develop new interactive game.
Project Center	A.Supervise the construction projects. B.Control product quality and communicate with customers when implementing projects.
Technology Center	A.Design, develop and produce hardware structures such as six-axis platforms, steel structures and dynamic structures such as elevators. B.Organize relative information for certification and prepare operating maintenance handbook.
Finance Center	A.Formulate financial plans, business strategy, treasury and risk management. B.Manage and operate accounting, budgeting, tax, stock affairs and provide analysis reports to assist decision-making.
Administration Center	A.Organization design and plan. Human resources management system executing including recruiting, training and salaries management. Carry out performance evaluations and devise welfare policies B.Drafting and reviewing commercial contracts, providing negotiation strategies and analysis of legal risks. Assist legal dispute conducting and discussing risk preventing strategies. C.Product/technology patent and trademark management. D.Purchasing and supplier management. E.Assist in executing and promoting general affairs and raw material management.
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. D.Hardware and software resources management.
International Business Development Department	A.Develop potential international business opportunities. B.Create future business models.

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

(1) Directors and Supervisors

1. Directors and Supervisors

March 30, 2021; 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			Note
						Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage			Title	Name	Relationship	
Chairman & CEO	ROC	Chih-Hung Ouyang	2020.05.28	3 years	2011.10.05	3,807,191	8.52%	3,807,191	6.70%	101,187	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.	Note 1
Director	ROC	Chang chun Investment Co. Ltd.	2020.05.28	3 years	2016.05.31	2,150,271	3.86%	2,150,271	3.78%	–	–	–	–	1. M.B.A., National Taiwan University 2 Vice President, Investment Administration Division, RT-Mart International	1.Vice President, Investment Administration Division, RT-Mart International 2. Juridical Person Director Representative of MEGA GROWTH VENTURE CAPITAL CO., LTD. 3.Juridical Person Director Representative of Gogoro Inc 4.Juridical Person Director Representative of Diamond Biotechnology Investment Co., Ltd. 5.Juridical Person Director Representative of Diamond Capital Management Co., Ltd. 6.Juridical Person Director Representative of MIHO INTERNATIONAL COSMETIC CO., LTD	None.	None.	None.	
		Representative Chih-Chuan Chen				-	0.00%	30,420	0.05%	–	–	–	–						
Director	ROC	Chin-Huo Huang	2020.05.28	3 years	2011.10.05	1,149,442	2.06%	1,149,442	2.02%	252,971	0.45%	–	–	1.Chang Hua Industrial Vocational High School 2.Director, SANFU Motors Industrial Corp. 3.Director, Chun Ying Metal Industrial Co., Ltd.	Chairman, Fu Ying Metal Industrial Co., Ltd.	None.	None.	None.	

<table>
<tr><th rowspan="2">Title</th><th rowspan="2">Nationality or place of registration</th><th rowspan="2">Name</th><th rowspan="2">Date elected</th><th rowspan="2">Term</th><th rowspan="2">Date first elected</th><th colspan="2">Number of shares held when elected</th><th colspan="2">Number of shares currently held</th><th colspan="2">Shares held by spouse and minor children</th><th colspan="2">Number of shares held in the name of others</th><th rowspan="2">Education/work experience</th><th rowspan="2">Other positions</th><th colspan="3">Other officer, director or supervisor who is the spouse or a relative within the second degree</th><th rowspan="2">Note</th></tr>
<tr><th>Number of shares</th><th>Shareholding Percentage</th><th>Number of shares</th><th>Shareholding Percentage</th><th>Number of shares</th><th>Shareholding Percentage</th><th>Number of shares</th><th>Shareholding Percentage</th><th>Title</th><th>Name</th><th>Relationship</th></tr>
<tr><td>Direcor</td><td>ROC</td><td>Chun-Hao Cheng</td><td>2020.05.28</td><td>3 years</td><td>2016.05.31</td><td>158,483</td><td>0.28%</td><td>158,483</td><td>0.28%</td><td>–</td><td>–</td><td>–</td><td>–</td><td>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</td><td></td><td>None.</td><td>None.</td><td>None.</td><td></td></tr>
<tr><td>Independent Director</td><td>ROC</td><td>Lewis Lee</td><td>2020.05.28</td><td>3 years</td><td>2020.05.28</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>1.National Chengchi University, Department of Accounting.
2. Partner, PwC, Taiwan.</td><td>1 Vice director, ZHI CHENG Co-located CPA Firm.
2..Independent Director，SOFT-WORLD INTERNATIONAL CORPORATION
3.Independent Director，POYA International Co., Ltd.
4. Independent Director，ALL RING TECH CO., LTD.</td><td>None</td><td>None.</td><td>None.</td><td></td></tr>
<tr><td>Independent Director</td><td>ROC</td><td>Chih-Poung Liou</td><td>2020.05.28</td><td>3 years</td><td>2020.05.28</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>1. LL. M., University of Tokyo (Japan)
2. Managing Partner, Stellex Law Firm.</td><td>1 Managing Partner, Stellex Law Firm.
2..Independent Director，JIH SUN FINANCIAL HOLDING CO., LTD</td><td>None.</td><td>None.</td><td>None.</td><td></td></tr>
<tr><td>Independent Director</td><td>ROC</td><td>Jih-Ching Chiu</td><td>2020.05.28</td><td>3 years</td><td>2020.05.28</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>1. Ph.D., CSIE, Chiao-Tung University,
2. Associate Professor, National Sun Yat-sen University</td><td>Associate Professor, National Sun Yat-sen University</td><td>None.</td><td>None.</td><td>None.</td><td></td></tr>
</table>

Note 1:Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the firstdegree of kinship, an explanation shall be given of the reason for, reasonableness, necessitythereof, and the measures adopted in response thereto(i.g. increase the positions of independent directors or there should be more than half of directors who are not employees or managers in the same time):
The reason why the company's chairperson and general manager is the same person is to improve operation efficiency and execution of decision making, however, in order to strengthen the independence of board of directors, we have been actively cultivating suitable personnel for this position. In addition, the chairperson works closely with each director on the communication of company operation status and policy to carry out thegovernance of the company. In the future, the company may plan to increase positions of independent directors to improve the competency of board of directorsand strengthen function of supervision. Currently we have actual measures as below:
1. Three of current independent directors haveexpertise in finanace and accounting, legal and industry economy relatively, which allows efficient supervision competency.
2. The company will arrange training courses from Securities and Future Insitute and other external facilities for each director toimprove the operation efficiency of board of directors.
3. Independent directors can fully involve discussion and provide suggestions for reference on each functional committee to carry out the governance of the company.
4.No more than half members of the board of directors are employees or managers.

2. Director and Supervisor Expertise and Independence

Criteria / Name	Has at least 5 years of work experience and meets one of the following professional qualifications			Meet the independence criteria (Note 1)												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	11	12	
Chih-Hung Ouyang			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None.
Chang chun Investment Co. Ltd Representative: Chih-Chuan Chen			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-✓	None.
Chin-Huo Huang			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None.
Chun-Hao Cheng	✓		✓	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None.
Lewis Lee		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3
Chih-Poung Liou		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
Jih-Ching Chiu	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None.

Note : Directors, during the two years before being elected and during the term of office, meet any of the following situations, please tick the appropriate 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;

(3) Not a natural-person shareholder who holds shares, together with those held by the person’s spouse, minor children, or held by the person under others’ names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders;

(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. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding 1 subparagraph, or of any of the abovepersons in the preceding subparagraphs 2 and 3;

(5) Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the company, ranks as of its top five shareholders, or has representative director(s) serving on the company’s board based on Article 27 of the Company Law.

(6) Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company;

(7) Not a director, supervisor, or employee of a company of which the chairman or CEO (or equivalent) themselves or their spouse also serve as the company’s chairman or CEO (or equivalent);

(8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company;

(9) Other than serving as a compensation committee member of the company, not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the company or to any affiliate of the company, or a spouse thereof, and

the service provided is an “audit service” or a “non-audit service which total compensation within the recent two years exceeds NTD500,000”;

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

(11) Not been a person of any conditions defined in Article 30 of the Company Law; and

(12) Not a governmental, juridical person or its representative as defined in Aticle 27 of the Companyt Law.

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

March 30, 2021; Unit: Shares; %

Title	Nationality	Name	Date appointed	Shares held		Shares held by spouse and children		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 second degree			Note
				Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage			Title	Name	Relationship	
Chairman & CEO	ROC	Chih-Hung Ouyang	2001.10	3,807,191	6.70%	101,187	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.	-	-	-	1
Chief Financial Officer	ROC	Sui-Chuan Lin	2013.01	214,781	0.38%	28,457	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.	-	-	-	-
Vice President	ROC	Teng-Hung Lai	2010.11	27,856	0.05%	-	-	-	-	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.	None	-	-	-	-
Chief Engineer & Sr. Director	ROC	Yi-Chung Huang	2015.08	24,333	0.04%	-	-	-	-	PhD, Electrical Engineering, National Sun Yat-sen University Chang Gu Construction Inc. Manager, KungYuanInternational Technology	None	-	-	-	-
Sr. Director	ROC	Szu-Cheng Chen	2020.04	6,830	0.01%	-	-	-	-	CAPCO, manager of HR and PR Fu Jen Catholic University, Institute of Chemistry	None	-	-	-	-
Vice President	ROC	Jyh-Jong Hwang	2020.08	27,000	0.05%	-	-	-	-	University of Missouri, Rolla General Manager of Brogent Mechanical Inc. Vice President of Sunny Enterprise Co. Ltd.	None	-	-	-	-

Note 1:Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the firstdegree of kinship, an explanation shall be given of the reason for, reasonableness, necessitythereof, and the measures adopted in response thereto(i.g. increase the positions of independent directors or there should be more than half of

directors who are not employees or managers in the same time):

The reason why the company’s chairperson and general manager is the same person is to improve operation efficiency and execution of decision making, however, in order to strengthen the independence of board of directors, we have been actively cultivating suitable personnel for this position. In addition, the chairperson works closely with each director on the communication of company operation status and policy to carry out thegovernance of the company. In the future, the company may plan to increase positions of independent directors to improve the competency of board of directorsand strengthen function of supervision. Currently we have actual measures as below:

1. Three of current independent directors haveexpertise in finanace and accounting, legal and industry economy relatively, which allows efficient supervision competency.

2. The company will arrange training courses from Securities and Future Insitute and other external facilities for each director toimprove the operation efficiency of board of directors.

3. Independent directors can fully involve discussion and provide suggestions for reference on each functional committee to carry out the governance of the company.

4.No more than half members of the board of directors are employees or managers.

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

(1) Remunerations to Directors (including Independent Directors) in the most recent year (2020)

Unit: NT$ 1,000

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees												Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary
		Base Compensation (A)		Severance Pay (B)		Bonus to Directors (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Profit Sharing- Employee Bonus (G)				Exercisable Employee Stock Options (H)		New Restricted Employee Shares (I)				
		brogent	All companies in the consolidated financial statements	brogent	Companies in the consolidated financial statements	brogent	Companies in the consolidated financial statements	brogent	Companies in the consolidated financial statements	brogent	Companies in the consolidated financial statements	brogent	Companies in the consolidated financial statements	brogent	Companies in the consolidated financial statements	brogent		Companies in the consolidated financial statements		brogent	Companies in the consolidated financial statements	brogent	Companies in the consolidated financial statements	brogent	Companies in the consolidated financial statements	
																Cash bonus	Stock bonus	Cash bonus	Stock bonus							
Chairman & CEO	Chih-Hung Ouyang	–	–	–	–	–	–	72	72	(0.15)	(0.15)	2,920	4,000	240	240	–	–	–	–	–	–	–	–	(6.57)	(8.77)	None.
Director	Chang chun Investment Co. Ltd. Representative: Chih-Chuan Chen	–	–	–	–	–	–	60	60	(0.12)	(0.12)	–	–	–	–	–	–	–	–	–	–	–	–	(0.12)	(0.12)	None.
Director	Chin-Huo Huang	–	–	–	–	–	–	72	72	(0.15)	(0.15)	–	–	–	–	–	–	–	–	–	–	–	–	(0.15)	(0.15)	None.
Director	Chun-Hao Cheng	–	–	–	–	–	–	60	60	(0.12)	(0.12)	–	2,480	–	99	–	–	–	–	–	–	–	–	(0.12)	(5.37)	None.
Independent Director	Lewis Lee	434	434	–	–	–	–	146	146	(1.18)	(1.18)	–	–	–	–	–	–	–	–	–	–	–	–	(1.18)	(1.18)	None.
Independent Director	Chih-Poung Liou	434	434	–	–	–	–	146	146	(1.18)	(1.18)	–	–	–	–	–	–	–	–	–	–	–	–	(1.18)	(1.18)	None.
Independent Director	Jih-Ching Chiu	434	434	–	–	–	–	146	146	(1.18)	(1.18)	–	–	–	–	–	–	–	–	–	–	–	–	(1.18)	(1.18)	None.
Former Independent Director	Chin-Wen Chuang	150	150	–	–	–	–	56	56	(0.42)	(0.42)	–	–	–	–	–	–	–	–	–	–	–	–	(0.42)	(0.42)	None.
Former Independent Director	Shun-Jen Cheng	150	150	–	–	–	–	44	44	(0.39)	(0.39)	–	–	–	–	–	–	–	–	–	–	–	–	(0.39)	(0.39)	None.

∗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 (2020)

Unit: NT$ 1,000

Title	Name	Remuneration						Ratio of Total Remuneration (A+B+C) to Net Income (%)		Compensation Paid to Supervisors from an Invested Company Other than the Company's Subsidiary
		Base Compensation (A)		Bonus to Supervisors (B)		Allowances (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	
Former Supervisor	Yung-Liang Huang	—	—	—	—	36	36	(0.07)	(0.07)	None.
Former Supervisor	Yi-Hsiang Huang	150	150	—	—	36	36	(0.38)	(0.38)	None.
Former Supervisor	Ken-Huang Lin	150	150	—	—	30	30	(0.37)	(0.37)	None.

*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 (2020)

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 parent company or 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							
Chairman & CEO	Chih-Hung Ouyang	2,400	3,480	240	240	520	520	-	-	-	-	(6.42)	(8.62)	-	-	-	-	None.
Vice President	Teng-Hung Lai	1,862	1,862	108	108	435	435	-	-	-	-	(4.89)	(4.89)	-	-	-	-	None.
Vice President	Jyh-Jong Hwang	1,134	2,156	54	108	170	351	-	-	-	-	(2.76)	(5.32)	-	-	-	-	None.

＊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) Managerial officers with the top five highest remuneration amounts in a company (2020):

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 parent company or 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							
Chairman & CEO	Chih-Hung Ouyang	2,400	3,480	240	240	520	520	-	-	-	-	(6.42)	(8.62)	-	-	-	-	None
Vice President	Teng-Hung Lai	1,862	1,862	108	108	435	435	-	-	-	-	(4.89)	(4.89)	-	-	-	-	None
Vice President	Jyh-Jong Hwang	1,134	2,156	54	108	170	351	-	-	-	-	(2.76)	(5.32)	-	-	-	-	None
Chief Financial Officer	Sui-Chuan Lin	1,985	1,985	108	108	447	447	-	-	-	-	(5.16)	(5.16)	-	-	-	-	None
Chief Engineer & Sr. Director	Yi-Chung Huang	1,862	1,862	108	108	396	396	-	-	-	-	(4.81)	(4.81)	-	-	-	-	None

(5) Manager name and distribution situation regarding employee bonus in the last year (2020):

Unit: NT$1,000

	Title	Name	Stock bonus	Cash bonus	Total	Total amount as a percentage of earnings (%)
Managerial officer	Chairman & CEO	Chih-Hung Ouyang	-	-	-	-
	Vice President	Teng-Hung Lai				
	Vice President	Jyh-Jong Hwang				
	Chief Financial Officer	Sui-Chuan Lin				
	Chief Engineer & Sr. Director	Yi-Chung Huang				
	Sr. Director	Szu-ChengChen				

4. Implementation of corporate governance

(1)Operations of the Board of Directors

1. In 2020, 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	Chih-Hung Ouyang	10	-	100.00	Reelected on 2020.05.28， Shall attend 10 tmies.
Director	Changchun Investment Co. Ltd. Representative: Chih-Chuan Chen	8	2	80.00	Reelected on 2020.05.28， Shall attend 10 tmies.
Director	Chin-Huo Huang	10	-	100.00	Reelected on 2020.05.28， Shall attend 10 tmies.
Director	Chun-Hao Cheng	8	1	80.00	Reelected on 2020.05.28， Shall attend 10 tmies.
Director	Chung-Ming Huang	–	5	-	Removed on 2020.05.28, Shall attend 5 tmies.
Independent Director	Chin-Wen Chuang	5	-	100.00	Removed on 2020.05.28, Shall attend 5 tmies.
Independent Director	Shun-Jen Cheng	4	-	80.00	Removed on 2020.05.28, Shall attend 5 tmies.
Independent Director	Lewis Lee	5	-	100.00	Elected on,2020.05.28, Shall attend 5 tmies.
Independent Director	Chih-Poung Liou	5	-	100.00	Elected on,2020.05.28, Shall attend 5 tmies.
Independent Director	Jih-Ching Chiu	5	-	100.00	Elected on,2020.05.28, Shall attend 5 tmies.

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: Please see Important resolutions adopted in Board of Directors' meeting.
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: Please refer to the Opinions from all the directors in the record of Board of Directors' Meetings.

   i). The 21th Board of Directors' meeting of the 6th Session on January13, 2020
   1. Name of director: Chih-Hung Ouyang
   2. Content of the proposal: 2019 Year-End bonus Recommendations for Chairman and managers.
   3. Reasons for recusal and the participation in the voting：

   Director Chih-Hung Ouyang recused the meeting due t o conflict of interest and avoided the discussion and resolution. The proposal as proposed was unanimously approved by all attending directors.

   ii). The 23th Board of Directors' meeting of the 6th Session on March 9, 2020
   1. Name of director: Chih-Hung Ouyang
   2. Content of the proposal: remuneration adjustment of managers.
   3. Reasons for recusal and the participation in the voting：

   Director Chih-Hung Ouyang recused the meeting due t o conflict of interest and avoided the discussion and resolution. The proposal as proposed was unanimously approved by all attending directors.

   iii). The 1st Board of Directors' meeting of the 7th Session on June 19, 2020
   1. Name of director: Lewis Lee、Chih-Poung Liou、Jih-Ching Chiu

Title	Name (Note 1)	Attendance in person (B)	By proxy	Attendance rate (%) [B/A](Note 2)	Note

2. Content of the proposal: Appointment of remuneration committee.
3. Reasons for recusal and the participation in the voting：
Independent director Lewis Lee、Chih-Poung Liou、Jih-Ching Chiu recused the meeting due t o conflict of interest and avoided the discussion and resolution. The proposal as proposed was unanimously approved by all attending directors.

iv). The 2nd Board of Directors' meeting of the 7th Session on July 8, 2020
1. Name of director: Chih-Hung Ouyang、Chih-Chuan Chen、Chin-Huo Huang、Chun-Hao Cheng
2. Content of the proposal: Remuneration Distribution of Employees, Directors, and Supervisors..
3. Reasons for recusal and the participation in the voting：
Director Chih-Hung Ouyang、Chih-Chuan Chen、Chin-Huo Huang、Chun-Hao Cheng recused the meeting due t o conflict of interest and avoided the discussion and resolution. The proposal as proposed was unanimously approved by all attending directors.

3. Director Chih-Hung Ouyang recused the meeting due to conflict of interest and avoided the discussion and resolution. The version of proposal was unanimously approved by all attending directors.
4. 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. Evaluation performance of Operations of the Board of Directors

Frequency of evaluation (Note 1)	Evaluation period (Note 2)	Scope of evaluation (Note 3)	Method of evaluation (Note 4)	Content of evaluation (Note 5)
Once a year	2020.01.01 ~ 2020.12.31	Board of Directors and individual board menber	Self-evaluation / Remuneration committee	Including the situation of attending the board meeting, understanding and articipating in the discussion of the proposal before the meeting, the situation of interacting with the management team, the situation of observing laws and codes of practice, the improvement of corporate governance, the continuous study of courses related to corporate governance, the situation of understanding the company and the management team and the industry , Other projects designated by the competent authority or the board of directors, etc.

Note1: For example, once a year.

Note2: For example, the performance period during 1/1/2019~12/31/2019.

Note3: Performance of Board of Directors, individual member and functional committe.

Note4:Methods of evaluations: the internal evaluation of the board, self-evaluation by individual board members, peer evaluation, and evaluation by appointed external professional institutions, experts, or other appropriate methods.

Note5：Content of evaluation at least should include below following:

(1) Performance of Board of Directors：Participation in the operation of the company, improvement of the quality of the board of directors' decision making, composition and structure of the board of directors, election and continuing education of the directors and internal control.

(2) The criteria for evaluating the performance of the board members：alignment of the goals and missions of the company, awareness of the duties of a director, participation in the operation of the company, management of internal relationship and communication, the director's professionalism and continuing education and internal control.

(3) Performance of functional committees should cover：Awareness of the duties of the functional committee, improvement of quality of decisions made by the functional committee, makeup of the functional committee and election of its members and internal control.

(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:

1.Operation Status of Audit Committee

The audit committee of the company consists of three independent directors. The audit committee is designed to assist the board of directors in fulfilling the quality and integrity of the company in supervising the accounting, auditing, financial reporting process and financial control. The main considerations include auditing of financial statements and accounting policies and procedures, internal control systems and related policies and procedures, raising funds or issuing securities, legal compliance, information security, corporate risk management, qualifications, independence and performance assessment of CPA, appointment, dismissal or remuneration of CPA and self-assessment questionnaire of audit committee assessment appraisal.

The Audit Committee has held 5 meetings in the most recent year, the attendance of the independent directors is as follows:

Title	Name	Attendance in person	Attendance rate (%)	Note
Independent director	Lewis Lee	5	100.00	Shall attended 5 times.
Independent director	Chih-Poung Liou	5	100.00	Shall attended 5 times.
Independent director	Jih-Ching Chiu	5	100.00	Shall attended 5 times.

Other items to be recorded:

1.The operation of the Audit Committee shall state the board meeting's date, period, content of the proposal, resolution of Audit Committee and the company's opinion o resolution of Audit Committee if any of the following circumstances occurs.

(i). Matterslisted in Article 14-5 of the Securities and Exchange Act

1. The 1st Board of Directors' meeting of the 7th Session on June 19,2020, reviewed the proposa of this company's "replacement of the CPA firm, certified CPA and CPA independence assessment". After review of the 1st Audit Committee meeting of the 1st Session on June 19,2020, the proposal as proposed was unanimously approved by the all attending independe directors. The treatment of this company to the opinion of audit committee: Report to Board o Directors. Resolution of board of directors: the proposal as proposed was unanimously approved by all attending directors.
2. The 2nd Board of Directors' meeting of the 7th Session on July 8,2020, reviewed proposal of the company's third and forth domestic unsecured convertible bonds. After review of the 2nd Audit Committee meeting of the 1st Session on July 8,2020, the proposal as proposed was unanimously approved by the all attending independent directors. The treatment of this company to the opinion of audit committee: Report to Board of Directors. Resolution of boar of directors: the proposal as proposed was unanimously approved by all attending directors.

Title	Name	Attendance in person	Attendance rate (%)	Note

3. The 4th Board of Directors' meeting of the 7thSession on November 10,2020, reviewed the proposal of this company's "Change 2020 annual audit plan ". After review of the 4st Audit Committee meeting of the 1st Session on November 10,2020, the proposal as proposed was unanimously approved by the all attending independent directors. The treatment of this company to the opinion of audit committee: Report to Board of Directors. Resolution of board of directors: the proposal as proposed was unanimously approved by all attending directors.
4. The 5th Board of Directors' meeting of the 7thSession on December 16,2020, reviewed the proposal of this company's "2021 annual audit plan ". After review of the 5st Audit Committee meeting of the 1st Session on December 16,2020, the proposal as proposed was unanimously approved by the all attending independent directors. The treatment of this company to the opinion of audit committee: Report to Board of Directors. Resolution of board of directors: the proposal as proposed was unanimously approved by all attending directors.
5. The 5th Board of Directors' meeting of the 7thSession on December 16,2020, reviewed the proposal of this company's "The revision of the company's reinvestment business management measures. " After review of the 5st Audit Committee meeting of the 1st Session on December 16,2020, the proposal as proposed was unanimously approved by the all attending independent directors. The treatment of this company to the opinion of audit committee: Report to Board of Directors. Resolution of board of directors: the proposal as proposed was unanimously approved by all attending directors.

(ii). Except the foregoing matters, other resolution not be approved by the audit committee but approved by more than two thirds of all directors: None.

2. For the Independent Director's recusal to the proposal with interest, the name of the independent director, the content of the proposal, the reasons for recusal and the participation in the voting shall be stated: none.
3. Communication between independent directors and internal audit supervisors and CPA (shall include important matters,methods and results of communication on the company's financial and business conditions).

(i). The audit supervisor submits an audit plan report to the independent directors in the month following the completion of the audit items. The independent directors have no objections.

(ii). The independent director has no objection to the audit report of the audit supervisor.

(iii). The audit supervisor will report the audit plan for the next y ear before the end of each fiscal year, and report it to the board of directors for resolution after being approved by the audit committee.

(iv). The Company has provided contact telephone numbers and email addresses between independent directors The Company has provided contact telephone numbers and email addresses between independent directors (members of th(members of the Audit Committee) and internal audit supervisors for direct contact and communication each other. e Audit Committee) and internal

Title	Name	Attendance in person	Attendance rate (%)	Note

audit supervisors for direct contact and communication each other. The audit supervisors of the company shall sit in each audit report of the board of directors and consult the The audit supervisors of the company shall sit in each audit report of the board of directors and consult the independent directors (members of the audit comindependent directors (members of the audit committee).mittee).

(v). The company's annual internal control effectiveness assessment and internal control statement shall be submitted to The company's annual internal control effectiveness assessment and internal control statement shall be submitted to the Audit Committee for reviethe Audit Committee for revieww..

(vi). The annual financial report and semiThe annual financial report and semi--annual financial report of the company shall be submitted toannual financial report of the company shall be submitted to the board of the board of directors for resolution after approval by more than onedirectors for resolution after approval by more than one--half of all members of the audit committee. Prior to the half of all members of the audit committee. Prior to the review of the financial report, the Audit Committee will discuss and communicate with the CPA in advance about review of the financial report, the Audit Committee will discuss and communicate with the CPA in advance about the results of ththe results of the audit.e audit.

2.In 2020, 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	Attendance rate (%) (Note)	Note
Supervisor	Yung-Liang Huang	5	100.00	Removed on 2020.05.28, Shall attended 5 times.
Supervisor	Yi-Hsiang Huang	5	100.00	Removed on 2020.05.28, Shall attended 5 times.
Supervisor	Ken-Huang Lin	4	80.00	Removed on 2020.05.28, Shall attended 5 times.

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 discrepancy.
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 discrepancy.
3. Composition and responsibilities of the Board of Directors (1) Does the Board of Directors develop and implement a diversified policy for the composition of its members?	V		(1) The Company has set up 3 seats for Independent Directors. (2) The Company has established a Remuneration	No discrepancy.

Assessed areas	State of Operations (Note 1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
(2) Does the company voluntarily establish other functional committees in addition to remuneration committee and audit committee? (3) Has the Company established methodology for evaluating the performance of its Board of Directors, on an annual basis, reported the results of performance to the Board of Directors, and use the results as reference for directors' remuneration and renewal? (4) Does the company regularly evaluate the independence of CPAs?			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.	
4. Does the Company appoint competent and appropriate corporate governance personnel and corporate governance officer to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors, assisting directors'compliance of law, handling matters related to board meetings and shareholders' meetings according to law, and recording minutes of board meetings and shareholders' meetings)?	V		We arrange specific officers in charge of corporate governance affairs	No discrepancy.

Assessed areas	State of Operations (Note 1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
5. 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 discrepancy.
6. 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 discrepancy.
7. 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 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)? (3) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline?	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 information regarding the company's financial, business and corporate governance status from the Market Observation Post System. (3) Handle within the prescribed time limit.	No discrepancy.

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. 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 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	No discrepancy.

Assessed areas	State of Operations (Note 1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			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 2019 and 2020 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.	
9.Please provide explanations for the improvement made according to the results of the corporate governance evaluation by the Corporate Governance Center of Taiwan Stock Exchange during the most recent year, and details on the priority issues and measures for the areas yet to be improved (not applicable to the companies not evaluated). In 2020, the company’s corporate governance focus on improving the interests of shareholders. The company will continue to strengthen the				

Assessed areas	State of Operations (Note 1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
structure and operation of the Board of Directors, reinforce the function of the Board of Directors and enhance the quality of disclosure for non-financial information to strengthen the corporate governance information.				

The Continuing Education Status of Directors and Supervisors in 2020 and 2021 to the date of this Annual Report				
Title	Name	Organizer	Course name	Hours
Chairman	Chih-Hung Ouyang	Taiwan Corporate Governance Association	Corporate Social Responsibility and Sustainable Competitiveness	3 hours
Chairman	Chih-Hung Ouyang	Taiwan Corporate Governance Association	How should corporations preemptively prepare for the need of compliance management in a world of digital transformation.	3 hours
Director	Changchun Investment Co. Ltd. Representative: Chih-Chuang Chen	Taiwan Inverstor Relations Institute	The current status and future of intellectual property rights protection related to pharmaceuticals in Taiwan.	3 hours
Director	Changchun Investment Co. Ltd. Representative: Chih-Chuang Chen	Taiwan Corporate Governance Association	Exploring the responsibility of Directors and Supervisors for illegal cases from securities market	3 hours
Director	Chin-Huo Huang	Taiwan Corporate Governance Association	Corporate Social Responsibility and Sustainable Competitiveness	3 hours
Director	Chin-Huo Huang	Taiwan Corporate Governance Association	How should corporations preemptively prepare for the need of compliance management in a world of digital transformation.	3 hours
Director	Chun-Hao Cheng	Taiwan Corporate Governance Association	Corporate Social Responsibility and Sustainable Competitiveness	3 hours
Director	Chun-Hao Cheng	Taiwan Corporate Governance Association	How should corporations preemptively prepare for the need of compliance management in a world of digital transformation.	3 hours
Independent Director	Lewis Lee	Taiwan Corporate Governance Association	Corporate Social Responsibility and Sustainable Competitiveness	3 hours
Independent Director	Lewis Lee	Taiwan Corporate Governance Association	How should corporations preemptively prepare for the need of compliance management in a world of digital transformation.	3 hours
Independent Director	Chih-Poung Liou	Indenpend Director Association Taiwan	Practical operation, control mechanism and case sharing of related party transactions	3 hours

The Continuing Education Status of Directors and Supervisors in 2020 and 2021 to the date of this Annual Report				
Title	Name	Organizer	Course name	Hours
Independent Director	Chih-Poung Liou	Taiwan Corporate Governance Association	Money laundering regulations, patterns and pre-crimes (such as insider trading)	3 hours
Independent Director	Jih-Ching Chiu	Taiwan Corporate Governance Association	Corporate Social Responsibility and Sustainable Competitiveness	3 hours
Independent Director	Jih-Ching Chiu	Taiwan Corporate Governance Association	How should corporations preemptively prepare for the need of compliance management in a world of digital transformation.	3 hours
Independent Director	Jih-Ching Chiu	Taiwan Stock Exchange/ Taipei Exchange	2020 Corporate Jurisprudence and Corporate Integrity Directors and Supervisors Promotion Conference.	3 hours
Independent Director	Jih-Ching Chiu	Taiwan Institute of Directors	Looking for new growth momentum in the 2020 strategic turning year.	3 hours

(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	Criteria / Name	Has at least 5 years of work experience and meets one of the following professional qualifications			Meet the independence criteria (Note 1)										Number of other public companies in which the member also serves as a member of their compensation committee	Note
		An instructor or higher position in the epartment 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	9	10		
Independent Director	Lewis Lee		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3	Elected on,2020.05.28
Independent Director	Chih-Poung Liou		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	Elected on,2020.05.28
Independent Director	Jih-Ching Chiu	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	Elected on,2020.05.28
Independent Director	Ching-Wen Chuang	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	Removed on 2020.05.28
Independent Director	Shun-Jen Cheng	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3	Removed on 2020.05.28
External committee member	Rong-Da Liang	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	Removed on 2020.05.28

Note 1: Compensation Committee Members, during the two years before being elected or during the term of office, meet a any of the following situations, please tick the appropriate 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.;
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders;
4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding 1 subparagraph, or of any of the above persons in the preceding subparagraphs 2 and 3;
5. Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the company, ranks as of its top five shareholders, or has representative director(s) serving on the company's board based on Article 27 of the Company Law.
6. Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company;
7. Not a director, supervisor, or employee of a company of which the chairman or CEO (or equivalent) themselves or their spouse also serve as the company's chairman or CEO (or equivalent);
8. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company;
9. Other than serving as a compensation committee member of the company, not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the company or to any affiliate of the company, or aspouse thereof, and the service provided is an "audit service" or a "non-audit service which total compensation within the recent two years exceeds NTD500,000"
10. Not been a person of any conditions defined in Article 30 of the Company Law.

2. State of operations of the compensation committee

(A) The Compensation Committee comprises 3 members.
Current term of office: June 19, 2020–May 27, 2023; 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
Convenor-Independent Director,	Lewis Lee	1	0	100.00	Elected on,2020.06.19, Shall attended 1 times.
Independent Director,	Chih-Poung Liou	1	0	100.00	Elected on2020.06.19 Shall attended 1 times.
Independent Director,	Jih-Ching Chiu	1	0	100.00	Elected on,22020.06.19, Shall attended 1 times.
Independent Director,	Ching-Wen Chuang	2	0	100.00	Removed on 2020.05.28, Shall attended 2 times
Independent Director,	Shun-Jen Cheng	2	0	100.00	Removed on 2020.05.28, Shall attended 2 times
Committee member-External committee member	Rong-Da Liang	2	0	100.00	Removed on 2020.05.28, Shall attended 2 times

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.

(5) Implementation of corporate social responsibility and deviations from corporate social responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and reasons

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. Does the Company follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to company operation, and establish risk management related policy or strategy?	V		(1) The Company has established Corporate Social Responsibility Best Practice Principles and examined its implementation effectiveness. (2) The Company has established the Ethical Code of Conducts for Directors, Supervisors, and Managerial Officers. (3) The Company has established Work Rules Guideline for Salary Management and Guideline for Performance Management, which clearly specifies relevant effective rewarding and punishment systems.	No discrepancy.
2. 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?	V		The departments related to the social responsibility of the Company all handle relevant matters according to their duties.	No discrepancy.
3. Environmental issue (1) Does the company establish a proper environmental management system based on the characteristics of the industry? (2) Does the company endeavor to improve the efficiency of resource utilization and use recycled materials which have a low impact on the environment? (3) Does the Company evaluate current and future	V		(1) Yes the company has set up environmental management and discloses relevant information on its website. (2) 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.	No discrepancy.

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)	
climate change potential risks and opportunities and take measures related to climate related topics? (4) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set energy conservation, greenhouse gas emissions reduction, water usage reduction and other waste management policies?			(3) For the potential risks and opportunities casued by climate change from now on, Brogent has especially isured to amortize the property damage. We are aggressively devoted ourselves to researching and developing the indoor amusement (training) facilities and hopefully we can create commercial opportunities under the influence of extreme weather. (4) The company regularly monitors the air quality of the office environment, uses LED lighting and solar power generation devices, and installs energy-saving central air-conditioning control systems and full heat exchangers to effectively maintain air quality and energy-saving and carbon-reduction purposes, and exposes energy use on the company's website With an overview of greenhouse gas emissions.	
4. Social issue (1) Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles? (2) Has the Company established appropriately managed employee welfare measures (include salary and compensation, leave and others), and link operational performance or achievements with employee salary and compensation? (3) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training? (4) Has the Company established effective career	V		(1) The company follows international principles, respects internationally recognized basic human rights, including caring for vulnerable groups, prohibiting child labor, eliminating employment and employment discrimination, etc., and abides by labor-related laws and regulations where the company is located. (2) 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	No discrepancy.

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)	
development training plans? (5) Does the Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labelling and set polices to protect consumers' rights and consumer appeal procedures? (6) Does the Company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right, and their implementation status?			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. (3) The Company endeavors to provide a safe and healthy working environment and provide employees with regular safety and health training. (4) The company's training plan is based on supervisors / general employees, taking regular training / unscheduled training, and depending on the content of each department, in order to effectively train employees' related capabilities. (5) The company has a customer service department dedicated to handling consumer rights protection and appeals. 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)	

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)	
			(6) YES, a list of supplier evaluation standards was added. The Company upholds the principle of ethical corporate management and collectively cooperate with the suppliers in development projects to facilitate coexistence and collective prosperity.	
5. Does the Company refer to international reporting rules or guidelines to publish CSR Report to disclose non-financial information of the Company? Has the said Report acquire 3rd certification party verification or statement of assurance?	V		The company has prepared corporate social responsibility reports with reference to internationally-prepared reporting standards or guidelines.	No discrepancy.
6. 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				
7. Other important information to facilitate a better understanding of the company's corporate social responsibility practices: The Company discloses relevant information regarding its corporate social responsibility on its website, annual report, the prospectuses, and CSR report.				

Note 1: If companies select "Yes" in the Summary column, please specify the relevant policy,strategy and the result of implementation, and if companies select "No" in the Summary column, please explain the reason and describe future improvements or relevant management guidelines and goals.

Note 2: For companies that have compiled CSR reports, the summary may specify the CSR reporting method and page numbers.

Note 3: Principle of materiality may refer to the significant impact on the rights and interests of stakeholders while companies are advised to promulgate their own corporate social responsibility principles in accordance with the Principles to manage their economic, environmental and social risks and impact.

(6) Implementation of ethical corporate management and deviations from ethical corporate managemen Best-Practice Principles for TWSE/TPEx Listed Companies and reasons

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 have a clear ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team? (2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies? (3) Whether the company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and complaint procedures, and periodically reviews and revises such policies?	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 discrepancy.

<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></td><td></td><td></td><td>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.</td><td></td></tr>
<tr><td>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) Whether the company has set up a unit which is dedicated to promoting the company’s ethical standards and regularly (at least once a year) reports directly to the Board of Directors on its ethical corporate management policy and relevant matters, and program to prevent unethical conduct and monitor its implementation?

(3) Does the company establish policies to prevent conflicts of interest, provide appropriate channels for filing related complaints and implement the policies accordingly?

(4) To implement relevant policies on ethical conducts, has the company established effective accounting and internal control systems, audit plans based on the assessment of unethical conduct, and have its ethical conduct program audited by internal auditors or CPA</td><td>V</td><td></td><td>(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</td><td>No discrepancy.</td></tr>
</table>

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	
periodically? (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) Whether the company has established standard operation procedures for investigating the complaints received, follow-up measures after investigation are completed, and ensuring such complaints are handled in a confidential manner? (3) Does the company provide proper whistleblower	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 discrepancy.

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	
protection?				
4. Enhancing information disclosure 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?	V		The Company has set up a website for disclosing corporate governance information.	No discrepancy.
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.				
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				

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 of the meeting	Key issues in summary	Outcome of resolution	Facts of implementation
2020.05.28 (Share holders’ regular meeting)	Reporting Items (1) 2019 Business Report (2) 2019 Supervisor’s Audit Report (3) 2019 Report on Remuneration Distribution of Employees, Directors, and Supervisors. (4) Amendment to “Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managers”. (5) Amendment to “Ethical Corporate Management Best Practice Principles”.	All items passed and executed as scheduled.	

Date of the meeting	Key issues in summary	Outcome of resolution	Facts of implementation
	Passed Items (1) 2019 Business Report and Financial Statements	The balloting outcome including votes exercised through electronic voting: 41,511,535 pro votes , accounting for 99.98% of the aggregate total votes; 524 con votes, 0 invalid vote, abstention/ Non-voting votes: 7,490 votes. The present issue is duly resolved exactly as proposed.	Reports and statements distributed to shareholders according to relevant laws and regulations
	(2) 2019 Earnings Distribution Proposal.	The balloting outcome including votes exercised through electronic voting: 41,511,535 pro votes , accounting for 99.98% of the aggregate total votes; 1,784 con votes, 0 invalid vote, abstention/ Non-voting votes: 6,230 votes. The present issue is duly resolved exactly as proposed.	Dividend base date scheduled on Augest 1, 2020, ex-dividend date on July 24, 2020, the book closure date on July 27, 2020. According to Article 165 of the Company's Articles of Incorporation, the book closure period is from July 28, 2020 to Augest 0, 2020. Cash dividend payday is August 21, 2020.
	Matters for Discussion I (1) Amendment of the Article of Incorporation.	The balloting outcome including votes exercised through electronic voting: 41,509,955 pro votes , accounting for 99.97% of the aggregate total votes; 524 con votes, 0 invalid vote, abstention/ Non-voting votes:9,070 votes. The present issue is duly resolved exactly as proposed.	The issue had been duly completed in enforcement exactly as amended.
	(2) Amendment to Rules of Procedure for Shareholders Meetings.	The balloting outcome including votes exercised through electronic voting: 41,509,948 pro votes , accounting for 99.97% of the aggregate total votes;531 con votes, 0 invalid vote, abstention/ Non-voting votes: 9,070 votes. The present issue is duly resolved exactly as proposed.	The issue had been duly completed in enforcement exactly as amended.
	(3) Amendment to Procedures for Election of Directors and Supervisors.	The balloting outcome including votes exercised through electronic voting: 41,509,956 pro votes , accounting for 99.97% of the aggregate total votes; 524 con votes, 0 invalid vote, abstention/ Non-voting votes: 9,069 votes. The present issue is duly resolved exactly as proposed.	The issue had been duly completed in enforcement exactly as amended.

Date of the meeting	Key issues in summary	Outcome of resolution	Facts of implementation
	(4) Amendment to Procedures for Acquisition and Disposal of Assets	The balloting outcome including votes exercised through electronic voting: 41,509,953 pro votes , accounting for 99.97% of the aggregate total votes; 524 con votes, 0 invalid vote, abstention/ Non-voting votes: 9,072 votes. The present issue is duly resolved exactly as proposed.	The issue had been duly completed in enforcement exactly as amended.
	(5) Amendment to Handling Procedures for Loaning Funds.	The balloting outcome including votes exercised through electronic voting: 41,509,953 pro votes , accounting for 99.97% of the aggregate total votes; 527 con votes, 0 invalid vote, abstention/ Non-voting votes: 9,069 votes. The present issue is duly resolved exactly as proposed.	The issue had been duly completed in enforcement exactly as amended.
	(6) Amendment to Operational Procedures for Loaning of Company Funds" and "Operational Procedures for Endorsements and Guarantees:	The balloting outcome including votes exercised through electronic voting: 41,509,953 pro votes , accounting for 99.97% of the aggregate total votes; 527 con votes, 0 invalid vote, abstention/ Non-voting votes: 9,069votes. The present issue is duly resolved exactly as proposed.	The issue had been duly completed in enforcement exactly as amended.
	Votes The comprehensive reelection of Directors.	All items passed and executed as scheduled. The list of elected Directs: Chih-Hung Ouyang elected 71,080,477 votes、 Chih-Chuan Chen(The Representative of Chang chun Investment Co. Ltd.) elected 66,430,359 votes、 Chin-Huo Huang elected 61,550,148 votes、 Chun-Hao Cheng elected 60,965,530 voes. The list of elected Independent Directs: Lewis Lee elected 6,493,923 votes、 Chih-Poung Liou elected 6,443,365 votes、 Jih-Ching Chiu elected 6,420,747 votes.	Executed as resolved, the company has announced on MOPS .

Date of the meeting	Key issues in summary	Outcome of resolution	Facts of implementation
	Matters for Discussion-II The proposal for lifting the ban on competition between newly elected Directors and their representatives.	The balloting outcome including votes exercised through electronic voting: 41,106,795 pro votes , accounting for 99.00% of the aggregate total votes; 1,651con votes, 0 invalid vote, abstention/ Non-voting votes: 411,103 votes. The present issue is duly resolved exactly as proposed.	The issue had been duly completed in enforcement exactly as amended.

2.Board of Directors' Meeting

Date	Proposal
2020.01.13	Approved the Year-End Bonus Disbursement Principle and Manager Year-End Bonus.
	Approved the Evaluation plan of the independence of CPAs.
	Approved the Authorization of Grant Thorton as 2020 Auditor for the Company's financial report.
	Approved the Financing application plan.
Opinions from all the independent directors and the company's response to such opinions	Opinion from independent directors: none The company's response to such opinions: none Resolution: unanimous consent from all the directors present
2020.02.10	Approved the amended plan of the 3rd stage investment in the Kaoshsiung Software Park.
	Approved the Financing application plan.
Opinions from all the independent directors and the company's response to such opinions	Opinion from independent directors: none The company's response to such opinions: none Resolution: unanimous consent from all the directors present
2020.03.09	Approved the 2019 Statement on Internal Control.
	Approved the 2019 Director and Employee Bonus Plan.
	Approved the 2019 Business Report and Financial Statements.
	Approved the 2019 Earnings Distribution Plan.
	Approved the Audit Committee Charter.
	Approved the Amendments of the Article of Incorporation.
	Approved the Amendments of Rules of Procedure for Shareholders Meetings.
	Approved the Amendments of Election Procedure for Directors and Supervisors.
	Approved the Amendments to the clauses of the Procedures for Acquisition and Disposal of Assets.
	Approved the Amendments to Operational Procedures for Endorsements and Guarantees.
	Approved the Amendments to Operational Procedures for Loaning of Company Funds.
	Approved the Amendments to Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managers.
	Approved the Amendment to the Rules and Procedures of Board of Directors Meetings.
	Approved the Amendments to Ethical Corporate Management Best Practice Principles.
	Approved the Proposal of Authorized amount of Loans by The Company to its Subsidiaries.
	Approved the Liability Insurance Renewal Plan for the Directors, Supervisors and Managers.
	Approved the manager promotion plan.
	Approved the Dissolution of Business Strife Limitation Clause of Managers.
	Approved the Adjument of the Manager Remuberation.
	Passed the re-election of the Board of Directors.
	Passed the Dissolution of Business Strife Limitation Clause of New Director and Its Representative.
	Approved the proposed calling of 2020general shareholders' meeting.

Date	Proposal
Opinions from all the independent directors and the company's response to such opinions	Opinion from independent directors: none The company's response to such opinions: none Resolution: unanimous consent from all the directors present
2020.04.15	Approved independent directors are nominated by candidates.
	Approved the Proposal of The Company to obtain 100% shares of BROGENT MECHANICAL INC.
Opinions from all the independent directors and the company's response to such opinions	Opinion from independent directors: none The company's response to such opinions: none Resolution: unanimous consent from all the directors present
2020.05.12	Approved the 2020 First Quarter Financial Report.
Opinions from all the independent directors and the company's response to such opinions	Opinion from independent directors: An Independent Director - Shun-Jen Cheng objected to dismissal of Chairman and waived his voting power of election of new Chairman. The company's response to such opinions: Making a timely announcement of that material information in accordance with the relevant laws and regulations. Resolution: Approval of a majority of the directors present at a directors meeting.
2020.05.28	Approved the appointment of the company chairman.
Opinions from all the independent directors and the company's response to such opinions	Opinion from independent directors: none The company's response to such opinions: none Resolution: unanimous consent from all the directors present
2020.06.19	Approving the capital injection to Brogent Hong Kong Limited.
	Approved to change Chartered Public Accountant due to the internal reorganization of the CPA firm.
	Approve the replacement of certified public accountants, certified public accountants and independent assessments.
Opinions from all the independent directors and the company's response to such opinions	Opinion from independent directors: none The company's response to such opinions: none Resolution: unanimous consent from all the directors present
2020.07.08	Approved the Resolution on determining the ex-dividend date and payable date for year 2020.
	Approved the 2019 Director and Employee Remuneration Plan.
	Approved the company's proposed issuance of the third domestic unsecured conversion corporate bond and the fourth domestic unsecured conversion corporate bond.
	Approved the appointment of senior managers of the company.
	Approved the proposal to lift the ban on competition among managers.
	Approved the company's audit supervisor change.
Opinions from all the independent directors and the company's response to such opinions	Opinion from independent directors: none The company's response to such opinions: none Resolution: unanimous consent from all the directors present
2020.08.12	Approved the 2020 Second Quarter Financial Report
	Approved the merger of the company's subsidiaries, pass the merger contract, and set the merger benchmark date.
	Approved the company's 2020 annual audit plan change.
Opinions from all the independent directors and the company's response to such opinions	Opinion from independent directors: none The company's response to such opinions: none Resolution: unanimous consent from all the directors present
2020.11.10	Approved the company's 2020 annual audit plan change.
	Approved the company audit report signing procedure.
	Approved the company's foreign exchange risk hedging operation.
	Approved the Financing application plan.

Date	Proposal
Opinions from all the independent directors and the company's response to such opinions	Opinion from independent directors: none The company's response to such opinions: none Resolution: unanimous consent from all the directors present
2020.12.16	Approved the 2021 Operation Budget Plan.
	Approved the 2021 Audit Plan.
	Approved the revision of the internal control system.
	Approved the revision of the company's reinvestment business management measures.
	Approved the intangible assets acquired .
	Approved the Financing application plan.
Opinions from all the independent directors and the company's response to such opinions	Opinion from independent directors: none The company's response to such opinions: none Resolution: unanimous consent from all the directors present
2021.01.20	Amendment to "Directors, supervisors, managers' compensation management method"
	Approved the Year-End Bonus Disbursement Principle and Manager Year-End Bonus.
	Approved the Evaluation plan of the independence of CPAs.
	Approved the Financing application plan.
Opinions from all the independent directors and the company's response to such opinions	Opinion from independent directors: none The company's response to such opinions: none Resolution: unanimous consent from all the directors present
2021.03.10	Approved the 2020 Statement on Internal Control.
	Approved the 2020Business Report and Financial Statements.
	Approved the Chart of 2020 Deficit Compensation
	Approved the Adjument of the Manager Remuberation.
	Approved the company's "Employee Stock Ownership Meeting" manager's deposit amount proposal.
	Approved the Proposal of Authorized amount of Loans by The Company to its Subsidiaries.
	Approved the Liability Insurance Renewal Plan for the Directors and Managers.
	Approved the proposed calling of 2021 general shareholders' meeting.
Opinions from all the independent directors and the company's response to such opinions	Opinion from independent directors: none The company's response to such opinions: none Resolution: unanimous consent from all the directors present

(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:

Title	Name	Date of appointment	Date of discharge	Cause
Director of Audit Office	Hui-Ping Li	2008.03.03	2020.08.01	Job adjustment

5. Information on fees to CPA

(1) Audit Fee

Unit: NT$1,000

Name of accounting firm	CPA	Audit Fee	Non-audit Fee					Period Covered by CPA's Audit	Remarks
			System of Design	Company Registration	Human Resource	Others	Subtotal		
Grant Thornton Taiwan	Yao Ting Li	809	-	-	-	-	-	2020/01/01 - 2020/03/31	Business and management needs
	Yi Shun Chang								
Deloitte & Touche Certified Public Accountants Taiwan	Chiu-Yen Wu	4,100	-	-	-	370	370	2020/01/01 - 2020/12/31	Business and management needs
	Lee-Yuan Kuo								

(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: None.

(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: None..

(4) If the audit fee is more than 15% less than that paid in the previous year: None.

6. Changes to CPA information

(1) Concerning former CPA:

<table>
<tr><td>Date of Change</td><td colspan="5">Approved by Board of Directors on June 19, 2020</td></tr>
<tr><td>Reasons and Explanation of Changes</td><td colspan="5">To meet long-term strategic development and management needs.</td></tr>
<tr><td rowspan="3">State whether the Appointment is Terminated or Rejected by the Consignor or CPAs</td><td colspan="3">Client
Status</td><td>CPA</td><td>Consignor</td></tr>
<tr><td colspan="3">Appointment terminated automatically</td><td></td><td>V</td></tr>
<tr><td colspan="3">Appointment rejected (discontinued)</td><td></td><td></td></tr>
<tr><td>The Opinions other than Unmodified Opinion Issued in the Last Two Years and the Reasons for the Said Opinions</td><td colspan="5">None</td></tr>
<tr><td rowspan="6">Is there any disagreement in opinion with the issuer</td><td rowspan="4">Yes</td><td></td><td colspan="3">Accounting principle or practice</td></tr>
<tr><td></td><td colspan="3">Disclosure of financial statements</td></tr>
<tr><td></td><td colspan="3">Auditing scope or procedures</td></tr>
<tr><td></td><td colspan="3">Others</td></tr>
<tr><td>No</td><td colspan="4">v</td></tr>
<tr><td>Explanation</td><td colspan="4">NA</td></tr>
<tr><td>Supplementary Disclosure (Disclosures Specified in Article 10.6.1.4~7 of the Standards)</td><td colspan="5">None</td></tr>
</table>

(2) Concerning succeeding CPA :

Accounting Firm	Deloitte & Touche Certified Public Accountants Taiwan
CPA	Chiu-Yen Wu Lee-Yuan Kuo
Date of Engagement	Approved by Board of Directors on June 19, 2020
Prior to the Formal Engagement, Any Inquiry or Consultation on the Accounting Treatment or Accounting Principles for Specific Transactions, and the Type of Audit Opinion that Might be Rendered on the Financial	None
Written Opinions from the Successor CPAs that are Different from the Former CPA’s Opinions	None

(3) Previous CPA response to items in Article 10.6.1 and 10.6.2.3 of the Criteria: None.

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	Name	2020		Current year up to March 30	
		Increase (decrease) in shares held	Increase (decrease) in pledged shares	Increase (decrease) in shares held	Increase (decrease) in pledged shares
Chairman & CEO	Chih-Hung Ouyang	-	(1,300,000)	-	1,800,000
Director	Changchun Investment Co. Ltd.	-	-	-	-
Director Representative	Chih-Chuan Chen	-	-	-	-
Director	Chin-Huo Huang	-	-	-	-
Director	Chun-Hao Cheng	-	-	-	-
Independent Director	Lewis Lee	-	-	-	-
Independent Director	Chih-Poung Liou	-	-	-	-
Independent Director	Jih-Ching Chiu	-	-	-	-
Vice President	Teng-Hung Lai	-	-	-	-
Vice President	Jyh-Jong Hwang	-	-	-	-
Chief Engineer & Sr. Director	Yi-Chung Huang	-	4,000	-	-
Chief Financial Officer	Sui-Chuan Lin	-	50,000	-	-
Sr. Director	Szu-Cheng Chen	-	-	-	-

(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)

March 30, 2021; Unit: Shares; %

Name	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
	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Name	Relationship	-
Chih-Hung Ouyang	3,807,191	6.70%	101,187	0.18%	-	-	Fu Wu Investment Ltd.	Legal representative	-
Fu Wu Investment Ltd. Representative: Chih-Hung Ouyang	3,060,282	5.38%	-	-	-	-	Chih-Hung Ouyang	Legal representative	-
Profit Power Management Consulting Limited	2,997,400	5.27%	-	-	-	-	-	-	-
Ruentex Industries Ltd. Representative: Chih-Fan Wang	2,910,310	5.12%	-	-	-	-	-	-	-
Ruentex Development Co. Ltd. Representative: Chang-Cheng Chien	2,489,060	4.38%	-	-	-	-	-	-	-
Changchun Investment Co. Ltd. Representative: Yin, Yen-Liang	2,150,271	3.78%	-	-	-	-	-	-	-
Shu-Huei Liang	1,627,059	2.86%	-	-	-	-	-	-	-
Dahausen Co., Ltd. Representative: Sen-Hao Cheng	1,558,888	2.74%	-	-	-	-	-	-	-
Yung-Liang Huang	1,323,586	2.33%	-	-	-	-	-	-	-
Chin-Huo Huang	1,149,442	2.02%	252,971	0.45%	-	-	-	-	-

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:

Unit: Shares; %

Investee Company	Investor Company		Director, Supervisor, Manger anddirector indirect investment		Total	
	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage
Brogent Global Inc.	36,214,332	100%	-	-	36,214,332	100%
Brogent Hong Kong Limited	-	100%	-	-	-	100%
Dili Jie Holdings Limited	-	100%	-	-	-	100%
Brogent Rides (Shanghai) Limited	-	-	-	100%	-	100%
Brogent Creative (Shanghai) Limited	-	-	-	100%	-	100%
Brogent Japan Entertainment Joint-Stock Corporation	-	-	700	40%	700	40%
Jetway Holdings Limited	-	-	-	100%	-	100%
Garlay Holdings Limited	-	-	-	100%	-	100%
hexaRide the first LLP	-	-	-	90.01%	-	90.01%
Holey Holdings Limited	-	-	-	100%	-	100%
Jetmay Holdings Limited	-	-	-	100%	-	100%
Ou Wei Limited	-	-	-	100%	-	100%
Hai Wei Culture Creative and Development (Shanghai) Limited	-	-	-	100%	-	100%
Starlite Design & Planning 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

March 31, 2021; Unit: Shares

Type of stock	Authorized capital			Note
	Shares issued and outstanding	Unissued shares	Total	
Ordinary shares	56,831,797	33,168,203	90,000,000	OTC shares

2. Sources of capital

March 31, 2021; 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 NT$21,060,000	None.	Approval by Kaoshifu Jianergongzi Letter No. 09300940610

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
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	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	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	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	First domestic conversion of convertible corporate bond of NT$10,350,100 Second domestic conversion of convertible corporate bond of NT$8,403,400	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
2014.09	10	50,000	500,000	33,635.77	336,357	Capital reserve transfer increase NT$27,470,000	None.	Approval by Jingjiasanshangzi Letter No. 10300104170
2014.10	10	50,000	500,000	33,679.98	336,799	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	Capital increase of NT$60,000,000	None.	Approval by Jingjiasanshangzi Letter No. 10400008080
2015.06	10	50,000	500,000	40,709.98	407,099	Capital increase of NT$10,300,000	None	Approval by Jingjiasanshangzi Letter No. 10400066620
2015.07	10	50,000	500,000	44,677.98	446,779	Stock dividends NT$39,702,000	None	Approval by Jingjiasanshangzi Letter No. 10400074690
2018.08	10	90,000	900,000	53,526.77	535,267	Stock dividends NT$88,487,000	None	Approval by Jingjiasanshangzi Letter No. 1070008434
2018.09	10	90,000	900,000	53,092.77	530,928	Retirement of treasury shares NT$4,340,000	None	Approval by Jingjiasanshangzi Letter No. 1070009969
2019.08	10	90,000	900,000	55,747.41	557,474	Capital reserve transfer increase NT$26,546,000	None	Approval by Jingjiasanshangzi Letter No. 1080008464
2021.03	10	90,000	900,000	56,831,79	568,317	As of 2021.03.30, CB 3 and CB 4 had converted 1,084,387 shares, and the change registration has not yet been processed.		

(2) Shareholder structure

March 30, 2021

Shareholder structure quantity	Government institution	Financial institutions	Other juristic persons	Individual investors	Foreign institutions and foreigners	Total
Number of Shareholders	-	12	131	9,889	45	10,077
No. of shares held	-	1,155,470	15,206,273	34,301,154	6,168,900	56,831,797
Shareholding percentage (%)	-	2.03%	26.76%	60.36%	10.85%	100.00%

(3) Dispersion of equity ownership

Ordinary shares

March 30, 2021

Shares	Number of shareholders	Shares held	Shareholding percentage (%)
1~ 999	6,246	241,629	0.43%
1,000~ 5,000	2,908	5,558,252	9.78%
5,001~ 10,000	420	3,134,714	5.52%
10,001~ 15,000	150	1,876,038	3.30%
15,001~ 20,000	82	1,455,119	2.56%
20,001~ 30,000	82	2,047,141	3.60%
30,001~ 40,000	48	1,698,734	2.99%
40,001~ 50,000	28	1,251,575	2.20%
50,001~ 100,000	55	3,822,314	6.73%
100,001~ 200,000	26	3,604,600	6.34%
200,001~ 400,000	12	3,262,097	5.74%
400,001~ 600,000	6	2,757,744	4.85%
600,001~ 800,000	3	2,036,401	3.58%
800,001~1,000,000	-	-	0.00%
>1,000,001	11	24,085,439	42.38%
Total	10,077	56,831,797	100.00%

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

March 30, 2021

Shares / Name of major shareholder	No. of shares held	Shareholding percentage (%)
Chih-Hung Ouyang	3,807,191	6.70%
Fu Wu Investment Ltd.	3,060,282	5.38%
Profit Power Management Consulting Limited	2,997,400	5.27%
Ruentex Industries Ltd.	2,910,310	5.12%
Ruentex Development Co. Ltd.	2,489,060	4.38%
Changchun Investment Co. Ltd.	2,150,271	3.78%
Shu-Huei Liang	1,627,059	2.86%
Dahausen Co., Ltd.	1,558,888	2.74%
Yung-Liang Huang	1,323,586	2.33%
Chin-Huo Huang	1,149,442	2.02%

(5) Market Price, Net Worth, Earnings, and Dividends in the Past Two Years

Unit: NT$1,000

Year / Item			2019	2020	Current year up to March 31, 2021
Market price per share	Maximum		239.00	189.00	145.50
	Minimum		164.00	86.80	98.00
	Average		195.00	120.36	113.05
Net Value per share	Befor distribution		53.24	47.47	(Note 2)
	After distribution		47.64	Note 1	(Note 2)
Earnings per share	Weighted average shares		55,747	55,747	(Note 2)
	Earnings per share		6.57	(0.88)	(Note 2)
	Retroactive adjustment for Earnings per share		6.57	(Note 1)	(Note 2)
Dividends per share	Cash dividend		5.6	N/A (Note 1)	-
	Bonus shares	By Retained earnings	-	N/A (Note 1)	-
		By Paid-in Capital	-	N/A (Note 1)	-
	Accumulated unpaid dividend		-	N/A (Note 1)	-
Return analysis	Price/earnings ratio		29.68	N/A (Note 1)	-
	Price/dividend ratio		34.82	N/A (Note 1)	-
	Cash dividend yield		0.0287	N/A (Note 1)	-

Note1:The 2020 Deficit Compensation plan has not been resolved in the shareholders' meeting.
Note2:The year to date March 31, 2021 financial results has not yet been reviewed by CPA..

(6) Dividend policy and implementation status

1. Dividend policy

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 2020 Deficit Compensation plan was approved by the Board on March 10, 2021. Shareholders' meeting has not yet been held.

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

N/A.

(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:

The company suffered a loss in 2020, so the amount of remuneration for employees and directors has not been estimated.

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:

N/A.

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

The company suffered losses in 2020 and therefore did not estimate the amount of compensation for employees and directors. The company’s in 2020 was a loss-appropriation proposal, which was approved by the board of directors on March 10, 2021. This year, due to losses, it will not be distributed due to losses. It is still subject to the resolution of the shareholders' meeting..

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

2020 due to losses, it will not be distributed due to losses. It is still subject to the resolution of the shareholders' meeting.

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:

N/A.

(9) Buyback of Treasury Stock:

1. Execution of buyback is completed

March 31, 2021

Treasury stocks: Batch Order	1st 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	1,000,000 Ordinary Shares
Accumulated number of company shares held	-
Percentage of total company shares held (%)	-

2. Execution of buyback has not been completed：

Not applicable.

2. Corporate bond (including overseas corporate bond)

(1)Issued corporate bond:

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.

(2)Information of corporate bond conversion:

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:

Type		Third domestic unsecured convertible bonds	Forth domestic unsecured convertible bonds
Issue date		2020.10.12	2020.10.15
Par value		NTD$100,000	NTD$100,000
Issue and deal location		TPEX	TPEX
Issue price		Issued by par value	Issued by par value
Total value		NTD$700,000,000	NTD$500,000,000
Interest rate		0%	0%
Expiration date		5 year Expiration date：2025.10.12	4 year Expiration date：2024.10.15
Assurance institution		None	None
Trustee		Taishin International Bank Co., Ltd.	Taishin International Bank Co., Ltd.
Underwriting institution		Taishin Securities Co., Ltd	Taishin Securities Co., Ltd
Certificated laywer		Lawyer, Chiu Lifei	Lawyer, Chiu Lifei
Certificated CPA		Deloitte Taiwan CPA, Chiu-Yen Wu / Lee-Yuan Kuo	Deloitte Taiwan CPA, Chiu-Yen Wu / Lee-Yuan Kuo
Repayment		Except for the repayment by the company, sell of the bond holders or person who convert, when it comes to expiration, the company will repay per par value along with interest by cash.	Except for the repayment by the company, sell of the bond holders or person who convert, when it comes to expiration, the company will repay per par value along with interest by cash.
Outstanding principal		NTD$630,600,000 元	NTD$454,900,000
Redemption or prepayment clauses		Please refer to Article 18 and 19 of "Regulations for third domestic unsecured convertible bonds"	Please refer to Article 18 and 19 of "Regulations for forth domestic unsecured convertible bonds"
Limitation Clauses		Please refer of "Regulations for third domestic unsecured convertible bonds"	Please refer of "Regulations for forth domestic unsecured convertible bonds"
Name of credit evaluation institution, date and evaluation result of bonds		None	None
Other rights	The number of ordinary shares, overseas depository receipts or other Marketable securities converted (exchange or subscription) as of the date of publication of the annual report	As of March 30, 2021, the amount of NTD$69,400,000 of the convertible bond has been converted into 660,927 ordinary shares.	As of March 30, 2021, the amount of NTD$45,100,000. of the convertible bond has been converted into 423,460 ordinary shares
	Issuance and conversion(exchange or subscription) method	Please refer of "Regulations for third domestic unsecured convertible bonds"	Please refer of "Regulations for forth domestic unsecured convertible bonds"
Regulation for issuing, converting, exchanging or stock subscription, possibility of dilution of equity under the terms and conditions of issuance, and effect on shareholder equity.		No Significant impact	No Significant impact
Name of the entrusted custodian institution to exchange the subject		N/A	N/A

Note 1: The handling of corporate bonds includes public and private equity corporate bonds under processing. Publicequity corporate bonds under processing refer to those that hav e been effective (approved) by the Association; private equity corporate bonds under processing

refer to those that have been approved by the board of directors.

Note2 : The number of fields depends on the actual number of adjustments

Note3 : Listed by ov erseas corporate debtors

Note4 : Such as restricting the payment of cash dividends, foreign investment, or requiring to maintain a certain proportion of assets, etc

Note5 : Private fundraiser and should be marked in a prominent

Note6 : For convertibl e corporate bonds, corporate bonds that are exchanged, corporate bonds that are collectively declared or issued, or corporate bonds with options, you should disclose the information about the converted corporate bonds, the information about the exchange of corporate bonds, the status of the corporate bonds that are declared and the options that are included Corporate debt information.

Convertible Corporate Bonds Information

Type		Third domestic unsecured convertible bonds		Forth domestic unsecured convertible bonds	
Year / Item		2020	As a date of Mar.30,2021	2020	As a date of Mar.30,2021
Market price of the convertible Corporate bonds	Highest	118.05	138.50	117.85	136.50
	Lowest	100.25	103.80	99.90	103.50
	Average	104.54	121.38	102.54	116.49
Price of conversion		105.00		106.50	
Date of issued and issued price of convers ion		105.00		106.50	
Way to execute obligation of conversion		Issue new share		Issue new share	

Note 1: The number of fields depends on the actual number of adjustments.

Note 2: If there are multiple trading locations for overseas corporate bonds, they are listed separately according to trading locations.

Note 3: Deliver shares that are already issued or issue new shares.

Note 4: Information should be from the same year on the date of publication of the annual report.

(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

Unit: NT$1,000

<table>
<tr><th>Plan</th><th colspan="3">Implementation status</th><th>Ahead of schedule, behind in progress, reasons, and improvement plans</th></tr>
<tr><td rowspan="4">Bank loan</td><td rowspan="2">Expenditure</td><td>Expected</td><td>800,000</td><td rowspan="4">As of Dec.31,2020, the planned amount and progress of the company's planned repayment of borrowings were 800,000 thousand yuan and 100.00%, respectively, and the actual implementation amount and progress were 800,000 thousand yuan and 100.00%, respectively. The funds have been used in accordance with the schedule. Progress execution.</td></tr>
<tr><td>Actual</td><td>800,000</td></tr>
<tr><td rowspan="2">Accumulated implementation progress</td><td>Expected</td><td>100.00%</td></tr>
<tr><td>Actual</td><td>100.00%</td></tr>
<tr><td rowspan="4">R&D expenses</td><td rowspan="2">Expenditure</td><td>Expected</td><td>411,490</td><td rowspan="4">As of Dec. 31, 2020, it is estimated that the used funds are 25,114 thousand yuan, and the estimated implementation progress is 6.10%. Due to the coordination of research and development work, related expenditures have also been adjusted accordingly. The actual expenditure is 18,047 thousand yuan, and the implementation progress is 4.39%.</td></tr>
<tr><td>Actual</td><td>25,114</td></tr>
<tr><td rowspan="2">Accumulated implementation progress</td><td>Expected</td><td>6.10%</td></tr>
<tr><td>Actual</td><td>4.39%</td></tr>
</table>

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

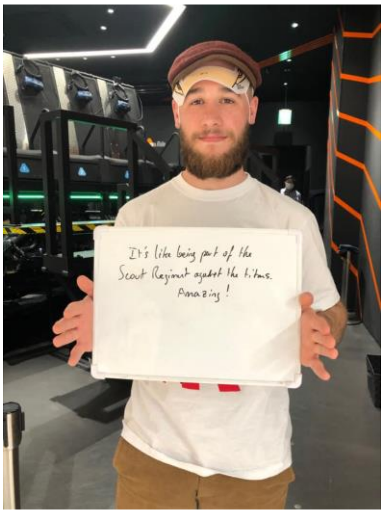
Unit: NT$1,000

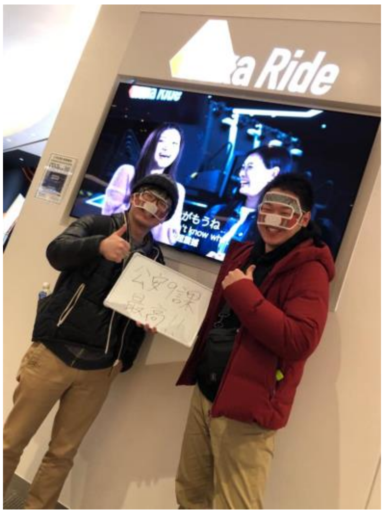
Product Category	2019		2020	
	Net revenue	Operating weight(%)	Net revenue	Operating weight(%)
Simulator rides	1,975,221	94.94	988,901	93.04
Royalty income	1,194	0.06	8,344	0.79
repair, maintenance, and labor affairs	28,398	1.36	22,465	2.11
Sales revenue, and Profit sharing of ticket sales	75,628	3.64	43,189	4.06
Net revenue	2,080,441	100.00	1,062,899	100.00

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 flyingtheater industry. The Company's operating model has extended from selling hardware to digital content development in recent years.

Since October 2013, we cooperate with Japan's Kodansha in integrating Kodansha's comic characters into our simulator ride products. In the meantime we not only a flying theater, the company also produced Attack on Titan and Ghost in the Shell movies for the Q-Ride platform, that is operational as hexaRide in Tokyo, Japan since 2018. Starting from 2015, the Company has changed its management model, from once-off selling of simulator rides to managing it with its customers. Moreover, the Company is working with customers in planning and developing relevant peripheral products, thereby expanding the sources of income, the hexaRide and the new i-Ride Taipei are the latest developments in this segment.





Picture Source: hexaRide FB

In 2020 Brogent expanded the partnership with Kodansha and produced further content based on the Attack on Titan IP for VR environments.

Apart from that Brogent has entered a supplier relationship with Legoland parks around the world. The very first m-Ride type flying theater ride opened in March 2019 in Legoland Florida. Further installations in Legoland Billund in Denmark and Legoland California had been scheduled for 2020, but have been postponed to spring 2021. The succesfull introduction of m-Ride flying theater opened a new market segment for this popular attraction. It will help significantly to add to the global installed base of flying theaters.

Picture Source: Legoland Florida Website

2020 also marked the first international delivery of v-Ride 360 to a theme park in Vietnam, which is another mile stone for Brogent to further diversify its product line and add to its global footprint of project references.

In addition to providing fun experiences, Brogent's product development team proceeds to put more stringent requirements to improve qualityand safety. Our flying theaters have been formally adopted by the United States UL certification and the TUV SOUTH. An introduction to our products :

Product name	Description	Images
i-Ride	The i-Ride, featuring a suspended seat platform, is the only dynamic flyingtheater 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,	

Product name	Description	Images
	sound, light, water, and aromas heighten the sensation of conquering the air.	
m-Ride	m-Ride is Brogent's new compact flying theater and the first flying theater system that offers a 180 degree turn of the seats with a spectacular reveal.	
d-Ride	1) Unlimited story topics 2) Trackless or track bound 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	
v-Ride 360	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	

Product name	Description	Images
v-Ride basic	The modern version of the classic 4D cinema. The electrical motion base together with a wide range of special effects delivers a great experience. 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	
t-Ride	The most advanced immersive tunnel experience in the market with a vehicle that can move with six degrees of freedom. 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	
GestureMagic	The next step in advanced interactivity: Gesture based 3D experience that let’s guests fight virtual monsters.	

Product name	Description	Images
Q-Ride	Brogent's product for the compact indoor market and a breakthrough for the VR market. The first product from Brogent that uses VR glasses instead of a traditional screen. It comes with preinstalled ride content, simulating an underwater experience and a tour around the world.	
Esports "Lightning Wings"	Taking eSports to the next level, Lightning Wings is a full-body motion virtual reality gaming system, six-degree of freedom motion base; coupled with specially-designed VR helmets and pilot consoles. Once the game starts, players in their virtual cockpits heave feel every maneuver in the combat. All players commented the experience is "so real" and "beyond their imagination". Lightning Wings is a multiplayer battle game that players can enjoy with friends. Not only that: with live broadcasting the audience can feel the intensity of the game and cheer for their teams.	
miRide	This product introduced as a concept IAAPA Expo 2019 has now officially been launched as miRide. The first project has been deliveredA premium entertainment experience where everyone can become a race track pilot.	

(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.

In 2017 Disney bought Fox and Marvel and leveraged the IP not only for the media business but also for it’s theme parks. Brogent in its partnership with Kodansha uses Intellectual property like “Atack on Titan” and “Ghost in the Shell” to create experiences by leveraging world famous characters and stories that drive not only content but also ride hardware revenue.

According to the 2019 global tourist attraction report published by the authoritative Theme Entertainment Association (TEA), the global theme park industry has showed steady growth in 2018. Particularly, the number of visitors to top 10 theme parks worldwide grew by 5.4% in from 2017. The annual attendace of the top 10 global theme park chains, which equals 7% of the world population. Brogent is proceeding to use high technology and IP to tap into this market.

2020 saw the impact of the COVID-19 pandamic in the tourism and leisure industry worldwide. While leading markets in the theme park industry like China found a way to control the situation quickly and allowed theme parks to reopen, whole regions like the US and Europe had been forced to close most of their visitor attraction for prevention. Although attractions implemented control measures and were able to reopen in most of the regions, they could only operate with capacity restrictions. This situation has delayed planned expensions and opening of new projects in theme parks around the world.

However with vaccines becoming available now, the industry is looking to restart again and pent-up demand of theme park audiences that where forced to stay at home over the last year, promise a quick return of guests to parks and a return to growth and reinvestment on the operator site that comes with it.

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 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. Europa-Park in Germany celebrated the opening of Brogent i-Ride “Voletarium” attraction in June 2017, which welcomed an estimated 8 million riders until end of the 2019 season.

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

Media based simulator attractions deliver an immersive experience that fulfills guests needs of all senses, that’s why they are generally preferred over roller coasters, free fall towers, swinging ships etc. by the general public. Because the traditional mechanical rides are comparably simple in their experience quality and often have physical limits for riders, setup costs are high and the climate is a big impact factor.

Traditional cinemas on the other side are not exciting enough to catch the full attention of younger crowds. Media based simulator attractions like the flying theater are situated in the midle between those offerings: Like in a cinema content can be switched easily, while still offering the physical excitement of a mechanical ride in a weatherproof environment. This approach makes Brogent products succesfull and the installed base of attractions worldwide is growing every year. The market share in the flying theater market is an est. 85% in the premium segment. Brogent is not simply offering the product, we are providing IP licensing, content production. Operation consultiong and can provide one stop shopping for this kind of complex attraction, if the clients need help.

With the new “miRide” platform the Company already goes one step further and enters the game based attraction segment (GBA), the latest product genre in the location based entertainment industry.

(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	2020	2021Q1
R&D expenses	167,313	Note

Note:The year to date March 31. 2021 financial results has not yet been reviewed by a CPA.

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
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
2016	Q-Ride i-FUN HUB
2017	m-Ride
2018	Lightning Wings
2019	V-Ride dome 304s
2020	miRide game based attraction

(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. The Company has a full project pipeline and the 2021 will see multiple project openings; strengthen digital content development capacity to satisfy future market demands for videos. 2021 will see the final season of “Attack on Titan”, an event the Company will use to introduce further content.

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

C. 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. Our flying theater is already EN and ASTM certified.

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), keep increasing the visibility of the company's product, and expand the range of regional buyers.

F. Increased focus on digital sales channels. One of the positive impacts of COVID-19 is that generally customers are more open to digital communication and implementation of projects even for B2B projects like Brogent attractions.

(2) R&D plan

A. Apply the ability to integrate six-axis actuator and other motion platform technology with multimedia technologies, optimize d-Ride, to the NDR VR motion chair and further expand on game based solutions 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 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 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		2019		2020	
Sales Region		Net revenue	%	Net revenue	%
Domestic sales	Taiwan	63,450	3.05	53,106	5.00
Exports	Asia	1,366,913	65.70	706,709	66.49
	Americas	356,333	17.13	195,971	18.44
	Europe	292,253	14.05	106,743	10.04
	Others	1,492	0.07	370	0.03
	Subtotal	2,016,991	96.95	1,009,793	95.00
Total		2,080,441	100.00	1,062,899	100.00

2. Market Share

In the market for premium flying theater solutions Brogent has a market share of over 80%. Internationally Disney operates four similar theaters, but doesn’t sell the solution to interested operators. Canadian supplier Dynamic Attractions offers flying theaters as well, but is only approaching the market as a mechanical ride supplier. They are not in the position to act as a system integrator and provide the complete package that a real media based attraction consists of. Apart from that the platform movement is limited to two degrees of freedom (compared to 6 DOF for the i-Ride).

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. The “i-Ride Experience Center” (now “i-Ride Kaohsiung”) that opened in Kaohsiung in 2017 was the very first standalone flying theater in Taiwan and in 2019 Brogent opened a second standalone flying theater in Taipei Breeze Nanshan shopping center, the “i-Ride Taipei”. In addition to outright selling its equipment, Brogent has not only delivered technology but also creatively planned an experience center exhibit, in the hopes of educating children through fun, thereby bringing parents and children closer together. In fact that people cannot visit large theme parks in remote areas whenever they desire, the Company has endeavored to build the experience center in the city where transport is convenient. The goal isto make fun more accessible.

With the delivery of multiple m-Ride projects, a v-Ride 360 the Company has succeeded to widen the product portfolio of media based attractions and now offers multiple offerings for different budgets and scales.

The Company is also present with projects now around the world with multiple projects in Asia, Europe and the Americas and one installation in Australia.

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4. Competitive Niches

A. Globally Recognized Technology

In 2021 Brogent will celebrate it's 20th anniversary incl. a decade of experience in the location based entertainment industry. This makes the company capable of launching new products to customers at the right time and rapidly responding to customer demand. After successfully conquering the niche of flying theater attractions as one of the market leaders, the Company is now entering a relatively young market of out-of-home game based attractions. The miRide racing simulator is only the first step on this journey.

2020 has seen another mile stone in Brogent's award history. The company has been awarded the prestigious Thea Award, which is widely known as the Oscar of the themed attractions industry.

2017 European Star Award for Best New Ride

2018 Park World Award for Best Indoor Ride

2019 European Star Award Best Dark Ride

2019 Best Flying Theater Supplier in China

2020 26th Annual Thea Awards

B. Premium Brand Equity

Theme Parks, Museums, Exhibitions Centers and Zoos are markets with high entry barriers. Brogent works with established partners in the amusement industry to create multiple distribution channels. All those partners rely on the technological know how in system integration and certified technology that Brogent is steadily advancing based on ongoing projects. Currently Brogent rides can be found four continents.

Worldwide 40 media-based attractions in operation or under installation

C. Product modularization lowers cost and increases competitiveness

Simulator ride facilities involve a wide range of technical aspects, covering hardware systems (motion platform, screens 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 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

Brogent is working with several partners to supply the best solutions and technology in the media based simulator attractions field. For content development the company started a cooperation with Japanese publisher Kodansha back in 2015 and has already developed ride films based on Kodansha IP like “Attack on Titan” and “Ghost in the Shell”

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 and the middle class grows, 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 less and less effective for attracting the attention of new-generation tourists, who are now growing up with internet and social media. Therefore, when planning and constructing theme parks, emerging countries typically prioritize 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 “Taiwan Formosa” 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 “Taiwan Formosa” and “FlyOver Canada” projects, the Company has accumulated considerable experience, word of mouth brand equity, and popularity in the simulator ride market. Project openings like additional “FlyOver” projects in the US and Europe, a signature attraction at Germany’s Europa-Park and delivery of m-Ride flying theaters to Legoland parks aground the world created additional brand awareness. In addition, by forming strategic alliance with internationally well-known amusement facility suppliers, Borgent has further raised its competitive advantage over the last decade.

D. Supported by strong technology

Since its inception in 2001, Brogent has endeavored to develop audiovisual multimedia technologies, accumulating considerable experiences in technological development. Thus, Brogent has established partnerships 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, Brogent was honored with the award of excellence in SBIR from the Department of Industrial Technology, MOEA. Regarding simulator ride facilities, Brogent has received the European Star Award three years in a row starting 2017 a recognition not only for its technological capability but also for the experience value that it prove to provide since the successful implementation of the “Beautiful Formosa” and “FlyOver Canada “projects. Just recently Brogent received it’s first Thea Award from the Themed Entertainment Association, one of the most prestigious awards in the location based entertainment industry. For example, the unique fish eye lens designed by Brogentcan achieve the projection effects of a spherical screen simply by installing them with a single 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. A unique selling proposition that brings operating cost advantages until today. Brogent's self-developed automated control technology can integrate motion platforms with video systems with increased precision. This way, riders can perceive the experience of an immersive flight. Furthermore, Brogent also possesses the capacity to develop digital content, and customize it according to customer needs, thereby providing multiple choices to our customers. Therefore, Brogentenhances 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 installed at location based entertainment venues like theme parks, museums, or zoos. 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 has run a dual strategy: On the one hand, the Company formed a strategic alliances with internationally known suppliers of amusement facilities who have had a history of more than 60 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. As a consequence Brogent has already entered the international theme park market (i.e. Europa-Park in Germany and Legoland Florida in the US). On the other hand, the Company has established it's own sales team over the last decade that is building on the brand awareness. Products are well received by the general public and the positive feedback creates good references and a strong brand reputation.

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 with National Chiao Tung University, National Pinngtung University of Science and Technology, Sun Yat Sen University and Southern Taiwan University of Science and Technology 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.

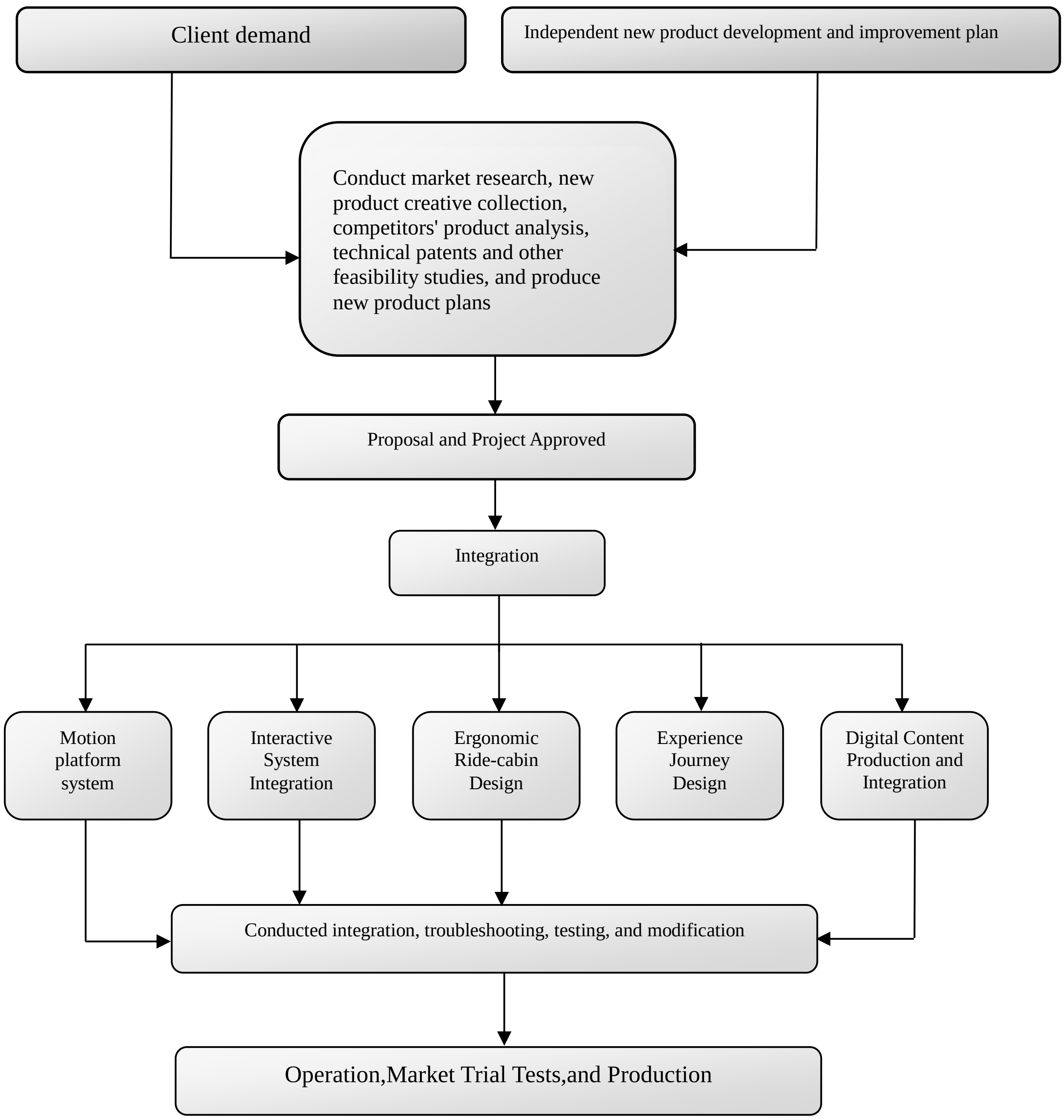
(2) Major product usage and manufacturing processes

1. Main purposes

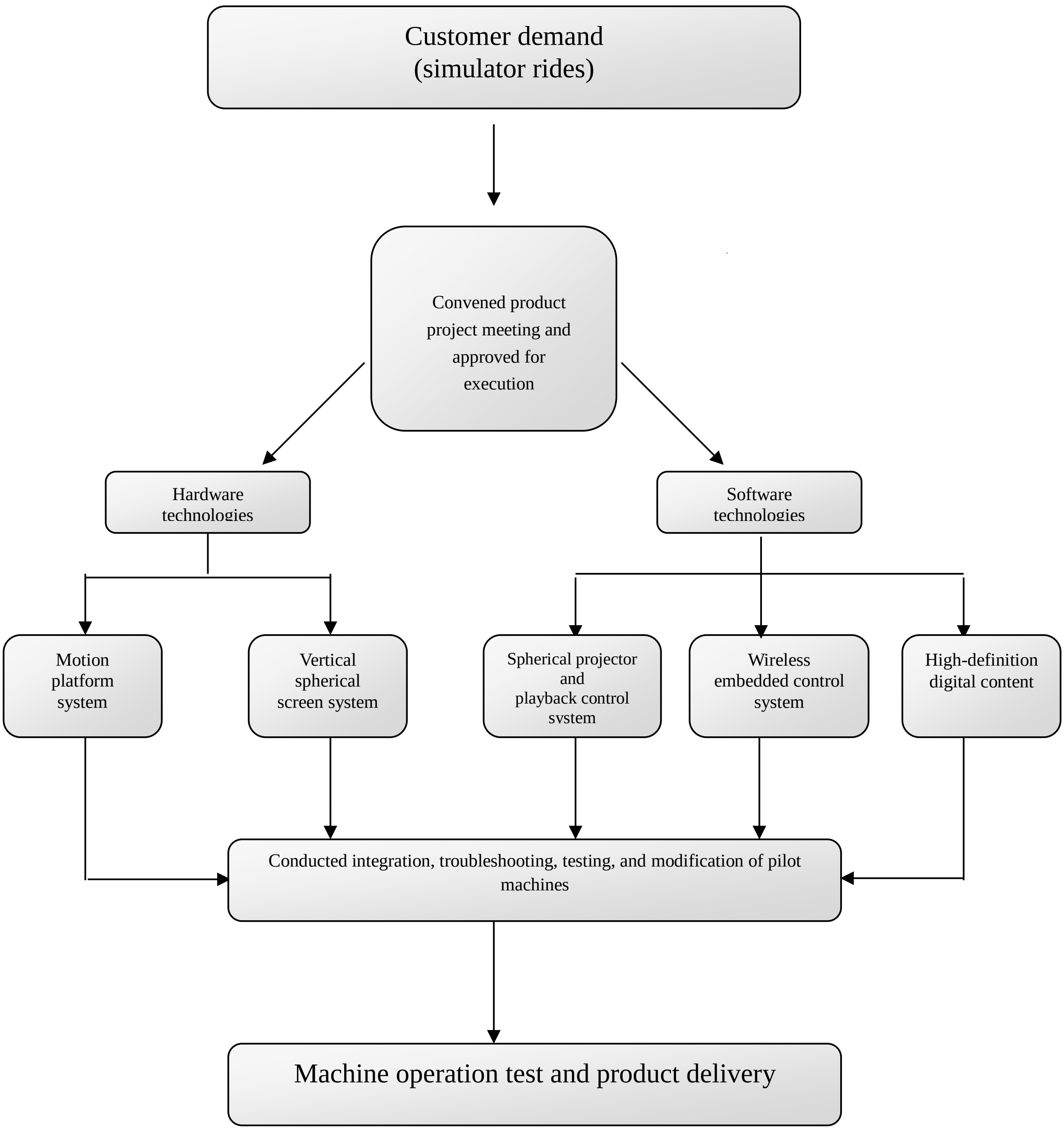
Theme park, museum, exhibition hall, shopping center, and indoor professional experience center afford entertainment and educational training functions to diversify Brogent's client base, provide adventurous experiences, and elicit sense of excitement.

2. Manufacturing process

A. Small-sized Rides :



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 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

	2019				2020			
Item	Name	Amount	Percentage of net sales (%)	Relationship with issuer	Name	Amount	Percentage of net sales (%)	Relationship with issuer
1	CHN0016	511,067	24.57	None.	CHN0016	361,036	33.97	None.
2	CHN0014	247,752	11.91	None.	CHN0014	77,122	7.26	None.
3	CHN0005	237,608	11.42	None.	CHN0005	2,884	0.27	None.
4	-	-	-	None.	GBR	109,677	10.32	None.
	Others	1,084,014	52.10		Others	512,180	48.19	
	Total	2,080,441	100.00		Total	1,062,899	100.00	

Note:The year to date March 31. 2021 financial results has not yet been reviewed by CPA.

Reasons for changes:

The Company's chief products are simulator rides. Customers who accounted for more than 10% of the sales in 2020 are same buyers of the Company’s 2019 customer orders. The major projects were under construction and the revenues were received according to the percentage of completiony.

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

	2019				2020			
Item	Name	Amount	Percentage of total purchase (%)	Relationship with issuer	Name	Amount	Percentage of total purchase (%)	Relationship with issuer
1	A0000008	70,233	15.16	None.	A0000008	190,165	35.70	None.
2	-	-	-	-	A0000072	63,721	11.96	None -
3	-	-	-	-	A0000012	61,726	11.59	None -
	Others	392,998	84.84	-	Others	217,025	40.75	-
	Total	463,231	100.00		Total	532,637	100.00	

Note:The year to date March 31. 2021 financial results has not yet been reviewed by CPA.

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.

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

Primary products	2019				2020			
	Domestic sales		Exports		Domestic sales		Exports	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Simulator rides	-	-	-	1,975,221	-	-	-	988,901
Others (Note)	-	63,450	-	41,770	-	53,106	-	20,892
Total	-	63,450	-	2,016,991	-	53,106	-	1,009,793

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

Reasons for changes:

The primary products simulator ride, the amount and ratio of exports are comparable to those of 2019, and there have been no major changes. All of them are mainly for export, and there have been no major changes.

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

Year		End of 2019	End of 2020	Up to March 31, 2021
Number of employees	Managerial officer	23	28	32
	R&D personnel	77	72	110
	General employee	73	96	127
	Total	173	196	269
Average age		38.4	38.7	37.8
Average years of service (year)		4.25	5.34	4.87
Education distribution (%)	Ph.D	1.7	1.0	1.1
	Master's	55.5	49.0	45.7
	University	38.2	41.8	45.4
	College	4.0	6.1	3.7
	Senior high school	0.6	2.1	4.1

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 2^{nd} stage of R&D and experience center was completed in 2016 and awared the green building certificate issued by Ministry of the Interior (Certification No. GB-BC-01-00164 on 105.12.16) The related green power arrangement is explained as followings:

1.Installation of solar power-Using the roof space to install solar electric power generation can output electricity without any pollution, noise and danger ; Besides, the solar panels are able to beautify the roof, resist the irradiatioh of sun, and reduce indoor temperature in summer for energy saving and carbon reduction

2. Installation of central air-conditioning control system-The air-conditioning is operated by the central air-conditioning control system. It can monitor the situation of all air-conditionings for avoiding unnecessary waste

3. Installation of all heat exchangers-All heat exchangers, as a part of the central air-conditioning control system, it achieves increasing the air convection, improving indoor air quality(reduce CO2 concentration), decreasing the electricity fee and energy loss made by air exchange

4. Build up rain storage and recycle irrigation systems-We recycle rain and store it after filtering, in order to irrigate the plants. In this way, we can

reuse the resource and cut down the waste of water resource

5.Use LED lightening system-All of office area and the test area of factory building are equipped with LED lighting. Additionally, we have the switch schedule to every illumination area for energy saving and carbon reduction

6.Set up indoor air quality supervisory system-We regularly supervise the indoor pollutants, and ensure air quality with the current National and International Standards.

(3) Brogent is a general office building instead of the manufacturing industry in Kaohsiung Software Technology Park. We collaborated with government policy in promoting the energy saving measures in 2020. We were awarded a certificate of appreciation.

(4) We make effort to develop every energy saving measures aggressively. We take measures to use the office supplies with energy saving mark, increase the usage rate by managing the classification of waste, and strengthen indoor greening to improve air quality

(5) Brogent technologies INC. belongs to cultural and creative industry and our producs are mostly made by subcontractors. We enact the safe policy and irregularly execute the training of labor safety. Our secuity system and environment maintenance are both responsible by the professional subcontractors. All of the fire equipments are regurly maintained and declared by the related departments; In addition, the access control is restricted by the identification card. For safety, everyone has to swipe the identification card to get in each entrance.

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, business travel accident insurance, employee health examination, holiday bonus, year-end bonus, and allowances for marriage, funeral, sick leave, bereavement, maternal leave subsidies and maternity as well as year-end party.

In addition, the Company has also set up an Employee Welfare Committee that handles employees' various welfare affairs, including annual employee travel benefit, three-festival bonuses (Dragon Boat Festival, Moon Festival, and Chinese New Year), birthday bonus, seasonal gatherings, family days, Sports day, Christmas Party, club activities and emergency relief.

(2) Employee training & development, and status of their implementation

To enhance employee quality and their work efficiency and quality, the Company requires all its new recruits to receive orientation training to create a smoother transition into this company and their new position. During their period of employment, the Company integrates online / internal / external resources and designs diversified development programs based on business objectives and the nature of the individual’s job, Online Courses offer flexibility; 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 recognitionandstatus of implementation

The Company sponsors various internal award programs to recognize both individual and at a team level. Such as “Bo Le” team competition is designed for encouraging those teams who demonstrate the value of teamwork; “idea proposal” award is consistant with the Company’s value “Creativeness: To innovate by boundless thinking, create brand new immersive and emotive experiences”; Excellent Instructor Award: praises the outstanding performance and contribution of internal instructors in training courses for employees.; Service Award: recognition and appreciation of senior employees and their long-term commitment and dedication.

Apart from corporate-wide awards, employees continued to be recognized as the Model Labor Award since 2019.

(4) Employee pension system and status of implementation

The Company regulates employee pension system according to the Labor Standard Act and Labor Pension 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%~15% 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. Regular communication. No employees have retired since the Company's establishment.

(5) 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 employeesvia email or anyother communication channel. Since its establishment, the Company has not been involved in labor disputes. Moreover, the Company will still set up multiple communication channels for its employees so that a more harmonious labor relationship can be sustained and creates a win-win situation for the Company and employees.

(6) 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.

(7) 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
Sales	Canada CAN0004	2020.01.16~May terminate the contract according to agreement	Simulator rides (i-Ride)	None
	United Kingdom GBR0002	2020.02.27~May terminate the contract according to agreement	Simulator rides (m-Ride)	None
	Turkey TUR0001	2020.04.09~May terminate the contract according to agreement	Simulator rides (i-Ride)	None
	Vietnam VNM0001	2020.09.18~May terminate the contract according to agreement	Simulator rides (mi-Ride)	None
	United States USA0011	2020.12.18~May terminate the contract according to agreement	Simulator rides (i-Ride)	None
Equipment Rental	Brogent Global Inc.	2019.01.10~2029.01.09	Simulator rides (i-Ride)	None
Land Rental	Export Processing Zone Administration, MOEA	2012.3.14 - 2032.3.13	Renting of Kaohsiung Software Park Land	None
Loan	Taiwan Cooperative Bank	2016.04.11 - 2031.10.13	Long-term collateral-based loan application	None

VI. Financial Overview

1. Condensed balance sheets and statement of income (2016 - 2020)

(1) Condensed balance sheets

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

Unit: NT$ 1,000

Item / Year		Financial information: FY2016 - FY2020					As of March 31, 2021 (Note 3)
		2016	2017	2018	2019	2020	
Current assets		2,238,894	2,203,637	2,673,862	3,056,839	3,172,477	-
Property, plant and equipment		804,714	951,441	1,066,459	1,045,007	957,475	-
Intangible assets		149,155	120,157	166,597	232,299	183,694	-
Other assets		98,081	199,667	308,893	814,435	799,366	-
Total Assets		3,290,844	3,474,902	4,215,811	5,148,580	5,113,012	-
Current liabilities	Before Distribution	307,270	313,143	532,823	943,231	640,872	-
	After Distribution	417,880	490,119	745,194	1,255,416	(Note 2)	-
Non-current liabilities		336,388	356,039	783,516	1,164,219	1,823,113	-
Total liabilities	Before Distribution	643,658	669,182	1,316,339	2,107,450	2,463,985	-
	After Distribution	754,268	846,158	1,528,710	2,419,635	(Note 2)	-
Equity attributable to owners of parent		2,594,050	2,746,998	2,836,176	2,967,957	2,646,269	-
Capital Stock	Before Distribution	446,780	446,780	530,928	557,474	557,474	-
	After Distribution	446,780	535,268	557,474	557,474	(Note 2)	
Capital Surplus	Before Distribution	2,052,669	2,053,485	2,027,723	1,968,156	2,021,953	-
	After Distribution	2,052,669	2,053,485	1,968,259	1,968,156	(Note 2)	
Retained earnings	Before Distribution	211,682	366,258	270,513	457,184	93,306	-
	After Distribution	101,072	100,794	91,060	144,999	(Note 2)	-
Other equity		(1,605)	(4,049)	7,012	(14,857)	(26,464)	-
Treasury shares		(115,476)	(115,476)	-	-	-	-
Non-controlling interests		53,136	58,722	63,296	73,173	2,758	-
Total Equity	Before Distribution	2,647,186	2,805,720	2,899,472	3,041,130	2,649,027	-
	After Distribution	2,536,576	2,628,744	2,687,101	2,728,945	(Note 2)	-

Note 1: Financial information from 2016 to 2020 was audited by CPA.

Note 2: The 2020 Deficit Compensation plan has not been resolved in the shareholders' meeting.

Note 3: The year to date March 31. 2021 financial results has not yet been reviewed by CPA.

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

Unit: NT$ 1,000

Item \ Year		Financial information: FY2016 - FY2020					As of March 31, 2021 (Note 3)
		2016	2017	2018	2019	2020	
Current assets		1,939,408	1,881,423	1,888,931	2,832,402	2,454,972	-
Property, plant and equipment		617,103	704,900	852,130	831,525	906,849	-
Intangible assets		146,666	117,987	102,946	85,303	55,551	-
Other assets		437,806	543,585	1,008,906	755,674	1,089,089	-
Total Assets		3,140,983	3,247,895	3,852,913	4,504,904	4,506,461	-
Current liabilities	Before Distribution	322,545	289,921	356,515	747,403	337,621	-
	After Distribution	433,155	466,897	568,886	1,059,588	(Note 2)	-
Non-current liabilities		224,388	210,976	660,222	789,544	1,522,571	-
Total liabilities	Before Distribution	546,933	500,897	1,016,737	1,536,947	1,860,192	-
	After Distribution	657,543	677,873	1,229,108	1,849,132	(Note 2)	-
Equity attributable to owners of parent		2,594,050	2,746,998	2,836,176	2,967,957	2,646,269	-
Capital Stock	Before Distribution	446,780	446,780	530,928	557,474	557,474	-
	After Distribution	446,780	535,268	557,474	557,474	(Note 2)	-
Capital Surplus	Before Distribution	2,052,669	2,053,485	2,027,723	1,968,156	2,021,953	-
	After Distribution	2,052,669	2,053,485	1,968,259	1,968,156	(Note 2)	-
Retained earnings	Before Distribution	211,682	366,258	270,513	457,184	93,306	-
	After Distribution	101,072	100,794	91,060	144,999	(Note 2)	-
Other equity		(1,605)	(4,049)	7,012	(14,857)	(26,464)	-
Treasury shares		(115,476)	(115,476)	-	-	-	-
Non-controlling interests		-	-	-	-	-	-
Total Equity	Before Distribution	2,594,050	2,746,998	2,836,176	2,967,957	2,646,269	-
	After Distribution	2,483,440	2,570,022	2,623,805	2,655,772	(Note 2)	-

Note 1: Financial information from 2016 to 2020 was audited by CPA.

Note 2: The 2020 Deficit Compensation plan has not been resolved in the shareholders' meeting.

Note 3: The year to date March 31. 2021 financial results has not yet been reviewed by 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: FY2016 - FY2020					As of March 31, 2021 (Note 2)
	2016	2017	2018	2019	2020	
Sales revenue	881,670	1,514,469	1,637,438	2,080,441	1,062,899	-
Gross profit	444,937	725,335	721,242	1,002,360	502,416	-
Operating income (loss)	108,508	340,734	289,512	420,809	(22,524)	-
Non-operating income and expense	21,076	(13,171)	31,615	51,092	(19,314)	-
Net income (loss) before tax	129,584	327,563	321,127	471,901	(41,838)	-
Continuing operations Net income	106,112	271,181	258,418	383,810	(51,758)	-
Profit and loss of discontinuing operations	-	-	-	-	-	-
Net income (loss)	106,112	271,181	258,418	383,810	(51,758)	-
Other comprehensive income (net of income Tax)	(1,810)	(2,928)	10,899	(22,242)	(11,734)	-
Total comprehensive income	104,302	268,253	269,317	361,568	(63,492)	-
Net income belongs to the parent company	101,354	265,670	257,168	366,525	(49,184)	-
Net income belongs to non-controlling interests	4,758	5,511	1,250	17,285	(2,574)	-
Total comprehensive income belongs to the parent company	99,544	262,742	268,032	344,255	(61,512)	-
Total comprehensive income belongs to the non-controlling interests	4,758	5,511	1,285	17,313	(1,980)	-
Earnings per share	2.30	6.00	4.84	6.57	(0.88)	-

Note 1: Financial information from 2016 to 2020 was audited by CPA.

Note 2: The year to date March 31. 2021 financial results has not yet been reviewed by CPA.

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

Unit: NT$ 1,000

Year / Item	Financial information: FY2016 - FY2020					As of March 31, 2021 (Note 2)
	2016	2017	2018	2019	2020	
Sales revenue	865,220	1,202,199	1,325,599	1,550,841	823,838	-
Gross profit	390,441	540,111	551,358	757,606	395,523	-
Operating income (loss)	110,972	219,061	214,768	323,710	(15,348)	-
Non-operating income and expense	10,463	81,036	86,841	103,576	(38,498)	-
Net income (loss) before tax	121,435	300,097	301,609	427,286	(53,846)	-
Continuing operations Net income	101,354	265,670	257,168	366,525	(49,184)	-
Profit and loss of discontinuing operations	-	-	-	-	-	-
Net income (loss)	101,354	265,670	257,168	366,525	(49,184)	-
Other comprehensive income (net of income Tax)	(1,810)	(2,928)	10,864	(22,270)	(12,328)	-
Total comprehensive income	99,544	262,742	268,032	344,255	(61,512)	-
Net income belongs to the parent company	101,354	265,670	257,168	366,525	(49,184)	-
Net income belongs to non-controlling interests	-	-	-	-	-	-
Total comprehensive income belongs to the parent company	99,544	262,742	268,032	344,255	(61,512)	-
Total comprehensive income belongs to the non-controlling interests	-	-	-	-	-	-
Earnings per share	2.30	6.00	4.84	6.57	(0.88)	-

Note 1: Financial information from 2016 to 2020 was audited by CPA.

Note 2: The year to date March 31. 2021 financial results has not yet been reviewed by CPA

3. The 2016 - 2020 Names of auditors and audit opinions

Year	Name of accounting firm	CPA	Audit opinion
2016	Grant Thornton Taiwan	Yi-Shun Chang, Yu-Chieh Lo	Unqualified opinion
2017	Grant Thornton Taiwan	Yu-Chieh Lo HuiPing Liu	Unqualified Opionoin (Emphasis of Matter or Other Matters)
2018	Grant Thornton Taiwan	Yu-Chieh Lo HuiPing Liu	Unqualified Opionoin (Emphasis of Matter or Other Matters)
2019	Grant Thornton Taiwan	Yao-Ting Li Yi-Shun Chang	Unqualified Opionoin (Emphasis of Matter or Other Matters)
2020	Deloitte & Touche Certified Public Accountants	Chiu-Yen Wu Lee-Yuan Kuo	Unqualified Opionoin (Emphasis of Matter or Other Matters)

2. Financial Analysis

(1) Financial analysis (2016 - 2020)

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

Item	Year	Financial analysis (2016 - 2020)					As of March 31, 2021 (Note 2)
		2016	2017	2018	2019	2019	
Financial structure (%)	Debt-to-assets ratio	19.56	19.26	31.22	40.93	48.19	-
	Long-term fund to property, plant and equipment (fixed assets) ratio	370.76	332.31	345.35	402.42	467.08	-
Solvency (%)	Current ratio	728.64	703.72	501.83	324.08	495.03	-
	Quick ratio	628.81	592.36	433.81	275.27	439.02	-
	Times interest earned	2,615.71	5,351.09	3,097.55	2,088.88	(43.27)	-
Operating ability	Receivables turnover ratio (times)	2.81	5.37	5.93	6.53	3.96	-
	Average days of collection	129.89	67.97	61.55	55.90	92.17	-
	Inventory turnover ratio (times) (Note 2)	-	-	-	-	-	-
	Payables turnover ratio (times)	3.66	7.33	10.66	9.81	5.35	-
	Average days of sales	-	-	-	-	-	-
	Property, plant and equipment (fixed assets) turnover ratio (times)	1.29	1.72	1.62	1.97	1.06	-
	Total assets turnover ratio (times)	0.27	0.45	0.43	0.44	0.21	-
Profitability	Return on assets (%)	3.43	8.17	6.94	8.60	(0.55)	-
	Return on equity (%)	4.02	9.95	9.21	12.63	(1.75)	-
	Paid-in capital to income before tax (%) (Note 8)	29.00	73.32	60.48	84.65	(7.50)	-
	Net profit margin (%)	12.04	17.91	15.78	18.45	(4.87)	-
	Earnings per share (NT$)	2.3	6.00	4.84	6.57	(0.88)	-
Cash flows	Cash flow ratio (%)	(47.92)	55.05	9.50	31.12	(0.19)	-
	Cash flow adequacy ratio (%)	(24.2)	(8.46)	(10.12)	3.89	23.17	-
	Cash reinvestment ratio (%)	(9.06)	2.00	(3.65)	2.34	(8.20)	-
Leverage	Operating leverage	1.75	1.29	1.42	1.40	(5.76)	-
	Financial leverage	1.05	1.02	1.04	1.06	0.44	-

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. Solvency : Mainly issue CB to repay short-term loans.
2. Operating ability: Mainly due to the impact of covid-19, the income decreased.
3. Profitability : Mainly due to the impact of covid-19, the income decreased.
4. Cash flows: The previous period is negative, so it will not be analyzed.
5. Leverage: Mainly due to the impact of covid-19, the decrease in revenue and the occurrence of net operating loss.

Note 1: Financial information from 2016 to 2020 was audited by CPA.

Note 2: The year to date March 31. 2021 financial results has not yet been reviewed by CPA

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

Item	Year	Financial analysis (2016-2020) 2016	2017	2018	2019	2020	As of March 31, 2021 (Note2)
Financial structure (%)	Debt-to-assets ratio	17.41	15.42	26.39	34.12	41.28	-
	Long-term fund to property, plant and equipment (fixed assets) ratio	456.72	419.63	410.31	451.88	459.71	-
Solvency (%)	Current ratio	601.28	648.94	529.83	318.76	727.14	-
	Quick ratio	509.64	563.3	455.67	273.83	645.29	-
	Times interest earned	4202.53	8020.22	4,110.22	2,901.88	(169.35)	-
Operating ability	Receivables turnover ratio (times)	2.78	3.22	3.23	3.97	2.86	-
	Average days of collection	131.29	113.35	113.00	91.94	127.62	-
	Inventory turnover ratio (times) (Note 2)	-	-	-	-	-	-
	Payables turnover ratio (times)	3.09	4.17	8.26	10.14	6.13	-
	Average days of sales	-	-	-	-	-	-
	Property, plant and equipment (fixed assets) turnover ratio (times)	1.48	1.82	1.70	1.84	0.95	-
	Total assets turnover ratio (times)	0.28	0.38	0.37	0.37	0.18	-
Profitability	Return on assets (%)	3.31	8.42	7.42	9.06	(0.74)	-
	Return on equity (%)	4.02	9.95	9.21	12.63	(1.75)	-
	Paid-in capital to income before tax (%) (Note 8)	27.18	67.17	56.18	76.65	(9.66)	-
	Net profit margin (%)	11.71	22.10	19.40	23.63	(5.97)	-
	Earnings per share (NT$)	2.30	6.00	4.84	6.57	(0.88)	-
Cash flows	Cash flow ratio (%)	(12.45)	11.83	36.86	24.66	55.83	-
	Cash flow adequacy ratio (%)	(17.94)	(12.96)	(8.14)	0.54	35.75	-
	Cash reinvestment ratio (%)	(6.47)	(3.13)	(1.3)	(0.76)	(3.04)	-
Leverage	Operating leverage	1.66	1.41	1.46	1.43	(8.41)	-
	Financial leverage	1.03	1.02	1.04	1.05	0.43	-

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. Financial structure: Mainly due to the impact of covid-19, the decrease in revenue and the occurrence of net operating loss.
2. Solvency : Mainly issue CB to repay short-term loans.
3. Operating ability: Mainly due to the impact of covid-19, the income decreased.
4. Profitability : Mainly due to the impact of covid-19, the income decreased.
5. Cash flows: The previous period is negative, so it will not be analyzed.
6. Leverage: Mainly due to the impact of covid-19, the decrease in revenue and the occurrence of net operating loss.

Note 1: The 2016-2020 Financial Reports of the Company have been reviewed by the CPA.

Note 2: The year to date March 31. 2021 financial results has not yet been reviewed by CPA

Note 3: 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 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)..

3. Audit Committee Audit Report

Refer to Appendix 2.

4. Financial Report and CPA Review Report

Refer to Appendix 3.

5. Individual financial report reviewed by CPA

Refer to Appendix 3 of the company’s Chinese version 2020 annual report.

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	2019	2020	Variation	
			Amount	%
Current assets	3,056,839	3,172,477	115,638	4
Property,plantand equipment	1,045,007	957,475	(87,532)	(8)
Other assets	814,435	983,060	168,625	21
Total Assets	5,148,580	5,113,012	(35,568)	(1)
Current liabilities	943,231	640,872	(302,359)	(32)
Non-current liabilities	1,164,219	1,823,113	658,894	57
Total liabilities	2,107,450	2,463,985	356,535	17
Capital Stock	557,474	557,474	-	-
Capital Surplus	1,968,156	2,021,953	53,797	3
Retained earnings	457,184	93,306	(363,878)	(80)
Other equity	(14,857)	(26,464)	(11,607)	78
Non-controlling interests	73,173	2,758	(70,415)	(96)
Total Euity	3,041,130	2,649,027	(392,103)	(13)

Analysis and explanation of changes:

(1)The increase in other assets was mainly due to the increase in intangible assets this year.
(2)The decrease in current liabilities was due to the issuance of CB this year to repay short-term loans.
(3)The increase in non-current debt is mainly due to the issuance of CB this year, and due to the epidemic situation, the cash level is reserved, and the remaining long-term loans have not been repaid
(4)The decrease in retained earnings was mainly due to operating loss in the current period.
(5)The decrease in other equity was mainly due to the exchange differences arising on translation of foreign operating.
(6)The decrease in non-controlling interests is mainly due to the combined recognition of hexaRide's non-controlling interests

(2) Induvidual

Unit: NT$ 1,000

Item \ Year	2019	2020	Variation	
			Amount	%
Current assets	2,382,402	2,454,972	72,570	3
Property,plantand equipment	831,525	906,849	75,324	9
Other assets	1,290,977	1,144,640	(146,337)	(11)
Total Assets	4,504,904	4,506,461	1,557	-
Current liabilities	747,403	337,621	(409,782)	(55)
Non-current liabilities	789,544	1,522,571	733,027	93
Total liabilities	1,536,947	1,860,192	323,245	21
Capital Stock	557,474	557,474	-	-

Item \ Year	2019	2020	Variation	
			Amount	%
Capital Surplus	1,968,156	2,021,953	53,797	3
Retained earnings	457,184	93,306	(363,878)	(80)
Other equity	(14,857)	(26,464)	(11,607)	78
Non-controlling interests	-	-	-	-
Total Euity	2,967,957	2,646,269	(321,688)	(11)

Analysis and explanation of changes:
(1) The decrease in current liabilities was due to the issuance of CB this year to repay short-term loans.
(2) The increase in non-current debt is mainly due to the issuance of CB this year, and due to the epidemic situation, the cash level is reserved, and the remaining long-term loans have not been repaid.
(3) The decrease in retained earnings was mainly due to operating loss in the current period.
(4) The decrease in other equity was mainly due to the exchange differences arising on translation of foreign operating.

2. Financial performance

(1) Comparative analysis of business performance- Consolidate

Unit: NT$ 1,000

Item \ Year	2019	2020	Change (amount)	Variation as a percentage (%)
Sales revenue	2,080,441	1,062,899	(1,017,542)	(49)
Operating cost	1,078,081	560,483	(517,598)	(48)
Unrealized Gross Profit on Sales to Associates	-	-	-	-
Gross profit	1,002,360	502,416	(499,944)	(50)
Operating expenses	581,551	524,940	(56,611)	(10)
Operating income	420,809	(22,524)	(443,333)	(105)
Non-operating income and expense	51,092	(19,314)	(70,406)	(138)
Income (loss) before tax	471,901	(41,838)	(513,739)	(109)
Income tax expenses	88,091	9,920	(78,171)	(89)
Continuing operations Net income	383,810	(51,758)	(435,568)	(113)
Other comprehensive income (net of income Tax)	(22,242)	(11,734)	10,508	(47)
Total comprehensive income	361,568	(63,492)	(425,060)	(118)
Net income belongs to the parent company	366,525	(49,184)	(415,709)	(113)
Total comprehensive income belongs to the parent company	344,255	(61,512)	(405,767)	(118)

Analysis and explanation of changes:
(1) The decrease in operating margin was mainly due to the decrease in revenue due to the impact of COVID-19.
(2) The decrease in non-operating income and expenses was mainly due to the loss of financial asset evaluation.
(3) The decrease in income tax expenses was mainly due to the loss in the current period, which resulted in income tax benefits.
(4)The decrease in other comprehensive income was mainly due to the exchange differences arising on translation of foreign operating.

(2) Comparative analysis of business performance- Individual

Unit: NT$ 1,000

Year / Item	2019	2020	Change (amount)	Variation as a percentage (%)
Sales revenue	1,550,841	823,838	(727,003)	(47)
Operating cost	793,235	428,315	(364,920)	(46)
Unrealized Gross Profit on Sales to Associates	18	18	-	-
Gross profit	757,624	395,541	(362,083)	(48)
Operating expenses	433,914	410,889	(23,025)	(5)
Operating income	323,710	(15,348)	(339,058)	(105)
Non-operating income and expense	103,576	(38,498)	(142,074)	(137)
Income (loss) before tax	427,286	(53,846)	(481,132)	(113)
Income tax expenses	60,761	(4,662)	(65,423)	(108)
Continuing operations Net income	366,525	(49,184)	(415,709)	(113)
Other comprehensive income (net of income Tax)	(22,270)	(12,328)	9,942	(45)
Total comprehensive income	344,255	(61,512)	(405,767)	(118)
Net income belongs to the parent company	366,525	(49,184)	(415,709)	(113)
Total comprehensive income belongs to the parent company	344,255	(61,512)	(405,767)	(118)

Analysis and explanation of changes:
(1) The decrease in operating margin was mainly due to the decrease in revenue due to the impact of COVID-19.
(2) The decrease in non-operating income and expenses was mainly due to investment losses recognized by the equity method.
(3) The decrease in income tax expenses was mainly due to the loss in the current period, which resulted in income tax benefits.
(4)The decrease in other comprehensive income was mainly due to the exchange differences arising on translation of foreign operating.

(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 2020.

3. Cash flows

(1) Analysis on the cash flow changes - Consolidated

Unit: NT$ 1,000

Item	2019	2020	Changes (increase/decrease)
Net cash inflow (outflow) from operating activities	293,572	(1,206)	(294,778)
Net cash inflow (outflow) from investing activities	(274,393)	19,492	293,885
Net cash inflow (outflow) from financing activities	116,963	76,690	(40,273)

Analysis and explanation of changes:
(1) In 2020, net cash outflow from operating activities mainly including net loss after tax and investment in financial instruments.
(2) In 2020, net investment cash inflow increased primarily because of net sales of financial instruments.
(3) In 2020, the net financing cash inflow increased because of Issued CB.

(2) Analysis on the cash flow changes - Individual

Unit: NT$ 1,000

Item	2019	2020	Changes (increase/decrease)
Net cash inflow (outflow) from operating activities	184,315	188,507	4,192
Net cash inflow (outflow) from investing activities	14,066	24,372	10,306
Net cash inflow (outflow) from financing activities	47,710	(11,528)	(59,238)

Analysis on the cash flow changes of in these two years:
(1) In 2020, The net cash inflow from operating activities was mainly due to the impact of the epidemic on the progress of the project and the decrease in prepayments for purchases
(2) In 2020, net investment cash inflow increased primarily because of net sales of financial instruments.
(3) In 2019, net cash outflow from financing activities was mainly due to the acquisition of subsidiary equity.

(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
864,341	75,847	(290,814)	649,374	-	-

Analysis on the cash flow for the coming year:
(1) operating activities: Cash inflow increased primarily because of the change of net income and depreciation and amortization expenses do not affect cash flow income expenses.
(2) investment and financing activities: Cash outflow increased primarily because debt repayment.
(3) Remedial measures for expected cash deficit: N/A

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

(1) Major capital spending and sources of funds

None

(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 investment profit or loss in recent years

In accordance with the Company's business expansion and future development, Brogent's subsidiaries were set up in 2016 ~ 2020.

In 2020, the Company's Operational Highlights of Subsidiaries, please item VIII. Important Notices (2) Operational Highlights of Subsidiaries.

(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:

(A) 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 2019 and 2020 were respectively

NT$10,331 thousand and 8,943 thousand. The bank loan interest expenses were respectively NT$23,727thousand and NT$29,202 thousand. 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.

(B) 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 simulator rides; the downstream customers are major as well as developers of theme parks. 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 gain in 2019 and 2020 were respectively NT$(28,733) thousand and NT$(28,445) thousand, accounting for (1.38%)、(2.68)%、(6.09)% and 67.99% of the operating income and net profit margin before tax of 2019 and 2020. 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.

(C) 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:

(A) 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.

(B) From 2019 to 2020 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 2019 and 2020, it has expended a total of NT$172,403 thousand and NT$167,313 thousand in R&D, respectively accounting for 8.29% and 15.74% of the net operating income. It is expected that a total of NT$225,164 thousand will be expended in R&D in 2021, and the Company's future R&D projects are as follows:

Unit	New products under development
Product Development Center	A.The Integration of Interactive Games (1).Interactive game combining multiplayer motion-simulation system. (2).Sensory interactive game combining AR(augmented reality), VR(virtual reality) and MR(mixed reality) technologies (3).Immersive d-Ride interactive shooting game B.Diversified Application

Unit	New products under development
	(1).Motion simulation combing 5G technology to extend control in prcise. (2).Diversified digital contents and real-time motion simulation intergration (3).Innovative application of human somatosensory (4).Immersive mini-LED screen and mini-simulator integrated development. C.Product design (1).Small rides platform modular design. (2).Thematic design for outlook of mini ride. (3).Product appearance improvement. D.Thematic decoration design (1).FEC(Family Entertainment Center) decoration design. E.Digital content production (1).Aerial digital content production. (2).VR digital content production. (3).Interactive-game content production.
Technical center	A.Vertical platform product design (v-Ride height under 2 meters) B.Rotating carrier producing and optimization(o-Ride, m-Ride) C.Platform-controlled technological optimization D.Mechanical design optimization E.Arts appearance design refinement F.Equipment weight optimization G.LED screen development H.Giant 3-DOF platform producing and optimization

(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:

(A) 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, purchases exceeding 15% of a single manufacturer were made for precision mechanical products, in addition to the intensive shipments in year 2019. Therefore, the Company is not associated with risks of overly concentrating stock purchases.

(B) 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 2019 and 2020 up to the annual report publishing date, there were no negative impacts from changes in management rights.

(12) Litigation or non-litigation events

(A) 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.

(B) 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: Taiwan Kaohsiung District Court Case of No. 109-Su-Zi-#502 is closed. It is not expected to have any material impact on the interests of the Company's shareholders or stock price.

(C) 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) Risks Associated with IT Security:

The Company has not found any significant information security incidents in the 2019 and 2020 of the annual report. It has or may have a material adverse effect on the company's business and operations, and has not been involved in any legal cases or regulatory investigation. survey. In the future, we will continue to review and evaluate its information security regulations and procedures annually to ensure its appropriateness and effectiveness to control or maintain the functions of important business operations such as the company's operations and accounting.

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

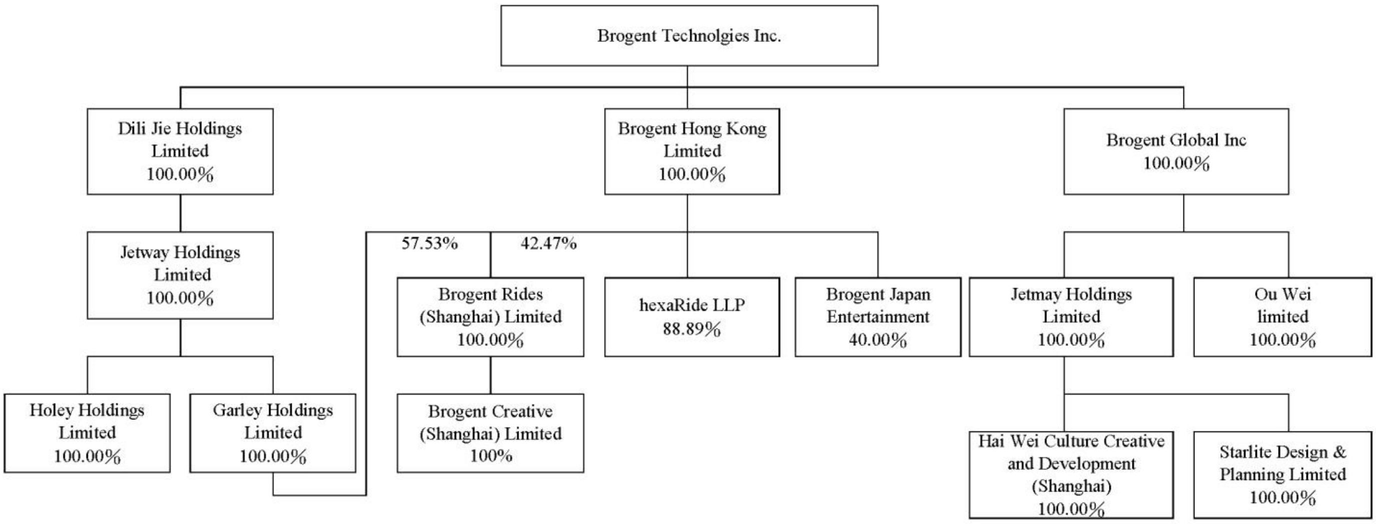
7.Other important events: None.

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 Global Inc.	2015.09	Kaohsiung, Taiwan	NTD 300,000,000	Development and management business of self-operated outlets
Brogent Hong Kong Limited	2015.06	Kowloon,Hong Kong	USD 9,000,000	Investment , holding company and trading business
Brogent Rides (Shanghai) Limited	2015.07	Shanghai, China	USD 7,300,000	Import and export business
Brogent Creative (Shanghai) Limited	2015.09	Shanghai, China	RMB 13,000,000	Development and management business of self-operated outlets
Brogent Japan Entertainment Joint-Stock Corporation	2016.08	Tokyo, Japan	JPY 35,000,000	Management business and development and sales of the peripheral products of simulator rides in Japan
Dili Jie Holdings Limited	2018.01	British Virgin Islands	USD 8,900,000	Investment and holding company business
Jetway Holdings Limited	2018.03	Cayman Islands.	USD 8,900,000	Investment and holding company business
Garlay Holdings Limited	2018.03	British Virgin Islands	USD 4,300,000	Investment and holding company business
hexaRide the first LLP	2018.09	Tokyo, Japan	JPY 160,000,000	Management business of self-operated outlets
Holey Holdings Limited	2018.11	British Virgin Islands	USD 4,550,000	Investment and holding company business
Jetmay Holdings Limited	2018.11	British Virgin Islands	USD3,636,026	Investment and holding company business
Ou Wei Limited	2019.05	Hong Kong	USD1,435,500	Reinvestment and trading business

Investee Company	Date of Establishment	Location	Investment Amount	Business Scope
Hai Wei Culture Creative and Development (Shanghai) Limited	2019.01	Shanghai, China	RMB 20,000,000	Management business of self-operated outlets
Starlite Design & Planning Limited	2018.12	Richmond,Canada	CAD1,000,000	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 Hong Kong Limited	Chairman	Brogent Technologies Inc. Representative：Pei-Chi Ho	-	100%
	Director	Brogent Technologies Inc. Representative：Chih-Hung Ouyang	-	100%
	Director	Brogent Technologies Inc. Representative：Chun-Hao Cheng	-	100%
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	36,214,332	100%
	Director	Brogent Technologies Inc. Representative：Pei-Chi Ho	36,214,332	100%
	Director	Brogent Technologies Inc. Representative：Ming-Chi Chang	36,214,332	100%
	Supervisor	Brogent Technologies Inc. Representative：Sui-Chuan Lin	36,214,332	100%
Brogent Japan Entertainment Joint-Stock Corporation	Chairman	Kodansha Company, Limited Representative：Kohei Furukawa	800	45.71%
	Director	Kodansha Company, Limited Representative：Shohei Yoshida	800	45.71%
	Director	Brogent Hong Kong Limited Representative：Chih-Hung Ouyang	700	40%
	Director	Brogent Hong Kong Limited Representative：Chun-Hao Cheng	700	40%
	Director	DAISAKU SONODA	-	-
	Director	Kodansha Company, Limited Representative：Hiroshi Nakada	800	45.71%

Investee	Title	Name or Representative	Shares Held	
			Shares	Percentatge
	Director	DENTSU INC. Representative：Toru Kimpara	250	14.29%
	Supervisor	Kodansha Company, Limited Representative：Mitusyuki Shiraishi	800	45.71%
	Supervisor	Brogent Hong Kong Limited Representative：Sui-Chuan Lin	700	40%
Dili Jie Holdings Limited	Chairman	Brogent Technologies Inc. Representative：Pei-Chi Ho	-	100%
Jetway Holdings Limited	Chairman	Brogent Technologies Inc. Representative：Pei-Chi Ho	-	100%
Garlay Holdings Limited	Chairman	Brogent Technologies Inc. Representative：Pei-Chi Ho	-	100%
hexaRide the first LLP	Chairman	Brogent Hong Kong Limited Representative：Chun-Hao Cheng	-	88.89%
	Director	Movic Co. Ltd. Representative：Gonohe Kota	-	8.33%
	Director	Brogent Japan Entertainment Joint-Stock Corporation Representative：Daisaku Sonoda	-	2.78%
Holey Holdings Limited	Chairman	Brogent Technologies Inc. Representative：Pei-Chi Ho	-	100%
Jetmay Holdings Limited	Chairman	Brogent Global Inc. Representative：Pei-Kuan Lee	-	100%
Starlite Design & Planning Limited	Chairman	Jetmay Holdings Limited Representative：Pei-Kuan Lee	-	100%
Hai Wei Culture Creative and Development (Shanghai) Limited	Chairman	Jetmay Holdings Limited Representative：Pei-Kuan Lee	-	100%
	Supervisor	Jetmay Holdings Limited Representative：Yen-Lun Peng	-	100%
Ou Wei Limited	Chairman	Brogent Global Inc. Representative：Pei-Chi Ho	-	100%

(2) Operational Highlights of Subsidiaries

Unit: NT$1,000 As of Dec. 31, 2019

Investee	Capital	Total Asset	Total Liabilities	Net Value	Revenue	Profit	Net Income (After Tax)	EPS (NTD)
Brogent Global Inc.	362,143	974,547	624,914	349,633	171,688	(35,789)	(21,932)	(0.61)
Brogent Hong Kong Limited	270,727	440,279	176,408	263,871	118	(5,889)	(6,503)	-
BrogentRides Limited(Shanghai)	216,650	669,813	347,072	322,741	72,376	3,017	31,791	-
Brogent Creative (Shanghai) Limited	56,940	266,102	192,760	73, 342	126	(1,821)	(1,051)	-
Brogent Japan Entertainment Joint-Stock Corporation	25,403	12,471	4,145	8,326	4,787	865	795	-
hexaRide the first LLP	49,637	43,317	18,493	24,824	6,012	(21,793)	(15,880)	-
Dili Jie Holdings Limited	267,955	307,117	-	307,117	-	(18)	(20,384)	-
Jetway Holdings Limited	270,020	307,104	-	307,104	-	(184)	(20,366)	-
Garlay Holdings Limited	131,258	188,404	-	188,404	-	(67)	18,225	-
Holey Holdings Limited	139,753	117,779	-	117,779	-	(64)	(38,408)	-
Jetmay Holdings Limited	61,489	182,855	-	182,855	-	(67)	21,972	-
Ou Wei Limited	43,641	32,594	35	32,559	692	(5,226)	(5,111)	-
Hai Wei Culture Creative and Development (Shanghai) Limited	42,720	565,217	395,211	170,006	175,475	24,637	20,273	-
Starlite Design & Planning Limited	15,054	15,405	2,580	12,825	15,868	(2,194)	1,766	-

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

(4) Consolidated Report: N/A.

2. Private placement of corporate bonds in the past years to the date of the annual report:
   N/A.

3. Holding or disposal of stocks of the Company by subsidiaries in the past year and up to the date of report：
   N/A.

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 10, 2021

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 2020：

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, 2020, 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 2019 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 10, 2021, with the seven attending directors all affirming the content of this Statement.

Brogent Technologies Inc.

Chairman：Chih-Hung Ouyang

President：Chih-Hung Ouyang

Appendix 2：Audit Committee Audit Report

Brogent Technologies Inc.
Audit Committee Audit Report

The Business Report, Financial statements and Deficit Compensation Statement of 2020 prepared by the Board of Directors have been audited and certified by Chiu-Yen Wu and Li-Yuan Kuo of Deloitte & Touche. After reviewing such documents, this Audit Committee found no nonconformity, in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

2021 Annual Shareholders Meeting of Brogent Technologies Inc.

Audit Committee Convener: 李明憲

March 10, 2021

Appendix 3：Consolidated Financial Statements and Independent Auditors’ Report

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, 2020, 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

OUYANG, CHIH-HUNG
Chairman
March 10, 2021

Deloitte.

勤業眾信

勤業眾信聯合會計師事務所
11073 台北市信義區松仁路100號20樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 11073, Taiwan

Tel :+886 (2) 2725-9988
Fax:+886 (2) 4051-6888
www.deloitte.com.tw

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Brogent Technologies Inc.

Opinion

We have audited the accompanying consolidated financial statements of Brogent Technologies Inc. (the "Corporation") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheet as of December 31, 2020, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2020 is stated as follows:

<u>The recognition of construction contract revenue</u>

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

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

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

1. We understood and tested the design and operating effectiveness of the internal control relevant to the accuracy of recognition of the construction contract revenue, including the measurement of the percentage of completion.

2. We verified and recalculated, on a sampling basis, the accuracy of the percentage of completion, including the related supporting documents.

3. We recalculated the sampled construction contract revenue measured by the percentage of completion, and checked whether it was recognized correctly.

Other Matter

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

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

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

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

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

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

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 10, 2021

<u>*Notice to Readers*</u>

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

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

Brogent Technologies Inc. and Subsidiaries

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	December 31, 2020		December 31, 2019	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 864,341	17	$ 774,817	15
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	380,382	8	253,176	5
Financial assets at amortized cost - current (Notes 4, 8 and 31)	202,598	4	277,637	5
Notes receivable (Notes 4 and 9)	21,164	-	71	-
Accounts receivable, net (Notes 4, 5 and 9)	204,919	4	286,738	6
Contract assets - current (Note 4, 5 and 23)	1,119,428	22	1,035,804	20
Current tax assets (Notes 4 and 25)	20	-	24	-
Inventories (Notes 4 and 10)	237,987	5	232,958	5
Prepayments	120,941	2	227,425	4
Other current assets	20,697	-	36,953	1
Total current assets	3,172,477	62	3,125,603	61
NONCURRENT ASSETS				
Financial assets at fair value through profit or loss - noncurrent (Notes 4 and 7)	283,334	5	297,964	6
Financial assets at amortized cost - noncurrent (Notes 4, 8 and 31)	50,060	1	65,160	1
Investments accounted for using equity method (Notes 4 and 12)	3,331	-	3,029	-
Property, plant and equipment (Notes 4, 13 and 31)	957,475	19	1,045,007	20
Right-of-use assets (Notes 4 and 14)	341,151	7	340,051	7
Intangible assets (Notes 4 and 15)	183,694	4	163,535	3
Deferred tax assets (Notes 4 and 25)	39,480	1	20,814	1
Refundable deposits	13,537	-	12,725	-
Prepayments for investments	4,599	-	4,537	-
Other noncurrent assets	63,874	1	70,155	1
Total noncurrent assets	1,940,535	38	2,022,977	39
TOTAL	$ 5,113,012	100	$ 5,148,580	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4, 16 and 31)	$ 216,207	4	$ 191,340	4
Notes payable (Notes 4 and 18)	11,571	-	14,001	-
Accounts payable (Notes 4 and 18)	99,294	2	82,383	2
Contract liabilities - current (Notes 4 and 23)	136,754	3	162,783	3
Other payables (Note 19)	60,733	1	131,159	2
Current tax liabilities (Notes 4 and 25)	5,918	-	53,952	1
Provisions - current (Note 4)	2,380	-	2,328	-
Lease liabilities - current (Notes 4 and 14)	56,161	1	51,032	1
Current portion of long-term borrowings (Notes 4, 16 and 31)	50,258	1	252,626	5
Other current liabilities	1,596	-	1,627	-
Total current liabilities	640,872	12	943,231	18
NONCURRENT LIABILITIES				
Bonds payable (Notes 4 and 17)	1,155,660	23	-	-
Long-term borrowings (Notes 4, 16 and 31)	306,277	6	815,541	16
Deferred tax liabilities (Notes 4 and 25)	42,251	1	32,949	1
Lease liabilities - noncurrent (Notes 4 and 14)	309,631	6	306,990	6
Net defined benefit liabilities - noncurrent (Notes 4 and 20)	9,294	-	8,739	-
Total noncurrent liabilities	1,823,113	36	1,164,219	23
Total liabilities	2,463,985	48	2,107,450	41
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 22)				
Share capital	557,474	11	557,474	11
Capital surplus	2,021,953	40	1,968,156	38
Retained earnings				
Legal reserve	127,421	3	90,809	2
Special reserve	14,857	-	-	-
Unappropriated earnings (accumulated deficit)	(48,972)	(1)	366,375	7
Total retained earnings	93,306	2	457,184	9
Other equity	(26,464)	(1)	(14,857)	-
Total equity attributable to owners of the Corporation	2,646,269	52	2,967,957	58
NON-CONTROLLING INTERESTS (Note 22)	2,758	-	73,173	1
Total equity	2,649,027	52	3,041,130	59
TOTAL	$ 5,113,012	100	$ 5,148,580	100

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

Brogent Technologies Inc. and Subsidiaries

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

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

(Continued)

Brogent Technologies Inc. and Subsidiaries

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

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

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

Brogent Technologies Inc. and Subsidiaries

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

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

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

Brogent Technologies Inc. and Subsidiaries

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

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

(Continued)

Brogent Technologies Inc. and Subsidiaries

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

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

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

1. GENERAL INFORMATION

Brogent Technologies Inc. (the "Corporation") was incorporated in October 2001. The Corporation is mainly engaged in the research, development, design, production and sales of simulator rides and its key components and peripheral products, embedded media software, streaming media, 3D dynamic simulation technology, internet interaction media and multiple-monitor setups.

The Corporation's shares have been trading on the Taipei Exchange since December 2012.

The consolidated financial statements of the Corporation and its subsidiaries (collectively, the "Group") are presented in the Corporation's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation's board of directors on March 10, 2021.

3. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   Except for the following, the initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group's accounting policies:

   <u>Amendment to IFRS 16 "Covid-19-Related Rent Concessions"</u>

   The Group elected to apply the practical expedient provided in the amendment to IFRS 16 with respect to rent concessions negotiated with the lessor as a direct consequence of the COVID-19. The related accounting policies are stated in Note 4. Prior to the application of the amendment, the Group shall determine whether or not the abovementioned rent concessions need to be accounted for as lease modifications.

   The Group applied the amendment from January 1, 2020. Because the abovementioned rent concessions affect only 2020, retrospective application of the amendment has no impact on the retained earnings as of January 1, 2020.

b. The IFRSs endorsed by the FSC for application starting from 2021

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"	Effective immediately upon promulgation by the IASB
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform - Phase 2"	January 1, 2021

As of the date the consolidated financial statements were authorized for issue, the Group assessed that the application of standards and interpretations will not have material impact on the Group's financial position and financial performance.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 2)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 3)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 6)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 7)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 4)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 5)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Note 6: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 7: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Amendments to IAS 1 “Disclosure of Accounting Policies”

The amendments specify that the Group should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

1) Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;

2) The Group may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and

3) Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

1) The Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;

2) The Group chose the accounting policy from options permitted by the standards;

3) The accounting policy was developed in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in the absence of an IFRS that specifically applies;

4) The accounting policy relates to an area for which the Group is required to make significant judgments or assumptions in applying an accounting policy, and the Group discloses those judgments or assumptions; or

5) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRSs as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and noncurrent assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as noncurrent.

The Group is engaged in the construction business, which has an operating cycle of over 1 year. The normal operating cycle applies when considering the classification of the Group’s construction-related assets and liabilities.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

For details of subsidiaries about ownership and operating items refer to Note 11, Table 5 and Table 6.

e. Foreign currencies

In preparing the financial statements of each individual entity in the Group, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purpose of presenting consolidated financial statements, the functional currencies of the entities in the Group (including subsidiaries and associates operating in other countries) that use currencies different from the currency of the Corporation are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Corporation and non-controlling interests as appropriate).

f. Inventories

Inventories consist of raw materials, work in process, finished goods and merchandise. Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost.

g. Investments in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates.

Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates.

When the Group subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, which forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

When an entity in the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group' consolidated financial statements only to the extent of the Group's unrelated interests in the associate.

h. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fee and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Land is not depreciated.

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant component is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

2) Internally-generated intangible assets - research and development expenditures

Expenditures on research activities are recognized as expenses in the period in which they are incurred.

An internally-generated intangible asset arising from the development phase of an internal project is recognized if, and only if, all of the following have been demonstrated:

a) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

b) The intention to complete the intangible asset and use or sell it;

c) The ability to use or sell the intangible asset;

d) How the intangible asset will generate probable future economic benefits;

e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;

f) The ability to measure reliably the expenditures attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible asset is the sum of the expenditures incurred from the date when such an intangible asset first meets the recognition criteria listed above. Subsequent to initial recognition, such intangible asset is measured on the same basis as an intangible asset that is acquired separately.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Impairment of property, plant and equipment, right-of-use asset and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset 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. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. 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, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

k. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVPL and financial assets at amortized cost.

i Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends earned on such financial assets are recognized in other income; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 29.

ii Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, financial assets at amortized cost, notes and accounts receivable, other receivables and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets and contract assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Group always recognizes lifetime expected credit losses (ECLs) for accounts receivable. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group considers that a debtor would default if internal or external information show that the debtor is unlikely to pay its creditors (without taking into account any collateral held by the Group).

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

2) Equity instruments

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

3) Financial liabilities

a) Subsequent measurement

Financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument’s maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

l. Provisions

Provisions are measured at the best estimate of the discounted cash flows 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.

m. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Construction contract revenue

In a construction contract, the Group constructs an asset that the owner controls while the construction is in progress; thus, the Group recognizes revenue over time. The Group measures revenue by the percentage of completion determined on the basis of the proportion of the number of working days incurred for work performed to date to the estimated total number of working days, as there is a direct relationship between the working days incurred and the satisfied portion of the performance obligation. Contract assets are recognized during the construction and are reclassified to accounts receivable at the point the customer is invoiced. If the milestone payments exceed the revenue recognized to date, then the Group recognizes contract liabilities for the difference. Certain payments, which are retained by the customer as specified in the contract, are intended to ensure that the Group adequately completes all of its contractual obligations. Such retention receivables are recognized as contract assets until the Group satisfies its performance obligation.

2) Licensing revenue

The license granted by the Group provides a customer the right to access the Group's intellectual property as it exists throughout the license period; therefore, the related performance obligation is satisfied over time when all of the following criteria are met:

a) The customer reasonably expects that the Group will undertake activities that significantly affect the intellectual property to which the customer has rights;

b) The rights granted by the license directly expose the customer to any positive or negative effects of the Group's activities; and

c) The Group's activities do not result in the transfer of a good or a service to the customer as the activities occur.

If the criteria listed above are not met, the performance obligation is satisfied at a point in time, i.e., the date the license is granted to the customer and the customer is able to use and benefit from the license.

Advance receipts of royalty is recognized as "contract liabilities".

3) Sale of tickets and merchandise

Tickets, merchandise and peripheral products are sold through self-operated outlets. Based on the contract, when tickets, merchandise and peripheral products are transferred to the customer, the customer takes full discretion in the determination of prices, the right of use, the primary responsibility for sales to future customers, and assumes significant risk of ownership of the goods. Therefore, the Group recognizes the related revenue and accounts receivable at the point in time the goods were transferred. Advance receipts from the sale of the goods are recognized as "contract liabilities".

4) Service revenue

Service revenue is recognized when the Group provided maintenance service to simulator rides.

n. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost and are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets, except for those that meet the definition of investment properties.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

The Group negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2021, that results in the revised consideration for the lease. There is no substantive change to other terms and conditions. The Group elects to apply the practical expedient to all of these rent concessions and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Group recognizes the reduction in lease payment in profit or loss as other operating income, in the period in which the events or conditions that trigger the concession occur, and makes a corresponding adjustment to the lease liability.

o. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Grants received with no corresponding expenses are recognized as deferred revenue.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

p. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group’s defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

q. Share-based payment arrangements

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group’s best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately.

r. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years’ tax liabilities are added to or deducted from the current year’s tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities 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 and loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and loss carryforwards can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period 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 Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, management is required to make judgments, estimations and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group considers the economic implications of the COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

a. Estimated impairment of financial assets

The provision for impairment of accounts receivable and contracts assets is based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group’s historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

b. Measurement of the percentage of completion of construction contracts

Construction contract revenue is recognized by the percentage of completion method. The percentage of completion of a contract is measured based on the proportion of working days incurred for work performed to date to the estimated total working days. Since the estimated total working days may be modified as assessed and determined by the management based on the nature and content of work, etc. for each construction contract, the measurement of the percentage of completion and revenue may be affected.

6. CASH AND CASH EQUIVALENTS

	December 31 2020	December 31 2019
Cash on hand	$ 978	$ 973
Bank deposits	591,015	452,335
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits	205,400	321,509
Repurchase agreement collateralized by bonds	66,948	-
	$ 864,341	$ 774,817

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets	December 31 2020	December 31 2019
Financial assets mandatorily classified as at FVTPL		
Derivative financial liabilities		
Redemption options and put options of convertible bonds	$ 1,860	$ -
Non-derivative financial assets		
Mutual funds	380,382	248,751
Unquoted ordinary shares	281,474	302,389
	661,856	551,140
	$ 663,716	$ 551,140
Current	$ 380,382	$ 253,176
Non-current	283,334	297,964
	$ 663,716	$ 551,140

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31 2020	December 31 2019
Time deposits with original maturities of more than 3 months	$ 46,255	$ 6,317
Pledged time deposits	169,343	302,940
Pledged bank deposits	2,000	-
Unquoted preferred shares	35,060	33,540
	$ 252,658	$ 342,797
Current	$ 202,598	$ 277,637
Non-current	50,060	65,160
	$ 252,658	$ 342,797

Refer to Note 31 for information on financial assets at amortized cost pledged as collateral.

9. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND AND PAST DUE RECEIVABLE

	December 31	
	2020	2019
Notes receivable		
Operating - at amortized cost	$ 21,164	$ 71
Accounts receivable		
Operating - at amortized cost		
Gross carrying amount	$ 215,783	$ 286,738
Less: Allowance for impairment loss	(10,864)	-
	$ 204,919	$ 286,738
Past due receivable (included in other non-current assets)		
Operating - at amortized cost		
Gross carrying amount	$ -	$ 18,559
Less: Allowance for impairment loss	-	(18,559)
	$ -	$ -

a. Notes receivable

The aging of notes receivable as of December 31, 2020 is within 30 days. There were no past due notes receivable and the Group did not recognize an allowance for impairment loss.

b. Accounts receivable

The average credit period is 90 days. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated by reference to the past default experience of the customer and the customer's current financial position, as well as the industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The following table details the loss allowance of accounts receivable based on the number of days past due from the invoice date.

December 31, 2020

	1-30 Days	31-90 Days	91-180 Days	181-365 Days	Over 365 days	Total
Gross carrying amount	$ 67,690	$ 15,632	$ 22,004	$ 12,603	$ 97,854	$ 215,783
Loss allowance (lifetime ECLs)	-	-	-	(595)	(10,269)	(10,864)
Amortized cost	$ 67,690	$ 15,632	$ 22,004	$ 12,008	$ 87,585	$ 204,919

The following table details the loss allowance of accounts receivable based on the impaired aging analysis.

December 31, 2019

	Not Past Due	Past Due 1-30 Days	Past Due 31-90 Days	Past Due 91-180 Days	Past Due 180 Days	Total
Gross carrying amount	$ 90,478	$ 540	$ 3,566	$ 38,175	$ 172,538	$ 305,297
Loss allowance (lifetime ECLs)	-	-	-	-	(18,559)	(18,559)
Amortized cost	$ 90,478	$ 540	$ 3,566	$ 38,175	$ 153,979	$ 286,738

The movements of the loss allowance of accounts receivable were as follows:

	For the Year Ended December 31	
	2020	2019
Balance at January 1	$ 18,559	$ 18,559
Add: Impairment loss recognized on accounts receivable	10,864	-
Less: Amounts written off	(18,559)	-
Balance at December 31	$ 10,864	$ 18,559

10. INVENTORIES

	December 31	
	2020	2019
Raw materials	$ 130,333	$ 128,213
Work in process	9,300	44,925
Finished goods	94,998	56,657
Merchandise	3,356	3,163
	$ 237,987	$ 232,958

The cost of inventories recognized as loss on inventory value was $1,456 thousand for the year ended December 31, 2020.

11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

The subsidiaries included in the consolidated financial statements are as follows:

			Proportion of Ownership (%) December 31		
Investor	Investee	Nature of Activities	2020	2019	Remark
The Corporation	Brogent Mechanical Inc. (Brogent Mechanical)	Manufacture and sales of the simulator rides and its key components	-	61	Notes 1 and 2
	Brogent Creative Inc.	Development and sales of the peripheral product of simulator rides	-	100	Notes 1 and 2
	Brogent Hong Kong Limited (Brogent Hong Kong)	Reinvestment and trading business	100	100	-

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2020	2019	Remark
	Brogent Global Inc. (Brogent Global)	Development and management business of self-operated outlets	100	100	-
	Dili Jie Holdings Limited (Dili Jie)	Reinvestment and trading business	100	100	-
Dili Jie	Jetway Holdings Limited (Jetway)	Reinvestment and trading business	100	100	-
Jetway	Garley Holdings Limited (Garley)	Reinvestment and trading business	100	100	-
	Holey Holdings Limited	Reinvestment and trading business	100	100	-
Garley	Brogent Rides (Shanghai) Limited (Brogent Rides)	Import and export business	58	58	-
Brogent Hong Kong	Brogent Rides (Shanghai) Limited (Brogent Rides)	Import and export business	42	42	-
	hexaRide the first LLP	Management business of self-operated outlets	89	87	-
Brogent Rides	Brogent Creative (Shanghai) Limited (Brogent Creative)	Development and management business of self-operated outlets	100	100	-
Brogent Global	Jetmay Holdings Limited (Jetmay)	Reinvestment and trading business	100	100	-
	Ou Wei Limited	Reinvestment and trading business	100	100	-
Jetmay	Hai Wei Culture Creative and Development (Shanghai) Limited (Hai Wei Culture Creative)	Management business of self-operated outlets	100	100	-
	StarLite Design & Planning Limited (StarLite)	Management business of self-operated outlets	100	100	-

(Concluded)

Note 1: In the second quarter of 2020, the Corporation invested $70,506 thousand and obtained 39% equity of Brogent Mechanical from unrelated party. The difference between the invested price and book value which amounted to $1,787 thousand was recognized as deduction of retained earnings.

In the second quarter of 2019, the Corporation invested $5,539 thousand and obtained 40% equity of Brogent Creative from unrelated party. The difference between the invested price and book value which amounted to $372 thousand was recognized as deduction of capital surplus.

The above transactions were accounted for as equity transactions since the Group did not cease to have control over these subsidiaries.

Note 2: In order to integrate the Group's resources and to improve the operational performance and competitiveness, the Corporation's board of directors resolved to merge with the Corporation its subsidiaries Brogent Mechanical and Brogent Creative Inc. on the effective date of September 30, 2020. The Corporation is the surviving company and Brogent Mechanical and Brogent Creative are the dissolved companies.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31 2020	2019
Investments in associates - associates that are not individually material	$ 3,331	$ 3,029

Aggregate information of associates that are not individually material:

	December 31	
	2020	2019
The Group’s share of:		
Net profit (loss)	$ 1,142	$ (5,535)
Other comprehensive (loss) income	(840)	42
Total comprehensive income (loss) for the year	$ 302	$ (5,493)

13. PROPERTY, PLANT AND EQUIPMENT

For the year ended December 31, 2020

	Land	Buildings	Machinery Equipment	Transportation Equipment	Office Equipment	Other Equipment	Property under Construction	Total
Cost								
Balance at January 1,2020	$ 139,868	$ 686,097	$ 14,996	$ 1,881	$ 43,305	$ 263,805	$ 128,710	$ 1,278,662
Additions	-	7,190	1,179	-	8,203	7,860	22,919	47,351
Disposals	-	(949)	(4,762)	(59)	(15,919)	(19,682)	-	(41,371)
Reclassification	-	-	-	-	-	-	(61,771)	(61,771)
Effect of foreign currency exchange differences	-	(37)	-	-	(64)	67	-	(34)
Balance at December 31, 2020	$ 139,868	$ 692,301	$ 11,413	$ 1,822	$ 35,525	$ 252,050	$ 89,858	$ 1,222,837
Accumulated depreciation								
Balance at January 1, 2020	$ -	$ 123,803	$ 9,084	$ 955	$ 27,068	$ 72,745	$ -	$ 233,655
Depreciation expense	-	30,216	1,861	357	8,150	30,196	-	70,780
Disposals	-	(949)	(4,762)	(59)	(15,844)	(17,514)	-	(39,128)
Effect of foreign currency exchange differences	-	(8)	-	-	1	62	-	55
Balance at December 31, 2020	$ -	$ 153,062	$ 6,183	$ 1,253	$ 19,375	$ 85,489	$ -	$ 265,362
Carrying amount at December 31, 2020	$ 139,868	$ 539,239	$ 5,230	$ 569	$ 16,150	$ 166,561	$ 89,858	$ 957,475

For the year ended December 31, 2019

	Land	Buildings	Machinery Equipment	Transportation Equipment	Office Equipment	Other Equipment	Property under Construction	Total
Cost								
Balance at January 1,2019	$ 139,868	$ 667,506	$ 13,301	$ 1,878	$ 34,054	$ 161,037	$ 211,966	$ 1,229,610
Additions	-	2,976	1,695	283	8,707	26,182	14,240	54,083
Disposals	-	-	-	(280)	-	(838)	(48)	(1,166)
Reclassification	-	15,682	-	-	545	77,593	(97,448)	(3,628)
Effect of foreign currency exchange differences	-	(67)	-	-	(1)	(169)	-	(237)
Balance at December 31, 2019	$ 139,868	$ 686,097	$ 14,996	$ 1,881	$ 43,305	$ 263,805	$ 128,710	$ 1,278,662
Accumulated depreciation								
Balance at January 1, 2019	$ -	$ 94,749	$ 7,576	$ 795	$ 19,243	$ 40,788	$ -	$ 163,151
Depreciation expense	-	29,097	1,508	389	7,830	32,224	-	71,048
Disposals	-	-	-	(229)	-	(194)	-	(423)
Effect of foreign currency exchange differences	-	(43)	-	-	(5)	(73)	-	(121)
Balance at December 31, 2019	$ -	$ 123,803	$ 9,084	$ 955	$ 27,068	$ 72,745	$ -	$ 233,655
Carrying amount at December 31, 2019	$ 139,868	$ 562,294	$ 5,912	$ 926	$ 16,237	$ 191,060	$ 128,710	$ 1,045,007

The reconciliation of additions and the payments from the statements of cash flows of the above items of property, plant and equipment is as follows:

	For the Year Ended December 31	
	2020	2019
Investing activities impacting cash and non-cash items at the same time		
Additions in property, plant and equipment	$ 47,351	$ 54,083
Decrease in payables for equipment	726	4,337
Cash payments for purchasing property, plant and equipment	$ 48,077	$ 58,420

The following items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	50 years
Others	8-20 years
Machinery equipment	3-10 years
Transportation equipment	5 years
Office equipment	3-6 years
Other equipment	2-15 years

The farmland located in JhongShan, Sinwu Dist. Taoyuan City is registered in the name of an individual due to legal restrictions. The Group had obtained an agreement with the individual that the Group can register the farmland under the Group or other individual specified by the Group without payment at any time.

Refer to Note 31 for the carrying amount of property, plant and equipment pledged as collateral for borrowings.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2020	2019
Carrying amount		
Land	$ 119,337	$ 129,945
Buildings	210,799	198,004
Transportation equipment	11,015	12,102
	$ 341,151	$ 340,051

	For the Year Ended December 31	
	2020	2019
Additions to right-of-use assets	$ 45,814	$ 9,776
Depreciation of right-of-use assets		
Land	$ 10,608	$ 10,578
Buildings	26,361	24,111
Transportation equipment	5,990	5,424
	$ 42,959	$ 40,113

Except for the additions and depreciation expense above, the right-of-use assets have no major sublease or modification during 2020 and 2019.

b. Lease liabilities

	December 31	
	2020	**2019**
Carrying amount		
Current	$ 56,161	$ 51,032
Noncurrent	$ 309,631	$ 306,990

Range of discount rates for lease liabilities was as follows:

	December 31	
	2020	**2019**
Land (%)	1.71	1.71
Buildings (%)	1.71-1.80	1.71-1.80
Transportation equipment (%)	1.71-1.87	1.71-1.87

c. Material lease activities and terms

The Group leases land and buildings for the use of business space and self-operated outlets with lease terms of 10 to 20 years. The lease contract for land specifies that lease payments will be adjusted on the basis of changes in announced land value and price. Lease contracts for self-operating outlets contain variable payments which are determined at a specific percentage of sales generated from the self-operating outlets. The Group does not have bargain purchase option to acquire the leasehold land and buildings at the end of the lease terms.

Because of the market conditions severely affected by COVID-19 in 2020, the Group negotiated with the lessor for rent concessions for land lease. The lessor agreed to provide unconditional 20% rent reduction from May 1 to October 31, 2020. The Group recognized in profit or loss the impact of rent concessions of $1,194 thousand (presented in other income) for the year ended December 31, 2020.

d. Other lease information

	For the Year Ended December 31	
	2020	**2019**
Expenses relating to short-term leases	$ 7,744	$ 23,619
Expenses relating to low-value asset leases	$ 31	$ 86
Total cash outflow for leases	$ 49,205	$ 59,567

15. OTHER INTANGIBLE ASSETS

For the year ended December 31, 2020

	Computer Software	Patent	Franchise	Film	Total
Cost					
Balance at January 1, 2020	$ 82,280	$ 4,350	$ 15,732	$ 158,765	$ 261,127
Additions	6,589	3,862	59	41,754	52,264
Write-off	(45,668)	(212)	(14,368)	-	(60,248)
Effect of foreign currency exchange differences	55	-	(2)	(1,420)	(1,367)
Balance at December 31, 2020	$ 43,256	$ 8,000	$ 1,421	$ 199,099	$ 251,776
Accumulated amortization					
Balance at January 1, 2020	$ 62,445	$ 589	$ 14,727	$ 19,831	$ 97,592
Amortization expense	10,397	399	130	19,915	30,841
Write-off	(45,668)	(212)	(14,368)	-	(60,248)
Effect of foreign currency exchange differences	50	-	-	(153)	(103)
Balance at December 31, 2020	$ 27,224	$ 776	$ 489	$ 39,593	$ 68,082
Carrying amount at December 31, 2020	$ 16,032	$ 7,224	$ 932	$ 159,506	$ 183,694

For the year ended December 31, 2019

	Computer Software	Patent	Franchise	Film	Total
Cost					
Balance at January 1, 2019	$ 74,602	$ 3,274	$ 15,735	$ 59,822	$ 153,433
Additions	7,825	1,076	-	98,957	107,858
Effect of foreign currency exchange differences	(147)	-	(3)	(14)	(164)
Balance at December 31, 2019	$ 82,280	$ 4,350	$ 15,732	$ 158,765	$ 261,127
Accumulated amortization					
Balance at January 1, 2019	$ 49,659	$ 317	$ 14,209	$ 2,719	$ 66,904
Amortization expense	12,843	272	520	17,231	30,866
Effect of foreign currency exchange differences	(57)	-	(2)	(119)	(178)
Balance at December 31, 2019	$ 62,445	$ 589	$ 14,727	$ 19,831	$ 97,592
Carrying amount at December 31, 2019	$ 19,835	$ 3,761	$ 1,005	$ 138,934	$ 163,535

The above intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	1-5 years
Patent	1-19 years
Franchise	1-10 years
Film	5-10 years

16. BORROWINGS

a. Short-term borrowings

	December 31	
	2020	2019
Secured borrowings (Note 31)		
Bank loans	$ 134,540	$ 116,340
Unsecured borrowings		
Bank credit borrowings	81,667	75,000
	$ 216,207	$ 191,340
Interest rate (%)	0.4-1.58	1.05-1.77

b. Long-term borrowings

	December 31	
	2020	2019
Secured borrowings (Note 31)		
Bank loans - repayable before January 2032	$ 264,140	$ 968,167
Unsecured borrowings		
Bank loans - repayable before May 2032	91,500	100,000
Loans from the government - repayable before December 2022 (Note)	895	-
	356,535	1,068,167
Less: Current portion	(50,258)	(252,626)
Long-term borrowings	$ 306,277	$ 815,541
Interest rate (%)	1.50-1.73	1.05-1.91

Note: The subsidiary StarLite obtained an interest-free loan from the local government.

17. BONDS PAYABLE - December 31, 2020

	Total Face Value Issued	Discount on Bonds Payable	Accrued Premiums	Total
3rd domestic unsecured convertible bonds	$ 700,000	$ (28,301)	$ -	$ 671,699
4th domestic unsecured convertible bonds	500,000	(19,300)	-	480,700
Total issued this year	1,200,000	(47,601)	-	1,152,399
Amortized	-	2,143	1,118	3,261
Balance at year end	$ 1,200,000	$ (45,458)	$ 1,118	$ 1,155,660

a. On October 12, 2020, the Corporation issued its 3rd domestic five-year unsecured zero-coupon convertible bonds with an aggregate principal amount of $711,490 thousand (101.64% of the face value) and a par value of $100 thousand per bond certificate.

   The conversion price was set at $105 per share. Bondholders are entitled to convert bonds into the Corporation's common stock from January 13, 2021 to October 12, 2025.

   If the closing price of the Corporation's common stock continues being at least 130% of the conversion price then in effect for 30 consecutive trading days or the aggregate outstanding balance of bonds payable is less than 10% of the original issuance amount, the Corporation has the right to redeem the outstanding bonds payable at par value in cash during the period from three months after the issuance date to the date 40 days prior to the maturity date.

   Under the terms of the convertible bonds, the bondholders have the right to require the Corporation to redeem any bonds in cash at face value of the convertible bonds plus interest compensation (1.2547%) after two and a half years from the issuance.

   The amount of the face value of the convertible bonds plus interest compensation (2.5251%) has to be fully paid off in cash at maturity by the Corporation.

b. On October 15, 2020, the Corporation issued its 4th domestic four-year unsecured zero-coupon convertible bonds with an aggregate principal amount of $500,000 thousand and a par value of $100 thousand per bond certificate.

   The conversion price was set at $106.5 per share. Bondholders are entitled to convert bonds into the Corporation's common stock from January 16, 2021 to October 15, 2024.

   If the closing price of the Corporation's common stock continues being at least 130% of the conversion price then in effect for 30 consecutive trading days or the aggregate outstanding balance of bonds payable is less than 10% of the original issuance amount, the Corporation has the right to redeem the outstanding bonds payable at par value in cash during the period from three months after the issuance date to the date 40 days prior to the maturity date.

   Under the terms of the convertible bonds, the bondholders have the right to require the Corporation to redeem any bonds in cash at face value of the convertible bonds plus interest compensation (0.7514%) after two and a half years from the issuance.

   The amount of the face value of the convertible bonds plus interest compensation (1.5085%) has to be fully paid off in cash at maturity by the Corporation.

c. The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options; the effective interest rate of the equity and liability component was 0.8% and 1% per annum, respectively, on initial recognition.

	2020
Proceeds from issuance (less transaction costs of $5,261 thousand)	$ 1,206,229
Redemption of option	(30)
Equity component	(53,800)
Liability component at the date of issue	$ 1,152,399

18. NOTES PAYABLE AND ACCOUNTS PAYABLE

The Group's notes payable and accounts payable are generated from operating activities. The average credit period of purchases of goods is around 30 to 120 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms and, therefore, there was no interest charged on the outstanding balance.

19. OTHER PAYABLES

	December 31	
	2020	2019
Payables for salaries	$ 34,113	$ 50,024
Payables for compensation of employees, board of directors and supervisors	-	43,455
Payables for equipment	3,659	4,385
Payables for insurance	3,283	3,547
Payables for premium service fee	2,149	1,602
Payables for pension	1,381	1,437
Others	16,148	26,709
	$ 60,733	$ 131,159

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Corporation and domestic subsidiaries adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Group makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

Subsidiaries are required by local regulations to make contributions to central provident fund and retirement insurance, which are also considered defined contribution plans.

b. Defined benefit plan

The defined benefit plans adopted by the Corporation are in accordance with the Labor Standards Act and operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Corporation contributes amounts based on the law to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2020	**2019**
Present value of defined benefit obligation	$ 11,727	$ 10,851
Fair value of plan assets	(2,433)	(2,112)
Net defined benefit liabilities	$ 9,294	$ 8,739

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities**
Balance at January 1, 2019	$ 9,959	$ (1,794)	$ 8,165
Service cost			
Current service cost	213	-	213
Interest expense (income)	124	(24)	100
Recognized in profit or loss	337	(24)	313
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(54)	(54)
Actuarial loss - changes in financial assumptions	700	-	700
Actuarial gain - experience adjustments	(145)	-	(145)
Recognized in other comprehensive income (loss)	555	(54)	501
Contributions from the employer	-	(240)	(240)
Balance at December 31, 2019	10,851	(2,112)	8,739
Service cost			
Current service cost	224	-	224
Interest expense (income)	109	(22)	87
Recognized in profit or loss	333	(22)	311
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(59)	(59)
Actuarial loss - changes in financial assumptions	298	-	298

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Actuarial loss - experience adjustments	$ 245	$ -	$ 245
Recognized in other comprehensive income (loss)	543	(59)	484
Contributions from the employer	-	(240)	(240)
Balance at December 31, 2020	$ 11,727	$ (2,433)	$ 9,294

(Concluded)

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

1) Investment risk

   The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk

   A decrease in the bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk

   The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations are as follows:

	December 31	
	2020	2019
Discount rate(s)	0.80	1.00
Expected rate(s) of salary increase	2.25	2.25

If possible reasonable changes in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2020	2019
Discount rate(s)		
Increase 0.25%	$ (371)	$ (357)
Decrease 0.25%	$ 385	$ 370

(Continued)

	December 31	
	2020	2019
Expected rate(s) of salary increase		
Increase 1%	$ 1,606	$ 1,551
Decrease 1%	$ (1,404)	$ (1,354)

(Concluded)

The above sensitivity analysis may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2020	2019
Expected contributions to the plans for the next year	$ 240	$ 240
Average duration of the defined benefit obligation	16.3	15.8

21. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The current/non-current classification of the Group's assets and liabilities relating to the construction business was based on its operating cycle. The amount expected to be recovered or settled within 1 year after the reporting period and more than 1 year after the reporting period for related assets and liabilities were as follows:

	Within 1 Year	More Than 1 Year	Total
December 31, 2020			
Assets			
Financial assets at amortized cost - current	$ 202,598	$ -	$ 202,598
Notes receivable and accounts receivable	226,083	-	226,083
Contract assets - current	944,432	174,996	1,119,428
Inventories	237,987	-	237,987
Prepayments	120,941	-	120,941
	$ 1,732,041	$ 174,996	$ 1,907,037
Liabilities			
Notes payable and accounts payable	$ 110,865	$ -	$ 110,865
Contract liabilities - current	65,357	71,397	136,754
Provisions - current	2,380	-	2,380
	$ 178,602	$ 71,397	$ 249,999
December 31, 2019			
Assets			
Financial assets at amortized cost - current	$ 277,637	$ -	$ 277,637
Notes receivable and accounts receivable	286,809	-	286,809

(Continued)

	Within 1 Year	More Than 1 Year	Total
Contract assets - current	$ 975,040	$ 60,764	$ 1,035,804
Inventories	232,958	-	232,958
Prepayments	227,425	-	227,425
	$ 1,999,869	$ 60,764	$ 2,060,633
Liabilities			
Notes payable and accounts payable	$ 96,384	$ -	$ 96,384
Contract liabilities - current	162,783	-	162,783
Provisions - current	2,328	-	2,328
	$ 261,495	$ -	$ 261,495

(Concluded)

22. EQUITY

a. Ordinary share capital

	December 31	
	2020	2019
Number of shares authorized (in thousands)	90,000	90,000
Shares authorized	$ 900,000	$ 900,000
Number of shares issued and fully paid (in thousands)	55,747	55,747
Shares issued	$ 557,474	$ 557,474

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and the right to dividends.

b. Capital surplus

	December 31	
	2020	2019
May be used to offset deficit, distributed as cash dividends or transferred to share capital (Note)		
Issuance of ordinary shares	$ 1,719,817	$ 1,719,817
Conversion of bonds	247,223	247,223
May only be used to offset deficit		
Changes in percentage of ownership interests in subsidiaries	1,113	1,116
May not be used for any purpose		
Equity component of convertible bonds payable	53,800	-
	$ 2,021,953	$ 1,968,156

Note: Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and to once a year).

c. Retained earnings and dividends policy

Under the dividends policy, where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit until the legal reserve equals the Corporation's paid-in capital. Besides, the profit shall be set aside or reversed as a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors and supervisors, refer to compensation employees and remuneration of directors and supervisors in Note 24(g) Compensation of employees and remuneration of directors and supervisors.

The dividends policy of the Corporation considers the plans for the expansion of the scale of operations and research and development plans, and the overall environment and the features of the industry in order to pursue sustainable operations and long-term benefits for shareholders. The dividends to shareholders can be paid in cash or issued as shares, but cash dividends shall be not less than 10% of the total dividends.

Legal reserve may be used to offset a deficit. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC should be appropriated to or reversed from a special reserve by the Corporation.

The appropriations of earnings for 2019 and 2018 which were proposed and approved in the shareholders' meetings on May 28, 2020 and May 29, 2019, respectively, were as follows:

	Appropriation of Earnings		**Dividends Per Share (NT$)**	
	2019	**2018**	**2019**	**2018**
Legal reserve	$ 36,612	$ 16,992		
Special reserve	14,857	(4,049)		
Cash dividends	312,186	179,453	$ 5.6	$ 3.38

The Corporation's shareholders also resolved in the shareholders' meeting on May 29, 2019 to issue share dividends of 32,918 thousand shares ($0.62 per share) and cash dividends of $26,546 thousand ($0.5 per share) from the capital surplus.

The resolution of the year 2020 proposal for reduction of capital to offset deficit will be made at the regular shareholders' meeting on May 28, 2021.

d. Other equity items

Exchange differences on translation of financial statements of foreign operations

	For the Year Ended December 31	
	2020	2019
Balance, beginning of year	$ (14,857)	$ 7,012
Recognized for the year		
Exchange differences on translation of financial statements of foreign operations	(10,767)	(21,911)
Share from associates accounted for using the equity method	(840)	42
Balance, end of year	$ (26,464)	$ (14,857)

e. Non-controlling interests

	For the Year Ended December 31	
	2020	2019
Balance, beginning of year	$ 73,173	$ 63,296
Share in profit for the period	(2,574)	17,285
Other comprehensive income (loss) for the year		
Exchange differences on translation of financial statements of foreign operations	594	28
Cash dividends distributed by subsidiaries	-	(2,335)
Acquisition of non-controlling interests in subsidiaries	(68,719)	(5,167)
Increase in non-controlling interests	284	66
Balance, end of year	$ 2,758	$ 73,173

23. REVENUE

	For the Year Ended December 31	
	2020	2019
Construction contract revenue	$ 988,901	$ 1,975,221
Licensing revenue	8,344	1,194
Sales of tickets and merchandise	43,189	75,628
Service revenue	22,465	28,398
	$ 1,062,899	$ 2,080,441

a. Contract information

1) Construction contract revenue comes from the construction of simulator rides and is recognized by the percentage of completion of each contract.

2) Licensing revenue comes from authorizing the use of intellectual property rights of the film, etc.

3) Sales of tickets and merchandise comes from sales of tickets and peripheral products in each self-operated outlets.

4) Service revenue comes from providing maintenance service to simulator rides by the Group.

b. Contract balances

	December 31, 2020	December 31, 2019	January 1, 2019
Notes receivable and accounts receivable	$ 226,083	$ 286,809	$ 292,820
Contract assets			
Construction	$ 1,106,733	$ 952,852	$ 529,353
Reserves of construction	84,557	103,558	113,873
Less: Allowance for impairment loss	(71,862)	(20,606)	-
	$ 1,119,428	$ 1,035,804	$ 643,226
Contract liabilities			
Construction	$ 120,016	$ 134,295	$ 74,294
Others	16,738	28,488	77,791
	$ 136,754	$ 162,783	$ 152,085

The changes in the balance of contract assets and contract liabilities primarily result from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment.

The movements of the loss allowance of contract assets were as follows:

	For the Year Ended December 31	
	2020	2019
Balance, beginning of the year	$ 20,606	$ -
Net remeasurement of loss allowance	51,256	20,606
Balance, end of the year	$ 71,862	$ 20,606

Revenue in the reporting period recognized from the beginning contract liabilities is as follows:

	For the Year Ended December 31	
	2020	2019
Balance, beginning of the year		
Construction	$ 38,112	$ 74,294
Others	22,501	77,791
	$ 60,613	$ 152,085

24. PROFIT BEFORE INCOME TAX

a. Interest income

	For the Year Ended December 31	
	2020	2019
Bank deposits	$ 7,565	$ 9,865
Others	928	466
	$ 8,493	$ 10,331

b. Other income

	For the Year Ended December 31	
	2020	2019
Rental income	$ 167	$ 1,478
Government grants	31,411	35,666
Others	7,109	6,034
	$ 38,687	$ 43,178

The Group applied for and received government grant of $14,729 thousand in 2020 from the Ministry of Economic Affairs as subsidies for salary and working capital of businesses affected by the pneumonia.

c. Other gains and losses

	For the Year Ended December 31	
	2020	2019
Gain (loss) on financial assets at fair value through profit or loss	$ (10,097)	$ 55,727
Net foreign exchange gain	(28,445)	(28,733)
Gain on disposal of property, plant and equipment	192	554
Other losses	(84)	(703)
	$ (38,434)	$ 26,845

d. Finance costs

	For the Year Ended December 31	
	2020	2019
Interest on bank loan	$ 19,240	$ 17,243
Interest on lease liabilities	6,450	6,484
Interest on convertible bonds	3,261	-
Other finance costs	251	-
	$ 29,202	$ 23,727

e. Depreciation and amortization

	For the Year Ended December 31	
	2020	2019
Property, plant and equipment	$ 70,780	$ 71,048
Right-of-use assets	42,959	40,113
Intangible assets	30,841	30,866
	$ 144,580	$ 142,027

(Continued)

	For the Year Ended December 31	
	2020	2019
An analysis of depreciation by function		
Operating costs	$ 43,972	$ 51,164
Operating expenses	69,767	59,997
	$ 113,739	$ 111,161
An analysis of amortization by function		
Operating costs	$ 18,756	$ 18,226
Operating expenses	12,085	12,640
	$ 30,841	$ 30,866

(Concluded)

f. Employee benefits

	For the Year Ended December 31	
	2020	2019
Short-term employee benefits	$ 249,196	$ 300,769
Post-employment benefits		
Defined contribution plans	10,323	9,781
Defined benefit plans (Note 20)	311	313
	10,634	10,094
Employee benefits expense (Note 27)	281	335
	$ 260,111	$ 311,198
An analysis by function		
Operating costs	$ 49,334	$ 57,898
Operating expenses	210,777	253,300
	$ 260,111	$ 311,198

g. Compensation of employees and remuneration of directors and supervisors

According to the Articles of Incorporation of the Corporation, the Corporation accrues compensation of employees and remuneration of directors and supervisors at rates of 5% to 15% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors and supervisors. The board of directors resolved not to accrue compensation of employees and remuneration of directors and supervisors for 2020 due to net loss before income tax. The compensation of employees and remuneration of directors and supervisors for the year ended December 31, 2019 which have been approved by the Corporation’s board of directors on March 9, 2020 were as follows:

Amount	For the Year Ended December 31, 2019
Compensation of employees	$ 34,599
Remuneration of directors and supervisors	7,595

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

For the years ended December 31, 2019 and 2018, there is no difference between the actual amounts of compensation of employees and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2019 and 2018.

Information on the compensation of employees and remuneration of directors and supervisors resolved by the Corporation's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gains (losses) on foreign currency exchange

	For the Year Ended December 31	
	2020	**2019**
Foreign exchange gains	$ 7,024	$ 2,055
Foreign exchange losses	(35,469)	(30,788)
Net loss	$ (28,445)	$ (28,733)

25. INCOME TAX RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2020	**2019**
Current tax		
In respect of the current year	$ 18,267	$ 80,960
Income tax on unappropriated earnings	-	7
Adjustments for prior years	1,859	(2,779)
	20,126	78,188
Deferred tax		
In respect of the current year	(10,206)	9,903
	$ 9,920	$ 88,091

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2020	**2019**
Profit before income tax	$ (41,838)	$ 471,901
Income tax expense calculated at the statutory rate	$ 6,525	$ 96,247
Permanent differences	3,198	(1,718)
Income tax on unappropriated earnings	-	7
Unrecognized temporary differences	1,931	42
Adjustments for prior years' tax	1,859	(2,779)
Investment tax credits	(3,593)	(3,708)
	$ 9,920	$ 88,091

In July 2019, the president of the ROC announced the amendments to the Statute for Industrial Innovation, which stipulate that the amounts of unappropriated earnings in 2018 and thereafter that are reinvested in the construction or purchase of certain assets are allowed as deduction when computing the income tax on unappropriated earnings. When calculating the tax on unappropriated earnings, the Group only deducts the amount of the unappropriated earnings that has been reinvested in capital expenditure.

The applicable tax rate used by subsidiaries in China is 25% and tax rates used by other entities in the Group operating in other jurisdictions are based on the tax laws in those jurisdictions.

b. Income tax benefit (expense) recognized in other comprehensive income (loss)

	For the Year Ended December 31	
	2020	**2019**
In respect of the current period		
Remeasurement of defined benefit plans	$ 237	$ (100)

c. Current tax assets and liabilities

	December 31	
	2020	**2019**
Current tax assets		
Tax refund receivable	$ 20	$ 24
Current tax liabilities		
Income tax payable	$ 5,918	$ 53,952

d. Deferred tax assets and liabilities

Movements of deferred tax assets and liabilities were as follows:

For the year ended December 31, 2020

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Defined benefit obligations	$ 795	$ 1,300	$ (237)	$ -	$ 1,858
Allowance for impairment loss	4,790	9,196	-	-	13,986
Difference between tax reporting and financial reporting - depreciation expense	1,874	(667)	-	-	1,207
Unrealized loss on foreign currency exchange	5,811	(959)	-	-	4,852
Others	1,467	2,738	-	-	4,205
	14,737	11,608	(237)	-	26,108
Tax losses	6,077	7,271	-	24	13,372
	$ 20,814	$ 18,879	$ (237)	$ 24	$ 39,480
Deferred tax liabilities					
Temporary differences					
Deferred gross margin	$ 31,833	$ 8,893	$ -	$ 629	$ 41,355
Others	1,116	(220)	-	-	896
	$ 32,949	$ 8,673	$ -	$ 629	$ 42,251

For the year ended December 31, 2019

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Defined benefit obligations	$ 680	$ 15	$ 100	$ -	$ 795
Allowance for impairment loss	2,855	1,935	-	-	4,790
Difference between tax reporting and financial reporting - depreciation expense	1,902	(28)	-	-	1,874
Unrealized loss on foreign currency exchange	972	4,839	-	-	5,811
Others	3,765	(2,298)	-	-	1,467
	10,174	4,463	100	-	14,737
Tax losses	2,444	3,705	-	(72)	6,077
	$ 12,618	$ 8,168	$ 100	$ (72)	$ 20,184
Deferred tax liabilities					
Temporary differences					
Deferred gross margin	$ 15,614	$ 17,349	$ -	$ (1,130)	$ 31,833
Others	394	722	-	-	1,116
	$ 16,008	$ 18,071	$ -	$ (1,130)	$ 32,949

e. Deductible temporary differences for which no deferred tax assets have been recognized in the consolidated balance sheets.

	For the Year Ended December 31	
	2020	2019
Deductible temporary differences		
Loss on foreign investments	$ 8,842	$ 3,731

f. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2020 comprised:

Unused Amount	Expiry Year
$ 5,494	2023
1,389	2024
1,021	2025
19,047	2029
37,942	2030
$ 64,893	

g. Taxable temporary differences not assessed for deferred tax liabilities

As of December 31, 2020 and 2019, the taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized were $125,950 thousand and $132,388 thousand.

h. Income tax assessments

The income tax returns through 2018 for the Corporation and its domestic subsidiaries have been assessed by the tax authorities.

26. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

a. Net profit for the year

	For the Year Ended December 31	
	2020	2019
Net profit attributable to owners of the Corporation	$ (49,184)	$ 366,525

b. Weighted average number of ordinary shares outstanding (in thousands of shares)

	For the Year Ended December 31	
	2020	2019
Weighted average number of ordinary shares	55,747	55,747

27. SHARE-BASED PAYMENT ARRANGEMENTS

a. Employee share option plan of subsidiaries

Qualified employees of Brogent Global were granted 500 units of share options in February 2017. Each option entitles the holder with the right to subscribe for one thousand ordinary shares of Brogent Global. The options granted are valid for 10 years and exercisable at certain percentages after the second anniversary from the grant date.

Qualified employees of Brogent Mechanical were granted 250 units of share options in November 2016 and 250 units of share options in March 2019. Each option entitles the holder with the right to subscribe for one thousand ordinary shares of Brogent Mechanical. The options granted are valid for 10 years and exercisable at certain percentages after the second anniversary from the grant date.

Information on employee share options is as follows:

1) Brogent Global

	For the Year Ended December 31			
	2020		2019	
	Number of Options (In Thousands of Units)	Weighted-average Exercise Price ($)	Number of Options (In Thousands of Units)	Weighted-average Exercise Price ($)
Balance at January 1	500	$ 10.00	500	$ 10.00
Options forfeited	(277)	-	-	-
Balance at December 31	223	10.00	500	10.00
Options exercisable, end of the year	167	10.00	250	10.00
Weighted-average fair value of options granted ($)	$ 1.82		$ 1.82	

Information on outstanding options is as follows:

	December 31	
	2020	2019
Range of exercise price ($)	$ 10	$ 10
Weighted-average remaining contractual life (in years)	6.14	7.14

Options granted in February 2017 were priced using the binomial option pricing model, and the inputs to the model are as follows:

	February 2017
Grant-date share price	$ 5.57
Exercise price	10
Expected volatility	38.06%
Expected life (in years)	10
Risk-free interest rate	1.1214%

2) Brogent Mechanical

	For the Year Ended December 31			
	2020		2019	
	Number of Options (In Thousands of Units)	Weighted-average Exercise Price ($)	Number of Options (In Thousands of Units)	Weighted-average Exercise Price ($)
Balance at January 1	500	$ 10.47	250	$ 10.00
Options granted	-	-	250	10.93

(Continued)

	For the Year Ended December 31			
	2020		2019	
	Number of Options (In Thousands of Units)	Weighted-average Exercise Price ($)	Number of Options (In Thousands of Units)	Weighted-average Exercise Price ($)
Options forfeited	(500)	$ -	-	$ -
Balance at December 31	-	-	500	10.47
Options exercisable, end of the year	-	-	125	10.00
Weighted-average fair value of options granted ($)	$ 1.82	-	$ 1.82	

(Concluded)

Information on outstanding options is as follows:

	December 31, 2019
Range of exercise price	$10-$10.93
Weighted-average remaining contractual life (in years)	7.54

Options granted in November 2016 and March 2019 were priced using the binomial option pricing model, and the inputs to the model are as follows:

	March 2019	November 2016
Grant-date share price	$ 6.78	$ 5.83
Exercise price	10.93	10
Expected volatility	30.16%	38.17%
Expected life (in years)	10	10
Risk-free interest rate	0.77%	1.07%

Compensation costs recognized by Brogent Global and Brogent Mechanical were $281 thousand and $335 thousand for the years ended December 31, 2020 and 2019, respectively.

28. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt and equity of the Group.

The Group is not subject to any externally imposed capital requirements.

29. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The Group’s management considers that the carrying amounts of financial instruments that are not measured at fair value approximate their fair values, except for convertible bonds.

The carrying amount and fair value of convertible bonds on December 31, 2020 were as follows:

	December 31, 2020
Book value	$ 1,155,660
Fair value	$ 1,163,530

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 380,382	$ -	$ -	$ 380,382
Unquoted ordinary shares	-	-	281,474	281,474
Derivative financial assets	-	-	1,860	1,860
	$ 380,382	$ -	$ 283,334	$ 663,716

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 248,751	$ -	$ -	$ 248,751
Unquoted ordinary shares	-	-	302,389	302,389
	$ 248,751	$ -	$ 302,389	$ 551,140

There were no transfers between Levels 1 and 2 for the years ended December 31, 2020 and 2019.

2) Reconciliation of Level 3 fair value measurements of financial assets

For the Year Ended December 31, 2020

	Derivatives	Equity Instruments	Total
Financial Assets at FVTPL			
Balance at January 1	$ -	$ 302,389	$ 302,389
Additions	70	-	70
Recognized in profit or loss	1,790	(20,915)	(19,125)
Balance at December 31	$ 1,860	$ 281,474	$ 283,334

Financial Liabilities at FVTPL	Derivatives
Balance at January 1	$ -
Additions	100
Recognized in profit or loss	(100)
Balance at December 31	$ -

For the Year Ended December 31, 2019

Financial assets at FVTPL	Equity Instruments
Balance at January 1	$ 138,955
Additions	138,690
Recognized in profit or loss	24,744
Balance at December 31	$ 302,389

3) Valuation techniques and inputs applied for Level 3 fair value measurement

a) Equity Instrument Investments

The fair values of unlisted equity securities were determined using the income approach. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees.

b) Convertible Bonds

The fair values of options were determined using the binomial option pricing model where the input is historical volatility, risk-free interest rate, risk discount rate and the liquidity risk, etc.

c. Categories of financial instruments

	December 31	
	2020	**2019**
Financial assets		
Financial assets at amortized cost (1)	$ 1,356,619	$ 1,417,148
Financial assets at FVTPL	663,716	551,140
Financial liabilities		
Amortized cost (2)	1,900,000	1,487,050

1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes and accounts receivable and refundable deposits.

2) The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, notes and accounts payable, other payables, long-term borrowings (including current

portion) and bonds payable.

d. Financial risk management objectives and policies

The Group's major financial instruments include time deposits, equity investments, notes and accounts receivable, notes and accounts payable, borrowings, bonds payable and lease liabilities. The Group's corporate treasury function provides services to the business, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The corporate treasury function reports regularly to the Group's risk management committee.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below), and other price risk (see (c) below).

a) Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) are set out in Note 34.

Sensitivity analysis

The Group is mainly exposed to the USD, RMB, EUR and CAD.

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. The sensitivity analysis included only outstanding deposits, receivables and payables not designated as cash flow hedges, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit associated with the New Taiwan dollar weakening 1% against the relevant currency. For a 1% strengthening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	Impact on Profit Before Income Tax	
	For the Year Ended December 31	
	2020	**2019**
USD	$ 2,404	$ 6,987
RMB	2,055	2,191
EUR	388	929
CAD	249	275

b) Interest rate risk

The Group was exposed to interest rate risk because the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2020	2019
Fair value interest rate risk		
Financial assets	$ 478,967	$ 1,037,203
Financial liabilities	1,670,992	583,022
Cash flow interest rate risk		
Financial assets	601,941	43,724
Financial liabilities	423,202	1,034,507

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of each asset and liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2020 and 2019 would have increased/decreased by $1,787 thousand and decreased/increased by $9,908 thousand, respectively, which was mainly attributable to the Group's variable-rate bank deposits and borrowings.

c) Other price risk

The Group was exposed to equity price risk through its investments in domestic and foreign marketable equity instruments. The equity investments are held for strategic rather than trading purposes.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 1% higher/lower, the pre-tax other comprehensive income for the year ended December 31, 2020 and 2019 would have increased/decreased by $6,619 thousand and $5,511 thousand, respectively, as a result of the changes in the fair value of financial assets at FVTPL.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation to the Group, could be equal to the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

For the financial risk management policies adopted by the Group, refer to Note 9.

The Group's credit risk is mainly concentrated in the following groups of accounts receivable:

	December 31 2020	December 31 2019
Group A	$ 55,359	$ 54,613
Group B	24,772	41,796
Group C	-	42,290
Group D	18,761	74,406
Group E	1,782	38,424
Group F	60,573	-
	$ 161,247	$ 251,529

The Group's concentration of credit risk accounted for 75% and 88% of total accounts receivable from the above-mentioned groups as of December 31, 2020 and 2019, respectively.

3) Liquidity risk

The Corporation manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Liquidity risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the year

	Within 1 Year	2-3 Years	4-5 Years	More than 5 Years	Total
December 31, 2020					
Non-interest bearing liabilities	$ 171,598	$ -	$ -	$ -	$ 171,598
Lease liabilities	62,760	86,779	80,105	164,633	394,277
Variable interest rate liabilities	122,391	118,375	52,750	155,523	449,039
Fixed interest rate liabilities	149,665	1,226,113	-	-	1,375,778
	$ 506,414	$ 1,431,267	$ 132,855	$ 320,156	$ 2,390,692
December 31, 2019					
Non-interest bearing liabilities	$ 227,543	$ -	$ -	$ -	$ 227,543
Lease liabilities	56,839	76,629	72,369	183,385	389,222
Interest rate liabilities	459,792	355,347	295,474	211,402	1,322,015
	$ 744,174	$ 431,976	$ 367,843	$ 394,787	$ 1,938,780

30. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Group and other related parties are as follows:

a. Related party name and category

Related Party Name	Related Party Category
Discover NY project company LLC (Discover NY)	Associates before September 2019
Brogent Japan Entertainment	Associates

b. Operating Revenue

Line Item	For the Year Ended December 31 2020	2019
Construction contract revenue	$ -	$ 56,357
Service revenue	1,767	-
Licensing revenue	404	-
	$ 2,171	$ 56,357

The construction contract with the associate based on estimated construction cost plus reasonable administrative expenses and profit was not significantly different from that of normal customers. After negotiating the contract, the Group collects the payment according to the schedule agreed in the contract.

c. Compensation of key management personnel

The amounts of the remuneration of directors and other members of key management personnel were as follows:

	For the Year Ended December 31 2020	2019
Short-term employee benefits	$ 13,902	$ 21,280
Post-employment benefits	555	529
	$ 14,457	$ 21,809

31. ASSETS PLEDGED AS COLLATERAL OR SECURITY

The following assets were provided as collateral for construction guarantee and warranty, lease development, government grants, guarantee for notes performance and borrowings:

	December 31 2020	2019
Financial assets at amortized cost - current		
Demand deposits and time deposits	$ 156,343	$ 271,320
Financial assets at amortized cost - noncurrent		
Time deposits	15,000	31,620
Property, plant and equipment	626,457	649,384
	$ 797,800	$ 952,324

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. As of December 31, 2020 and 2019, the Group's outstanding notes payable for performance and warranty under various construction projects were $15,468 thousand and $15,639 thousand; letters of guarantee for warranty under various construction projects were $27,112 thousand and $102,598 thousand, respectively.

b. As of December 31, 2020 and 2019, the outstanding notes payable for research and development were both $33,600 thousand.

33. OTHER ITEMS

Due to the impact of the COVID-19 pandemic, the global economic situation continues to tighten, especially of the tourism and entertainment industries. The Group's main products are simulator rides and some of the contracts with customers were postponed. As a result, revenue recognized by the percentage of completion of each contract decreased. As of the report date of the consolidated financial statements, no construction contract has been cancelled. With the epidemic slowing and policy loosening, the Group expects that operations will gradually return to normal.

Based on the information available as of the balance sheet date, the Group considered the economic implications of the pandemic when making its critical accounting estimates (refer to Note 5). For information about government grants in 2020, refer to Note 24(b).

In addition, the followings are the actions that the Group has taken to respond to the influence of the pandemic:

a. Normal operation planning

   Due to the construction delays, the Group plans to reserve more cash for future necessary expenditure. Moreover, the Group has continually kept in touch with the operating stakeholders to track the progress of the construction and be ready for the retaliatory rebound in advance.

b. Optimization of the product and system

   The Group planned to improve production efficiency, increase gross margin by optimizing the original products during the postponed period, and keep on reviewing the governance system and implementation level.

c. Government relief grants

   The Group has successively applied to the government for grants, such as salaries, operating income, etc.

d. Cost management

   1) Pausing staff recruitment

   2) Expenditure management and austerity

   3) Delivery process management to the suppliers.

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

	Foreign Currency (In Thousands)	Exchange Rate		Carrying Amount (In Thousands of New Taiwan Dollars)
December 31, 2020				
Financial assets				
Monetary items				
USD	$ 8,535	28.48	(USD:NTD)	$ 243,081
RMB	43,508	4.38	(RMB:NTD)	190,566
RMB	3,399	0.1538	(RMB:USD)	14,885
EUR	1,105	35.06	(EUR:NTD)	38,773
CAD	1,113	22.37	(CAD:NTD)	24,900
Financial liabilities				
Monetary items				
USD	43	28.48	(USD:NTD)	1,233
USD	49	6.5023	(USD:RMB)	1,401
December 31, 2019				
Financial assets				
Monetary items				
USD	23,345	30.08	(USD:NTD)	702,218
RMB	50,708	4.32	(RMB:NTD)	219,059
EUR	2,771	33.54	(EUR:NTD)	92,939
CAD	1,191	23.08	(CAD:NTD)	27,488
Financial liabilities				
Monetary items				
USD	116	30.08	(USD:NTD)	3,489
RMB	2	4.32	(RMB:NTD)	9

For the years ended December 31, 2020 and 2019, realized and unrealized net foreign exchange losses were $28,445 thousand and $28,733 thousand, respectively. It is impractical to disclose net foreign exchange gains and losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

35. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

   1) Financing provided to others: Table 1

   2) Endorsements/guarantees provided: None

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures): Table 2

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 3

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None

9) Trading in derivative instruments: Note 7

10) Intercompany relationships and significant intercompany transactions: Table 4

11) Information on investees: Table 5

b. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 6

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: None

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

Account	Trading Partners	Amount	Proportion of the Account (%)
Construction contract revenue	Hai Wei Culture Creative	$ 91,126	53
Construction contract revenue	Brogent Rides	63,107	8
Accounts receivable	Hai Wei Culture Creative	17,520	46
Accounts receivable	Brogent Rides	66,512	36

c) The amount of property transactions and the amount of the resultant gains or losses: None

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None

c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 7)

36. SEGMENT INFORMATION

The chief operating decision maker of the Group reviews the overall operating results in order to make decisions about resource allocation and assessment of the overall performance. The Group has a single operation segment. Therefore, the measurement basis for sales, operating results, and assets of the reportable segments in 2020 and 2019 is the same as the corporate financial statements. Refer to the balance sheets and the statements of comprehensive income for 2020 and 2019.

a. Revenue from major products and services: Note 23

b. Geographical information

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	Revenue from External Customers		**Non-current Assets**	
	For the Year Ended December 31		**December 31**	
	2020	**2019**	**2020**	**2019**
Taiwan	$ 53,106	$ 63,450	$ 1,347,046	$ 1,393,193
Asia	706,709	1,366,913	130,483	156,549
Europe	106,743	292,253	67,277	67,143
United States	195,971	356,333	1,388	1,863
Others	370	1,492	-	-
	$ 1,062,899	$ 2,080,441	$ 1,546,194	$ 1,618,748

Non-current assets exclude financial instruments and deferred tax assets.

c. Information about major customers

	For the Year Ended December 31			
	2020		**2019**	
	Amount	**Proportion of Net Operating Revenue (%)**	**Amount**	**Proportion of Net Operating Revenue (%)**
Group A	$ 361,036	34	$ 511,067	25
Group B	109,677	10	290,473	14

(Continued)

	For the Year Ended December 31			
	2020		2019	
	Amount	**Proportion of Net Operating Revenue (%)**	**Amount**	**Proportion of Net Operating Revenue (%)**
Group C	$ 77,112	7	$ 247,752	12
Group D	2,884	-	237,608	11
	$ 550,709	51	$ 1,286,900	62

(Concluded)

Brogent Technologies Inc. and Subsidiaries

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Year	Ending Balance	Actual Amount Drawn	Interest Rate (%)	Nature of Financing	Transaction Amount	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrowing Company	Financing Company's Total Financing Limit	Note
													Item	Value			
0	The Corporation	Brogent Global	Other receivables - related parties	Yes	$ 150,000	$ 150,000	$ -	-	Short-term financing	$ -	Operating Capital	$ -	-	$ -	$ 264,626	$ 1,058,507	Notes 1 and 2
0	The Corporation	Brogent Hong Kong	Other receivables - related parties	Yes	150,000	150,000	-	-	Short-term financing	-	Operating Capital	-	-	-	264,626	1,058,507	Notes 1 and 2
0	The Corporation	Brogent Mechanical	Other receivables - related parties	Yes	150,000	-	-	-	Short-term financing	-	Operating Capital	-	-	-	-	-	Note 3

Note 1: The total financing limit shall not exceed 40% of the net worth of the financing company.

Note 2: The financing limit for each borrowing company shall not exceed 10% of the net worth of the financing company.

Note 3: Dissolved after being merged by the Corporation on September 30, 2020.

TABLE 2

Brogent Technologies Inc. and Subsidiaries

MARKETABLE SECURITIES HELD
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020				Note
				Number of Shares	Carrying Value	Percentage of Ownership (%)	Fair Value	
The Corporation	Mutual funds							
	Capital RMB Money Market Fund RMB	-	Financial assets at fair value through profit or loss - current	555,526	$ 28,733	-	$ 28,733	
	Cathay RMB Money Market Fund	-	Financial assets at fair value through profit or loss - current	423,657	22,540	-	22,540	
	Prudential Financial US Investment Grade Corporate Bond Fund A CNY	-	Financial assets at fair value through profit or loss - current	550,000	26,409	-	26,409	
	Capital Global Senior Secured High Yield Bond Fund	-	Financial assets at fair value through profit or loss - current	453,038	22,366	-	22,366	
	Cathay Senior Secured High Yield Bond Fund A USD	-	Financial assets at fair value through profit or loss - current	2,232,766	22,841	-	22,841	
	JPMorgan Funds - Global Corporate Bond Fund	-	Financial assets at fair value through profit or loss - current	158,884	92,265	-	92,265	
	NN (L) US Credit - X Cap USD	-	Financial assets at fair value through profit or loss - current	673	31,442	-	31,442	
	Prudential Financial US Investment Grade Corporate Bond Fund Acc USD	-	Financial assets at fair value through profit or loss - current	94,464	29,281	-	29,281	
	Eastspring Investments - US Investment Grade Bond Fund - A	-	Financial assets at fair value through profit or loss - current	47,831	29,291	-	29,291	
					$ 305,168		$ 305,168	
Brogent Global	Common Stock							
	Jump Media International Co., LTD.	-	Financial assets at fair value through profit or loss - current	264,001	$ -	0.93	$ -	
	This is Holland B.V.	-	Financial assets at fair value through profit or loss - noncurrent	100	9,466	10	9,466	
	Preferred Stock							
	This is Holland B.V.	-	Financial assets at fair value through profit or loss - noncurrent	200	35,060	-	35,060	
					$ 44,526		$ 44,526	
Holey Holdings Limited	Common Stock							
	Discover NY Project Company, LLC	-	Financial assets at fair value through profit or loss - noncurrent	2,143	$ 116,255	19.44	$ 116,255	
Brogent Rides	Mutual funds							
	ICBC tian li bau-Net Asset Value Fund		Financial assets at fair value through profit or loss - current	1,000,000	$ 6,505	-	$ 6,505	
	NBCB-Net Asset Value Fund	-	Financial assets at fair value through profit or loss - current	83,921	438	-	438	
	Common Stock							
	Fly Over The World Cultural Development Co. Ltd	-	Financial assets at fair value through profit or loss - noncurrent	20,000,000	155,753	4	155,753	
					$ 162,696		$ 162,696	

(Continued)

Holding Company	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020				Note
				Number of Shares	Carrying Value	Percentage of Ownership (%)	Fair Value	
Brogent Creative	Mutual funds							
	ICBC tian li bau-Net Asset Value Fund	-	Financial assets at fair value through profit or loss - current	500,000	$ 2,364	-	$ 2,364	
	NBCB-Net Asset Value Fund (Redeemable)	-	Financial assets at fair value through profit or loss - current	706,725	3,689	-	3,689	
	NBCB-Financial Fund (capital protected)	-	Financial assets at fair value through profit or loss - current	500,000	2,190	-	2,190	
					$ 8,243		$ 8,243	
Hai Wei Culture Creative	Mutual funds							
	NBCB-Net Asset Value Fund (Redeemable)	-	Financial assets at fair value through profit or loss - current	1,350,880	$ 7,050	-	$ 7,050	
	NBCB-Net Asset Value Fund (capital unprotected)		Financial assets at fair value through profit or loss - current	1,400,000	6,201		6,201	
	NBCB-Net Asset Value Fund (capital unprotected)		Financial assets at fair value through profit or loss - current	8,532,685	46,777		46,777	
					$ 60,028	-	$ 60,028	

(Concluded)

TABLE 3

Brogent Technologies Inc. and Subsidiaries

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
The Corporation	Brogent Mechanical	Subsidiary	Purchase	$ 133,600	20	45 to 75 days after monthly closing	No comparable transaction with third party	45 to 75 days after monthly closing	$ -	-	Note

Note: It was eliminated on consolidation.

TABLE 4

Brogent Technologies Inc. and Subsidiaries

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Operating Revenues (Assets)
0	The Corporation	Brogent Rides	Parent to subsidiary	Construction contract revenue	$ 63,107	No similar transactions with unrelated person	6.00
0	The Corporation	Brogent Rides	Parent to subsidiary	Accounts receivable	66,512	45 to 75 days after monthly closing	1.00
0	The Corporation	Brogent Global	Parent to subsidiary	Construction contract revenue	1,858	No similar transactions with unrelated person	-
0	The Corporation	Brogent Global	Parent to subsidiary	Rent revenue	11,990	No similar transactions with unrelated person	1.00
0	The Corporation	hexaRide	Parent to subsidiary	Rent revenue	2,758	No similar transactions with unrelated person	-
1	Brogent Global	Hai Wei Culture Creative	Subsidiary to subsidiary	Construction contract revenue	91,126	No similar transactions with unrelated person	9.00
1	Brogent Global	The Corporation	Subsidiary to parent	Service revenue	9,260	No similar transactions with unrelated person	1.00
1	Brogent Global	The Corporation	Subsidiary to parent	Licensing revenue	5,730	No similar transactions with unrelated person	1.00
1	Brogent Global	Hai Wei Culture Creative	Subsidiary to subsidiary	Accounts receivable	17,520	No similar transactions with unrelated person	-
2	Brogent Mechanical	The Corporation	Subsidiary to parent	Sales revenue	133,600	No similar transactions with unrelated person	13.00
3	StarLite	Brogent Global	Subsidiary to subsidiary	Service revenue	7,277	No similar transactions with unrelated person	1.00
3	StarLite	The Corporation	Subsidiary to parent	Service revenue	5,087	No similar transactions with unrelated person	-

TABLE 5

Brogent Technologies Inc. and Subsidiaries

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2020	December 31, 2019	Number of shares	(%)	Carrying Amount			
The Corporation	Brogent Mechanical	Taiwan	Manufacture and sales of the simulator rides and its key components	$ -	$ 55,000	-	-	$ -	$ 25,884	$ 27,453	Subsidiary and Note 3
The Corporation	Brogent Creative Inc.	Taiwan	Development and sales of the peripheral products of simulator rides	-	14,539	-	-	-	2	896	Subsidiary and Note 3
The Corporation	Brogent Hong Kong	Hong Kong	Reinvestment and trading business	270,727	200,338	-	100.00	263,931	(6,503)	(6,478)	Subsidiary
The Corporation	Brogent Global	Taiwan	Development and management business of self-operated outlets	300,000	300,000	36,214,332	100.00	345,088	(21,932)	(26,754)	Subsidiary
The Corporation	Dili Jie	British Virgin Islands	Reinvestment and trading business	267,955	267,955	-	100.00	307,117	(20,384)	(20,384)	Subsidiary
Brogent Hong Kong	Brogent Japan Entertainment	Japan	Management business development and sales of the peripheral products of simulator rides in Japan	10,161	10,161	-	40.00	3,331	1,142	1,142	Associates
Brogent Hong Kong	hexaRide the first LLP	Japan	Management business of self-operated outlets	44,122	35,818	-	88.89	22,066	(15,880)	(14,875)	Subsidiary
Dili Jie	Jetway	Cayman Islands	Reinvestment and trading business	270,020	270,020	-	100.00	307,104	(20,366)	(20,366)	Subsidiary
Jetway	Garley	British Virgin Islands	Reinvestment and trading business	131,258	131,258	-	100.00	188,404	(18,225)	(18,225)	Subsidiary
Jetway	Holey Holdings Limited	British Virgin Islands	Reinvestment and trading business	139,753	139,753	-	100.00	117,779	(38,408)	(38,408)	Subsidiary
Brogent Global	Jetmay	British Virgin Islands	Reinvestment and trading business	112,164	61,489	-	100.00	181,345	21,972	20,462	Subsidiary
Brogent Global	Ou Wei Limited	Hong Kong	Reinvestment and trading business	43,641	18,635	-	100.00	32,559	(5,111)	(5,111)	Subsidiary
Jetmay	StarLite	Canada	Management business of self-operated outlets	15,054	15,054	-	100.00	12,825	1,766	1,766	Subsidiary

Note 1: The share of profit (loss) recognized for the year ended December 31, 2020 included eliminated unrealized gains or losses.

Note 2: The share of profit (loss) of subsidiaries are eliminated on consolidation.

Note 3: Dissolved after being merged by the Corporation on September 30, 2020.

Note 4: Please refer to Table 6 for the information on investments in mainland China.

TABLE 6

Brogent Technologies Inc. and Subsidiaries

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2019	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020	Net Income of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain	Carrying Amount as of December 31, 2020	Accumulated Repatriation of Investment Income as of December 31, 2020	Note
					Outward	Inward							
Brogent Rides	Import and export business	$ 216,650	Reinvested through the third region Brogent Hong Kong and Garley	$ 222,712	$ -	$ -	$ 222,712	$ 31,791	100.00	$ 31,791	$ 322,741	$ -	
Brogent Creative	Management business of self-operated outlets	56,940	Reinvested through the third region Brogent Rides	-	-	-	-	(1,051)	100.00	(1,051)	73,342	-	
Hai Wei Culture Creative	Management business of self-operated outlets	42,720	Reinvested through the third region Jetmay	46,334	42,120	-	88,454	20,273	100.00	20,273	170,006	-	
Beijing Huawei Global Cultural Development Co., Ltd.	Management business of self-operated outlets	-	Reinvested through the third region Brogent Rides	-	-	-	-	-	35.00	-	4,599	-	Note 2

Investee Company	Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2020	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
The Corporation	$ 311,166	$ 311,166	$ 1,587,761

Note 1: The basis for investment income (loss) recognition is from the financial statements audited and attested by parent company's CPA.

Note 2: The certificate verification procedure is not completed, accounted for as prepaid investment.

TABLE 7

Brogent Technologies Inc. and Subsidiaries

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2020

Name of the Shareholder	Shares	
	Number of Shares Owned	Percentage of Ownership (%)
Chih-Hung Ouyang	3,807,191	6.82
Fu Wu Investment Ltd.	3,137,246	5.62
Profit Power Management Consulting Limited	2,997,400	5.37
Ruentex Industries Ltd.	2,910,310	5.22

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, including shares that have been issued without physical registration by the Corporation as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual truster who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.