

Parade Technologies, Ltd.
(the “Company”)
2017 ANNUAL GENERAL MEETING of MEMBERS
MEETING MINUTES
(Translation)

Time: June 15, 2017, 9:00 a.m., Taipei Local Time

Place: 7F., No.236, Sec. 4, Xinyi Rd., Xinyi Dist., Taipei City 110, Taiwan

Present: Members in person or by proxy, representing 61,786,254 shares entitled to vote for or against each of the resolutions as set out below, accounted for 80.02% of the total 77,209,816 issued shares

Chairman: Ji Zhao, Chairman of the Board of Directors

Directors: Ji Zhao, Chairman of the Board of Directors
Ming Qu, Vice Chairman
Jen-Lin (Norman) Shen, Independent Director

Attendees: Chung-Hsi Lai, CPA, PricewaterhouseCoopers, Taiwan
Ying-Yi Lee, Attorney, Chen & Lin Attorneys-at-Law
Judy Wang, Senior Vice President of Finance, Parade Technologies, Inc.

Recorder: Yo-Ming Chang

The necessary quorum of members was present in person or by proxy and the Chairman declared the meeting duly constituted and the Company may proceed to business.

Commencement (Omitted)

Chairman Remarks (Omitted)

Report Items

1. To report the 2016 business (See Attachment I)
2. To report the 2016 review report by the Audit Committee (See Attachment II)

3. To report the implementation of the 2017 Share Repurchase and Incentive Plan.

Explanatory Notes:

- (1) The results of the 2017 Share Repurchase Plan is as below:

Series	the first repurchase in year 2017
Board resolution date	03/08/2017 (Taiwan Time)
Purpose of repurchase	Transferring to the employees
The set repurchase period	Between 03/09/2017 and 05/08/2017
The actual repurchase period	Between 03/31/2017 and 04/14/2017
The set repurchase price range (per share)	NT\$ 230.00 to NT\$ 491.00
The actual repurchase price range (per share)	NT\$ 330.00 to NT\$ 353.00
Average repurchase price per share	NT\$ 338.02
The set maximum repurchase shares	220,000 common stocks
Accumulated number of shares already repurchased	180,000 common stocks
Value spent on the repurchase	NT\$ 60,843,842
Number of shares transferred and cancelled	0
Accumulated number of shares already repurchased	180,000 common stocks
Accumulated percentage of repurchased shares to total number of shares issued (%)	0.23%
Reason for non-completion of the share repurchase at expiry of the repurchase period	The company did not complete the proposed share repurchases at the expiry of the repurchase period in order to avoid huge stock price fluctuations in the stock market. The company based on stock prices and trading shares instead is participating in partially buyback shares.

- (2) Share Repurchase and Employee Incentive Plan is attached hereto as Attachment VI.

4. To report the allocation of 2016 employees' cash bonuses and the Directors' remuneration.

Explanatory Notes:

Considering the "Amended and Restated Memorandum and Articles" and the Company's 2016 annual profits before tax, the Compensation Committee has

recommended to the Board of Directors the approval of distribution and payment of NT\$104,816,009 in cash as the employees' bonuses and NT\$32,678,347 in cash as Directors' remuneration, respectively, equivalent to US\$3,250,109 and US\$1,013,282, by adopting foreign exchange rate of US\$1=NT\$32.25.

Proposals

1. To ratify the 2016 Business Report (Proposed by the Board of Directors)

Explanatory Notes:

- (1) The 2016 business report is attached hereto as Attachment I.
- (2) Please ratify the above-mentioned the 2016 Business Report.

Resolution: 61,666,751 shares were represented at the time of voting; 46,076,210 voted in favor for the proposal, representing 74.71% of the total votes held by the members present in the meeting, 0 voted against the proposal, 0 voted invalid the proposal, and 15,590,541 voted abstained/no voted the proposal. This proposal as proposed by the board of directors was duly passed as ordinary resolution of the Company.

2. To adopt the Company's 2016 audited consolidated financial reports (Proposed by the Board of Directors)

Explanatory Notes:

- (1) The Company's 2016 consolidated financial statements, including Consolidated Balance Sheets, Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, and Consolidated Statements of Cash Flows, have been approved by the Board of Directors, audited by independent auditors, Ms. Chou Hsiao-Tzu and Mr. Lai Chung-Hsi, of PricewaterhouseCoopers Taiwan and reviewed by the Audit Committee, evidenced by the review report issued by the Audit Committee.
- (2) The 2016 independent accountants' audit report and above-mentioned consolidated financial statements are attached hereto as Attachment III.
- (3) Please ratify the above-mentioned 2016 audited consolidated financial statements.

Resolution: 61,666,751 shares were represented at the time of voting; 45,806,210 voted in favor for the proposal, representing 74.28% of the total votes held by the members present in the meeting, 0 voted against the proposal, 0 voted invalid the proposal, and 15,860,541 voted abstained/no voted the proposal. This proposal as proposed by the board of directors was duly passed as ordinary resolution of the Company.

3. To approve the 2016 profit distribution plan (Proposed by the Board of Directors)

Explanatory Notes:

- (1) The Company's 2016 profits distribution table has been approved by the Board of Directors. The table has been reviewed and evidenced by the report issued by the Audit Committee.
- (2) The proposed profits distribution table/plan is to distribute 2016 Retained Earnings Available for Distribution, inclusive of distribution of the profits to the shareholders at the total amount of NT\$695,743,965, equivalent to cash dividend per share of NT\$9, equivalent to US\$0.2970, by adopting foreign exchange rate of US\$1=NT\$30.30.
- (3) In the event the Company subsequently repurchase and retire the treasury stocks or issue new shares, issue any employee restricted stock awards and/or vesting or cancellation of any employee restricted stock awards and thus change the number of total issued and outstanding shares of the Company, it is proposed to authorize the Chairman to adjust the ultimate cash dividend per share based on the total amount of profits resolved to be distributed in the 2017 Annual General Meeting of Members and the number of total issued and outstanding shares on the record date for distribution and proceed relevant matters.
- (4) It is proposed to authorize the Board of the Directors to determine the record date of the cash dividends after this profit proposal is approved by this 2017 Annual General Meeting of Members.
- (5) The 2016 Profit Distribution Table is attached hereto as Attachment IV.
- (6) Please approve the above-mentioned 2016 Profit Distribution Proposal.

Resolution: 61,666,751 shares were represented at the time of voting; 46,076,210 voted in favor for the proposal, representing 74.71% of the total votes held by the members present in the meeting, 0 voted against the proposal, 0 voted invalid the proposal, and 15,590,541 voted abstained/no voted the proposal. This proposal as proposed by the board of directors was duly passed as ordinary resolution of the Company.

Discussions

1. To approve 2017 Employee Restricted Stock Awards Plan (Proposed by the Board of Directors)

Explanatory Notes:

- (1) The Company has established this 2017 Employee Restricted Stock Awards

Plan to attract and retain professional personnel needed by the Company, to motivate employees and enhance their centripetal force so as to jointly create the Company's and shareholders' interests. Within one year from the date of the shareholders resolution, the Company may, depending on its actual need, register with the competent authority single tranche or multiple tranche of the restricted shares for the employees. For the number of shares effectively registered, the Company may issue the shares all at once or by tranches. The Chairman is authorized to determine the actual issuance date.

(2) The material terms of 2017 Employee Restricted Stock Awards Plan (the "2017 RSA Plan") are as below:

I. Expected total number of the Restricted Stock Awards ("RSA") issuance:
1,000,000 ordinary shares, with par value NT\$ 10 per share.

II. The terms and conditions of issuance

i. Issue price: Each RSA will be issued without consideration.

ii. Vesting conditions:

①. Non-management employees:

(a) existing non-management employees: The RSAs granted to non-management employees who are not the new hired non-management employees (defined below) will be vested at the equal rate of 25% per year over four (4) years from the date the RSAs are granted. Each 25% will be vested on the anniversary of the date of RSAs are granted to the grantee non-management employee provided that such employee continuously serves the Company to each corresponding anniversary.

(b) new hired non-management employees: The RSAs granted to non-management employees whose on-board date is later than the date of the board meeting held in July of 2017 (the "new hired non-management employee") will be vested at the equal rate of 25% per year over four (4) years from the on-board date. Each 25% will be vested on the anniversary of the on-board date to the grantee new hired non-management employee provided that such employee continuously serves the Company to each corresponding anniversary.

②. Management employees:

(a) existing management employees: The RSAs granted to management employees who are not the new hired management employees (defined below) will be vested at the equal rate of 25% per

year over four (4) years from May 1, 2017. Each 25% will be vested on the anniversary of May 1, 2017 (i.e. April 30 of each year of 2018 to 2021) to the grantee management employee provide that such employee continuously serves the Company to each corresponding anniversary.

(b) new hired management employees: The RSAs granted to management employees whose on-board date is later than May 1, 2017 (the “new hired management employee”) will be vested at the equal rate of 25% per year over four (4) years from the on-board date. Each 25% will be vested on the anniversary of the on-board date to the grantee new hired management employee provide that such employee continuously serves the Company to each corresponding anniversary.

The chairman shall propose and submit the respective list of non-management employee and management employees to the board of directors of the Company for the approval and, in the case of any employee who serves as director and/or officer, to the compensation committee of the Company for review and recommendation and then to the board of directors of the Company for final approval.

iii. Restrictions before RSA is vested:

①. The grantee employee shall not sell, transfer, make gift of, create other rights or encumbrances on the RSAs, or otherwise dispose of the RSAs in any other manner.

②. All the proposal rights, motion rights, speech rights, voting rights and any other shareholder rights shall be exercised by the trustee or the custodian (as applicable).

③. The restrictions (including but not limited to transfer restrictions and vesting conditions) applicable to any and all unvested RSAs (and any share derived from such RSAs for whatever reason, including share dividend, retained earning capitalization, recapitalization, reserve capitalization and any cash distributed based on such RSAs for whatever reason, including cash dividend and distribution of capital reserve in the form of cash) shall equally apply to any share derived, directly or indirectly, from and cash distributed based on such unvested RSAs for whatever reason , including share dividend, retained earning capitalization, recapitalization, reserve capitalization, cash dividend and distribution of capital reserve in the form of cash, and any interests (collectively, the “Restricted Share and Cash Distribution”). For the avoidance of doubt, for the purpose of this Plan, the unvested RSAs shall include all the

corresponding Restricted Share and Cash Distribution, which are subject to the same restrictions and thus unvested.

④. In the case that the grantee employee is an ROC citizen, such employee shall, immediately after the Company issues the RSAs to such employee, trust such RSAs to the trustee designated by the Company in accordance with the Company's instruction and, unless otherwise provided hereunder, shall be continuously trusted till the full satisfaction of the vesting conditions. Any and all the Restricted Share and Cash Distribution derived from the unvested RSAs shall also be put in the trust. In the case that the grantee employee is non-ROC citizen, such employee shall put the RSA with a custodian bank for custody.

⑤. In the event the employee's employment is terminated or inheritance occurs, etc., all the rights attached to the unvested RSAs will be forfeited on the date when the termination of employment or inheritance takes effect, and the Company may redeem such unvested RSAs at no consideration, and then shall cancel such RSAs.

⑥. Other conditions of the plan please refer to Attachment V.

- III. Qualifications and conditions for employees and the numbers of shares distributable or subscribable: The eligible employees are limited to the employees of the Company or of the subsidiary wholly owned by the Company who serve as the full-time employees before the RSA are granted. The Chairman shall propose and submit the list of grantee employees and the number of RSAs to be granted to the board of directors of the Company for the approval, in the case of granting the RSA to an employee who serves as directors and/or officers, to the compensation committee of the Company for review and recommendation and then to the board of directors of the Company for final approval. The actual employees and the number of RSA to be granted will be decided according to relevant laws and regulations and within the limitation of amount thereof, considering seniority, job level, work performance, overall contribution, special achievement, and other factors necessary for management, etc., and considering the Company's operational needs and development strategy.
- IV. The reasons why it is necessary to issue the new RSAs: To attract and retain professional personnel needed by the Company, to motivate employees and enhance their centripetal force so as to jointly create the Company's and shareholders' interests.
- V. The expected amount of expenses and the dilution effect on the Company's earnings per share and any other impact on shareholder's equity: (1) NT\$325,000,000 over four years. (2) The dilution effect on the

Company's earnings per share is approximately NT\$0.230. The total numbers to be issued under this plan is approximately 1.29% of the Company's total issued and outstanding shares (77,308,284 shares as of January 31, 2017).

(3) After being approved by the shareholders' resolution, if any amendment is necessary due to any change of laws or regulations, any demand by the competent authority or any requirement of the circumstance, it is proposed to authorize the Chairman or the person designated by the Chairman to make necessary amendment and submit to the board of directors for approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors before the issuance of RSA hereunder.

(4) Please discuss and approve the above proposal.

Resolution: 61,666,751 shares were represented at the time of voting; 38,382,510 voted in favor for the proposal, representing 62.24% of the total votes held by the members present in the meeting, 7,446,700 voted against the proposal, 0 voted invalid the proposal, and 15,837,541 voted abstained/no voted the proposal. This proposal as proposed by the board of directors was duly passed as supermajority resolution of the Company.

2. To approve the amendment of the Procedures for Acquisition or Disposal of Assets (Proposed by the Board of Directors)

Explanatory Notes:

(1) The "Regulations Governing the Acquisition or Disposal of Assets by Public Companies" of Financial Supervisory Commission ("FSC") have been recently amended and in response to such amendments and to further incorporate certain provisions thereunder, certain changes to the Company's Procedures for Acquisition or Disposal of Assets are required or advised.

(2) The comparison table of the amended articles is attached hereto as Attachment VII.

(3) Please approve the above-mentioned proposal.

Resolution: 61,666,751 shares were represented at the time of voting; 46,076,210 voted in favor for the proposal, representing 74.71% of the total votes held by the members present in the meeting, 0 voted against the proposal, 0 voted invalid the proposal, and 15,590,541 voted abstained/no voted the proposal. This proposal as proposed by the board of directors was duly passed as ordinary resolution of the Company.

3. To approve the amendment of the Company's Amended and Restated Articles of Association (Proposed by the Board of Directors)

Explanatory Notes:

(1) In response to the change in the "Checklist for the Protection of Right of Shareholders in Foreign Issue", certain amendments to the Company's Amended and Restated Memorandum and Articles are required and advised. The comparison table of the amended to the amended and restated articles is attached hereto as Attachment VIII.

(2) Please approve the above-mentioned proposal.

Resolution: 61,666,751 shares were represented at the time of voting; 46,076,210 voted in favor for the proposal, representing 74.71% of the total votes held by the members present in the meeting, 0 voted against the proposal, 0 voted invalid the proposal, and 15,590,541 voted abstained/no voted the proposal. This proposal as proposed by the board of directors was duly passed as special resolution of the Company.

Questions and Motions

There is no *ad hoc* motion after consultation with all present shareholders. The Chairman declares that the meeting is adjourned.

Ji Zhao
Chairman

Yo-Ming Chang
Recorder

**Parade Technologies, Ltd.
2016 Business Report**

Dear Shareholders,

Parade kept a strong growth momentum in 2016 and achieved a record revenue of US\$282.29 million, or NT\$9.11 billion in 2016, which represented an increase of 24.95% year-over-year growth as compared to 2015. Our new products and new customers have made noticeable contributions to the growth in 2016 while we successfully kept our leadership position in our traditional served market. We are glad to report that Parade is offering technologies and solutions on multiple product platforms, high-speed interface devices, eDP-Tcon, high-speed source drivers and TrueTouch controllers. Our focus and effort on cut-edge new technologies are further expanding our business to high-growth areas such as servers for data center, and advanced display solutions

The integration of TrueTouch team and business related to our strategically acquisition in 2015 was a significant task in 2016, we successfully kept and served the most of previous TrueTouch customers. We scored significant design wins in 2016 on in-cell touch solution from leading smartphone panel vendors, and is under mass production. Our R&D effort to integrate True Touch solution with our display driver has been well underway.

In 2016, we achieved a significantly growth in high-speed interface market segment. The trend of adopting even higher speed solutions in consumer electronic systems has been accelerated. Parade invests heavily in high-speed technologies and products and is well positioned in this trend and opportunity. We developed various key technologies and accumulated a large high-speed product portfolio. Consequently, our high-speed solutions achieved the broad acceptance in multiple market areas such as notebook, tablets, high-end TV, AR and VR, and high-speed dock and dangle. In addition, USB Type-C Connector with DP Alt

Mode—first introduced in 2014— grow strongly in 2016. Parade’s high-speed Type-C solutions won many Tie 1 designs. We committed our high-speed know-hows to develop the PCIe solutions in the range of 16Gbps-25Gbps for server applications in the data centers. Such server products will propel our future growth

Parade leveraged its market leading position and extensive industry knowledge in embedded DisplayPort area to expand our market and serve our customers. A pair of leading eDP-TCON and SIPI devices (DP696 and TC2070, respectively) was developed to support eDP1.4b standard and 4K2K display solutions for low-temperature polycrystalline silicon (LPTS) and Indium gallium zinc oxide (IGZO) LCD panels. Working closely with Tier-1 OEM customers, Parade also developed customized and highly integrated eDP solutions to solve unique technical challenges faced by the leading global brands for advanced display solutions. Parade continues to commit resources to support the development of DisplayPort standards through the company’s participation in VESA (Video Electronics Standards Association), with Parade personnel serving as key contributors on VESA technical committees.

Parade’s LCD driver based on high-speed Scalable Intra Panel Interface (SIPI) for LCD display panels gained a large acceptance and propelled our growth. Our strategy on bundle-sale of our high-speed SIPI drivers and leading eDP-Tcon demonstrated unique value and advantages to panel vendors. Our customers are happy with our high quality and speedy go-to-market solutions for their advanced panels. As a result, SIPI driver technologies and products continue winning the adoptions in the marketplace where LCD display panels demand high-speed bandwidth.

Parade’s consolidated net income in 2016, including the acquisition related expense of Cypress’ TrueTouch business was US\$42.02 million (NT\$1.36 billion), an increase of 16.6% from US\$36.03 million (NT\$1.14 billion) in year 2015. Earnings per diluted share in 2016 were US\$0.54 (NT\$17.58), an increase of 14.89% from US\$0.47 (NT\$15.00) in 2015. Gross

profit margin was 41.06% as compared to 40.35% in 2015, while operating profit margin was 16.32% down from 16.87% of the prior year.

Parade believes our employees and intellectual property are the most important assets of the company. We are committed to recruiting and investing in the highest quality research & development (R&D) staff, in order to expand our technology capabilities and portfolios. As of December 31, 2016, Parade has a total of 414 employees, up 21 from 2015. Out of 414 employees, 258 were engaged in research, development and related engineering. We hold 149 granted patents and 115 patent applications pending by year-end of 2016.

Looking forward, we continue developing and expanding products and our products lines. We will be benefit from the increasing demand for bandwidth to support high-speed data transmission, advanced display and lower power consumption. We are exciting to expand our technologies and business to the markets of high-speed solutions for servers, advanced display TCON and integration of touch screen and display. With our leading positions and broad adoption by global tier-1 customers, we believe Parade is well positioned to generate outstanding results for our shareholders.

We appreciate the solid support from all of our shareholders!

Jack Zhao
Chairman and CEO
April 26, 2017

Audit Committee's Report

The Board of Directors has prepared the Company's 2016 Business Report, 2016 consolidated Financial Statements and proposal for allocation of profits. The CPA firm of PricewaterhouseCoopers was retained to audit Parade's consolidated Financial Statements and has issued an audit report relating to the consolidated Financial Statements. The Business Report, consolidated Financial Statements and profit allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Parade Technologies, Ltd. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

Parade Technologies, Limited.

Chairman of the Audit Committee: Norman Shen



April 26, 2017

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Parade Technologies, Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Parade Technologies, Ltd. and its subsidiaries (the “Group”) as at December 31, 2016 and 2015, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2016 and 2015, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparations of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. 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 of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Goodwill impairment

Description

Refer to Note 4(14) (non-financial asset impairment), Note 5(2) (Critical accounting estimates and assumptions) and Note 6(5) (Goodwill) to the consolidated financial statements where the impairment of non-financial assets and goodwill has been discussed. To achieve the Group's roadmap for display and touch integration solutions and to improve the operational efficiency of the industry supply chain, the Group acquired Cypress Semiconductor Corp.'s TrueTouch® Mobile touchscreen business in 2015. The balance of goodwill arising from acquisitions as at December 31, 2016 was NT\$1,581,922 thousand.

The Group uses 5-year cash flow forecasts to determine the recovery amount of goodwill; however, the measurement results in a large extent depend on management's assumptions, including the discount rate and the estimated growth rate used, which are subject to management's judgements with considerable uncertainty. Therefore, the goodwill impairment assessment is one of the most important audit matters this year.

How our audit addressed the matter

Our procedures in relation to the key audit matters included:

1. Evaluate the rationality of the evaluation model using the nature of the Group.
2. We confirmed that the future cash flow used in the evaluation model is consistent with the next 5-year budget provided by the Group.
3. We assessed the appropriateness of key assumptions used, such as growth rate and discount rate.
4. Evaluate the sensitivity analysis of the future cash flow using the alternative assumptions of different expected growth rates to ensure that the possible impact of the estimated uncertainty of the impairment assessment has been adequately addressed.

Inventory impairment losses

Description

Refer to Note 4(11) (Inventories), Note 5(2) (Critical accounting estimates and assumptions) and Note 6(3) (Inventories) to the consolidated financial statements where the accounting policy, accounting estimates and assumptions of inventories and allowance for reduction of inventories to market values have been discussed.

Losses on inventories and allowances as at December 31, 2016 was NT\$981,185 thousand and NT\$132,065 thousand, respectively.

The rapid changes in the technology of the industries in which the Group is involved and the net realizable value used in the evaluation of obsolete inventories often involve subjective judgments and therefore highly uncertain estimates. Inventories are measured at the lower of cost and net realizable value. The impact of inventories and its allowance for diminution in value has a significant impact on the financial statements. Therefore, the loss on inventories and allowances assessment is one of the most important audit matters this year.

How our audit addressed the matter

Our procedures in relation to the key audit matters included:

1. The valuation of inventory impairment losses adopted the understanding of the nature of the industry, and it is confirmed that the accounting policy is consistent with the previous period.
2. Verify the appropriateness of the system logic for evaluating the inventory aging report to confirm that the report information is consistent with the Company's policies.
3. Review the historical information of inventories, supplemented by inspecting the amount of provision after the reference period, and then assess the loss of provision for the reasonableness of the loss.

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 Preparations of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, 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.

Auditor’s 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 auditor’s 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 ROC GAAS 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 ROC GAAS, 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 auditor's 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 auditor's 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 appropriate audit evidence regarding the financial information of the 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 of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Chou, Hsiao-Tzu

Lai, Chung-Hsi

for and on behalf of PricewaterhouseCoopers, Taiwan

March 8, 2017

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

PARADE TECHNOLOGIES, LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2016 AND 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

ASSETS	Notes	December 31, 2016		December 31, 2015		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 4,030,839	41	\$ 2,887,751	35
1170	Accounts receivable, net	6(2)	1,533,751	16	1,252,871	15
130X	Inventories, net	6(3)	849,120	9	613,776	8
1470	Other current assets		242,910	2	264,159	3
11XX	Total current assets		<u>6,656,620</u>	<u>68</u>	<u>5,018,557</u>	<u>61</u>
Non-current assets						
1600	Property, plant and equipment, net	6(4)	142,448	1	158,494	2
1780	Intangible assets	6(5)(13)	2,979,491	30	2,989,576	36
1840	Deferred income tax assets	6(16)	52,166	1	38,893	1
1900	Other non-current assets		27,247	-	36,223	-
15XX	Total non-current assets		<u>3,201,352</u>	<u>32</u>	<u>3,223,186</u>	<u>39</u>
1XXX	TOTAL ASSETS		<u>\$ 9,857,972</u>	<u>100</u>	<u>\$ 8,241,743</u>	<u>100</u>

(Continued)

PARADE TECHNOLOGIES, LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2016 AND 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

LIABILITIES AND EQUITY	Notes	December 31, 2016		December 31, 2015	
		Amount	%	Amount	%
Current liabilities					
2170	Accounts payable	\$ 968,324	10	\$ 701,881	9
2200	Other payables	6(6) 544,858	6	397,268	5
2230	Current income tax liabilities	6(16) 529,731	5	411,561	5
2300	Other current liabilities	313,227	3	269,787	3
21XX	Total current liabilities	<u>2,356,140</u>	<u>24</u>	<u>1,780,497</u>	<u>22</u>
2XXX	Total liabilities	<u>2,356,140</u>	<u>24</u>	<u>1,780,497</u>	<u>22</u>
Equity attributable to owners of the Company					
Share capital					
	6(9)				
3110	Ordinary shares	773,049	8	760,751	9
Capital reserves					
	6(10)				
3200	Capital reserves	2,159,549	22	1,804,206	23
Retained earnings					
	6(11)				
3310	Legal reserve	478,681	5	364,246	4
3320	Special reserve	8,324	-	8,324	-
3350	Unappropriated earnings	4,151,202	42	3,291,004	40
Other equity					
3400	Other equity	(68,973)	(1)	281,120	3
3500	Treasury shares	6(9) -	-	(48,405)	(1)
31XX	Equity attributable to owners of the Company	<u>7,501,832</u>	<u>76</u>	<u>6,461,246</u>	<u>78</u>
3XXX	Total equity	<u>7,501,832</u>	<u>76</u>	<u>6,461,246</u>	<u>78</u>
Significant contingent liabilities and unrecognized contract commitments					
Significant events after the balance sheet date					
3X2X	TOTAL LIABILITIES AND EQUITY	<u>\$ 9,857,972</u>	<u>100</u>	<u>\$ 8,241,743</u>	<u>100</u>

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

PARADE TECHNOLOGIES, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE AMOUNTS)

	Notes	2016		2015	
		Amount	%	Amount	%
4000		\$ 9,106,654	100	\$ 7,189,471	100
5000	6(3)(14)(15)	(5,367,234)	(59)	(4,289,253)	(60)
5900		<u>3,739,420</u>	<u>41</u>	<u>2,900,218</u>	<u>40</u>
	6(14)(15)(17) and 7				
6100		(539,294)	(6)	(400,942)	(5)
6200		(281,170)	(3)	(258,008)	(4)
6300		(1,432,375)	(16)	(1,031,362)	(14)
6000		<u>(2,252,839)</u>	<u>(25)</u>	<u>(1,690,312)</u>	<u>(23)</u>
6900		<u>1,486,581</u>	<u>16</u>	<u>1,209,906</u>	<u>17</u>
7010		10,307	-	3,643	-
7020		2,940	-	25,327	-
7050		(3,087)	-	-	-
7000		<u>10,160</u>	<u>-</u>	<u>28,970</u>	<u>-</u>
7900		1,496,741	16	1,238,876	17
7950	6(16)	(140,605)	(1)	(94,530)	(1)
8000		<u>1,356,136</u>	<u>15</u>	<u>1,144,346</u>	<u>16</u>
8361		(149,949)	(2)	206,425	3
8310		(149,949)	(2)	206,425	3
8500		<u>\$ 1,206,187</u>	<u>13</u>	<u>\$ 1,350,771</u>	<u>19</u>
8610		<u>\$ 1,356,136</u>	<u>15</u>	<u>\$ 1,144,346</u>	<u>16</u>
8710		<u>\$ 1,206,187</u>	<u>13</u>	<u>\$ 1,350,771</u>	<u>19</u>
9750	6(12)	<u>\$ 18.04</u>		<u>\$ 15.30</u>	
9850	6(12)	<u>\$ 17.58</u>		<u>\$ 15.00</u>	

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

PARADE TECHNOLOGIES, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Equity attributable to owners of the parent										Total	
		Capital Reserves					Retained Earnings			Other Equity			
		Ordinary shares	Paid-in capital in excess of ordinary shares	Capital reserve from employee stock options	Capital reserve from restricted stocks	Capital reserve - others	Legal reserve	Special reserve	Unappropriated earnings	Currency translation differences of foreign operations	Unearned compensation		Treasury shares
Year 2015													
Balance at January 1, 2015		\$ 754,604	\$ 1,304,569	\$ 102,096	\$ 208,324	\$ 36,750	\$ 241,672	\$ 78,218	\$ 2,578,037	\$ 289,091	(\$ 171,856)	\$ -	\$ 5,421,505
Share-based compensation cost	6(8)	-	-	36,179	-	-	-	-	-	-	67,191	-	103,370
Exercise of employee stock options	6(8)(9)	2,332	15,468	(4,749)	-	-	-	-	-	-	-	-	13,051
Issuance of restricted stocks		4,000	-	-	118,600	-	-	-	-	-	(122,600)	-	-
Cancellation of share-based compensation	6(8)	(185)	-	-	(12,704)	-	-	-	112	-	12,869	-	92
Tax deduction exceeds cumulative share-based payment expenses		-	-	-	-	(327)	-	-	-	-	-	-	(327)
Purchase of treasury shares	6(9)	-	-	-	-	-	-	-	-	-	-	(125,902)	(125,902)
Treasury shares reissued to employees	6(9)	-	-	-	-	-	-	-	-	-	-	77,497	77,497
Earnings appropriation	6(11)	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	-	-	-	122,574	-	(122,574)	-	-	-	-
Special reserve		-	-	-	-	-	-	(69,894)	69,894	-	-	-	-
Cash dividends		-	-	-	-	-	-	-	(378,811)	-	-	-	(378,811)
Net income for 2015		-	-	-	-	-	-	-	1,144,346	-	-	-	1,144,346
Other comprehensive income for 2015		-	-	-	-	-	-	-	-	206,425	-	-	206,425
Balance at December 31, 2015		<u>\$ 760,751</u>	<u>\$ 1,320,037</u>	<u>\$ 133,526</u>	<u>\$ 314,220</u>	<u>\$ 36,423</u>	<u>\$ 364,246</u>	<u>\$ 8,324</u>	<u>\$ 3,291,004</u>	<u>\$ 495,516</u>	<u>(\$ 214,396)</u>	<u>(\$ 48,405)</u>	<u>\$ 6,461,246</u>
Year 2016													
Balance at January 1, 2016		\$ 760,751	\$ 1,320,037	\$ 133,526	\$ 314,220	\$ 36,423	\$ 364,246	\$ 8,324	\$ 3,291,004	\$ 495,516	(\$ 214,396)	(\$ 48,405)	\$ 6,461,246
Share-based compensation cost	6(8)	-	-	18,964	-	-	-	-	-	-	129,744	-	148,708
Exercise of employee stock options	6(8)(9)	1,343	19,148	(1,693)	-	-	-	-	-	-	-	-	18,798
Issuance of restricted stocks		11,500	-	-	331,200	-	-	-	-	-	(342,700)	-	-
Cancellation of share-based compensation	6(8)	(545)	-	-	(12,276)	-	-	-	394	-	12,812	-	385
Treasury shares reissued to employees	6(9)	-	-	-	-	-	-	-	-	-	-	48,405	48,405
Earnings appropriation	6(11)	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	-	-	-	114,435	-	(114,435)	-	-	-	-
Cash dividends		-	-	-	-	-	-	-	(381,897)	-	-	-	(381,897)
Net income for 2016		-	-	-	-	-	-	-	1,356,136	-	-	-	1,356,136
Other comprehensive loss for 2016		-	-	-	-	-	-	-	-	(149,949)	-	-	(149,949)
Balance at December 31, 2016		<u>\$ 773,049</u>	<u>\$ 1,339,185</u>	<u>\$ 150,797</u>	<u>\$ 633,144</u>	<u>\$ 36,423</u>	<u>\$ 478,681</u>	<u>\$ 8,324</u>	<u>\$ 4,151,202</u>	<u>\$ 345,567</u>	<u>(\$ 414,540)</u>	<u>\$ -</u>	<u>\$ 7,501,832</u>

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

PARADE TECHNOLOGIES, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	2016	2015
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Income before income tax for the year		\$ 1,496,741	\$ 1,238,876
Adjustments			
Adjustments to reconcile profit or loss			
Depreciation	6(4)(14)	69,684	61,176
Amortization	6(5)(14)	221,986	79,173
Loss on disposal of equipment		-	1,479
Share-based compensation cost	6(8)(15)	148,708	103,370
Interest income		(1,460)	(1,718)
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		(303,014)	(127,619)
Inventories		(246,187)	(165,886)
Other current assets		9,038	(60,095)
Other non-current assets		6,266	19,137
Changes in operating liabilities			
Accounts payable		278,843	347,521
Other payables		154,608	29,167
Other current liabilities		48,206	147,011
Cash inflow provided by operations		<u>1,883,419</u>	<u>1,671,592</u>
Interest received		1,263	1,857
Interest paid		(3,087)	-
Income tax paid		(17,076)	(24,967)
Net cash flows from operating activities		<u>1,864,519</u>	<u>1,648,482</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease in available-for-sale financial assets - current		-	33,507
Acquisition of equipment	6(4)	(60,271)	(75,898)
Proceeds from disposal of equipment	6(4)	352	-
Acquisition of intangible assets	6(5)	(247,366)	(73,099)
Decrease (increase) in refundable deposits		2,070	(6,036)
Acquisition of business combinations	6(13)	-	(3,168,405)
Net cash flows used in investing activities		<u>(305,215)</u>	<u>(3,289,931)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from exercise of employee stock options		18,798	13,051
Purchase of treasury shares	6(9)	-	(125,902)
Treasury shares reissued to employees	6(9)	48,405	77,497
Cash dividends paid		(381,897)	(378,811)
Cash dividend recovered from cancellation of share-based compensation		385	92
Net cash flows used in financing activities		<u>(314,309)</u>	<u>(414,073)</u>
Effect of exchange rate changes on cash and cash equivalents		(101,907)	342,839
Increase (decrease) in cash and cash equivalents		1,143,088	(1,712,683)
Cash and cash equivalents at beginning of year		2,887,751	4,600,434
Cash and cash equivalents at end of year		<u>\$ 4,030,839</u>	<u>\$ 2,887,751</u>

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



Attachment IV

Parade Technologies., Ltd.					
盈餘分配表 (Proposal of Profit Distribution)					
民國一百零五年十二月三十一日 (December 31, 2016)					
項目 (Description)		NT\$		US\$	
		小計 (Subtotal)	合計 (Total)	小計 (Subtotal)	合計 (Total)
民國一百零五年度稅後淨利	FY 2016 Net Income	1,356,136,218	1,356,136,218	42,015,630	42,015,630
減:	subtract:				
提列10%法定盈餘公積	10% legal reserve	135,613,622		4,201,563	
提列特別盈餘公積	Special reserve	0		0	
民國一百零五年度可供分配盈餘	Retained Earnings in 2016 Available for Distribution		1,220,522,596		37,814,067
加:	Plus:				
以前年度未分配盈餘	Unappropriated Retained Earnings of Previous Years	2,794,365,104		92,900,513	
至民國一百零五年底可分配盈餘	Retained Earnings Available for Distribution as of 12/31/2016		4,014,887,700		130,714,580
分配項目:	Distribution Items:				
普通股股東紅利-現金(每股 9.00元)	- Cash dividends to ordinary shareholders (NT\$9.00 per share)	695,743,965		22,961,847	
普通股股東紅利-股票(每股 0元)	- Stock dividends to ordinary shareholders (NT\$0 per share)	-		-	
分配項目合計	Subtotal	695,743,965		22,961,847	
期末未分配盈餘	Unappropriated Retained Earnings		3,319,143,735		107,752,733
Exchange rate: US\$1.00=NT\$30.30			Exchange rate: US\$1.00=NT\$30.30		

Chairman: Ji Zhao



CEO: Ji Zhao



Sr. VP of Finance: Judy Wang



Parade Technologies, Ltd.
2017 Employee Restricted Stock Awards Plan
(English Version is for reference only)

I. Purpose

To attract and retain professional personnel needed by the Company, to motivate employees and enhance their centripetal force so as to jointly create the Company's and shareholders' interests, the Company hereby establishes this Employee Restricted Stock Awards Plan (this "Plan").

II. Issuance Period

Within one year from the date of the shareholders resolution, the Company may, depending on its actual need, register with the competent authority single tranche or multiple tranche of the restricted shares for the employees. For the number of shares effectively registered, within one year starting from the date when the effective notice issued by the competent authority is received, the Company may issue the shares all at once or by tranches. The chairman is authorized to determine the actual issuance date.

III. The eligibility of employees

1. The eligible employees are limited to the employees of the Company or of the subsidiary wholly owned by the Company who serve as the full-time employees before the restricted stocks awards for the employee (the "RSA") are granted. For the purpose of this plan, grant means granting without consideration.
2. The chairman shall propose and submit the list of grantee employees and the number of RSAs to be granted to the board of directors of the Company for the approval, in the case of granting the RSA to an employee who serves as directors and/or officers, to the compensation committee of the Company for review and recommendation and then to the board of directors of the Company for final approval. The actual employees and the number of RSA to be granted will be decided according to relevant laws and regulations and within the limitation of amount thereof, considering seniority, job level, work performance, overall contribution, special achievement, and other factors necessary for management, etc., and considering the Company's operational needs and development strategy.
3. For each employee, the total number of RSAs granted to plus the total number of shares issued and issuable upon exercise by such employee of the Special Employee Stock Option of which the term has yet been

expired shall not exceed 0.3% of the total issued and outstanding shares of the Company; and the sum of the number of RSAs granted to plus the total number of shares issued and issuable upon exercise by such employee of all employee stock option of which the term has yet been expired shall not exceed 1% of the total issued and outstanding shares of the Company. For purpose of this Plan, the Special Employee Stock Option shall mean the employee stock option of which the exercise price is lower than the market price.

IV. Total number of RSAs

The total number of restricted shares to be issued under this Plan is 1,000,000 ordinary shares, at the par value of NT\$10.

V. Terms and conditions of the issuance

1. Issue price

Each RSA will be issued without consideration.

2. Vesting conditions

(1) Non-management employees

(a) existing non-management employees

The RSAs granted to non-management employees who are not the new hired non-management employees (defined below) will be vested at the equal rate of 25% per year over four (4) years from the date the RSAs are granted. Each 25% will be vested on the anniversary of the date of RSAs are granted to the grantee non-management employee provided that such employee continuously serves the Company to each corresponding anniversary.

(b) new hired non-management employees

The RSAs granted to non-management employees whose on-board date is later than the date of the board meeting held in July of 2017 (the “new hired non-management employee”) will be vested at the equal rate of 25% per year over four (4) years from the on-board date. Each 25% will be vested on the anniversary of the on-board date to the grantee new hired non-management employee provided that such employee continuously serves the Company to each corresponding anniversary.

(2) Management employees

(a) existing management employees

The RSAs granted to management employees who are not the new hired management employees (defined below) will be vested at the equal rate of 25% per year over four (4) years from May 1, 2017. Each 25% will be vested on the anniversary of May 1, 2017 (i.e. April 30 of each year of 2018 to 2021) to the grantee management employee provided that such employee continuously serves the Company to each corresponding anniversary.

(b) new hired management employees

The RSAs granted to management employees whose on-board date is later than May 1, 2017 (the “new hired management employee”) will be vested at the equal rate of 25% per year over four (4) years from the on-board date. Each 25% will be vested on the anniversary of the on-board date to the grantee new hired management employee provided that such employee continuously serves the Company to each corresponding anniversary.

The chairman shall propose and submit the respective list of non-management employee and management employees to the board of directors of the Company for the approval and, in the case of any employee who serves as director and/or officer, to the compensation committee of the Company for review and recommendation and then to the board of directors of the Company for final approval.

3. The class of shares to be issued:

The Company’s ordinary share. Except for restrictions provided under Section 4 hereof, other rights and obligations of the RSAs shall be the same as the issued and outstanding ordinary shares of the Company.

4. Restrictions before the vesting conditions are fully satisfied

(1) The grantee employee shall not sell, transfer, make gift of, create other rights or encumbrances on the RSAs, or otherwise dispose of the RSAs in any other manner.

(2) All the proposal rights, motion rights, speech rights, voting rights and any other shareholder rights shall be exercised by the trustee or the custodian (as applicable).

- (3) The restrictions (including but not limited to transfer restrictions and vesting conditions) applicable to any and all unvested RSAs (and any share derived from such RSAs for whatever reason, including share dividend, retained earning capitalization, recapitalization, reserve capitalization and any cash distributed based on such RSAs for whatever reason, including cash dividend and distribution of capital reserve in the form of cash) shall equally apply to any share derived, directly or indirectly, from and cash distributed based on such unvested RSAs for whatever reason , including share dividend, retained earning capitalization, recapitalization, reserve capitalization, cash dividend and distribution of capital reserve in the form of cash, and any interests (collectively, the “**Restricted Share and Cash Distribution**”). For the avoidance of doubt, for the purpose of this Plan, the unvested RSAs shall include all the corresponding Restricted Share and Cash Distribution, which are subject to the same restrictions and thus unvested.
- (4) The other rights and obligations of the RSAs shall be the same as the issued and outstanding ordinary shares of the Company.
5. Effect in the event of any non-satisfaction of vesting conditions, early termination of the employment, or inheritance, etc.
- (1) Unless otherwise provided under clause (2) hereunder, if the vesting conditions are not fully satisfied, as to the RSAs that would have been vested were the conditions fully satisfied, the Company may redeem such RSAs at no consideration, and then shall cancel such RSAs.
- (2) In the event the employee’s employment is terminated or inheritance occurs, etc., all the rights attached to the unvested RSAs will be forfeited on the date when the termination of employment or inheritance takes effect, and the Company may redeem such unvested RSAs at no consideration, and then shall cancel such RSAs.
- (a) Retirement or job-leaving (including voluntary resignation, lay off or fire for any reason)

All the rights attached to the unvested RSAs will be forfeited on the date when the retirement or termination of employment (including voluntary resignation, laid off or fire for any reason) takes effect, and the Company may redeem all such RSAs at no consideration, and then shall cancel such RSAs.

(b) Death

All the rights attached to the unvested RSAs will be forfeited upon the date when the employee deceases, and the Company may redeem all such RSAs at no consideration, and then shall cancel such RSAs.

(c) Occupational accidents

- (i) If the grantee employee cannot continue his/her employment with the Company as a result of occupational accidents, all the RSAs that have been granted will be vested on the date when the termination of employment takes effect, unless otherwise provided by laws or regulations.
- (ii) If the grantee employee passes away as a result of occupational accidents, all the RSAs that have been granted will be vested to his/her inheritor(s), unless otherwise provided by laws or regulations.

(d) Job transfer

If any grantee employee applies for transfer to the Company's affiliated enterprises or other companies, clause (a) hereunder will apply to the unvested RSAs. However, if any grantee employee is transferred to the Company's affiliated enterprises or other companies due to the Company's operational needs, the RSAs that have been granted to him/her will not be affected by the job transfer.

(e) Leave of absence without pay

If any grantee employee takes leave of absence without pay under the approval of the Company, the rights attached to the unvested RSAs will resume on the date of his/her reinstatement. However, the time period set forth in the vesting conditions of paragraph 2 shall defer for a period corresponding to the time period of the leave of absence.

(f) Termination of employment due to other causes

In the event of termination or adjustment of employment not set forth above, the chairman or the board of directors may, to the extent permitted by applicable laws and regulation, determine to change or revoke the granted rights.

VI. Procedure of Granting

The chairman is authorized to determine the record date for granting and the record date for share issue for each tranche of issuance.

VII. Acceleration of vesting

If the shareholders' meeting of the Company resolves to have the Company dissolved, merged into other company or become one hundred percent subsidiary of other company by means of share exchange (or other merger and acquisition methods), whether the vesting conditions are fully satisfied or not, one hundred percent of the RSAs granted to the employee shall become vested from the date when the resolution has been made by the shareholders' meeting.

VIII. Confidentiality and effect of breaching

1. After the employee has been granted the restricted shares, the employee shall comply with the confidentiality clause and shall not inquire about or disclose the relevant information to other people (including but not limited to the number of the RSAs granted to such employees and the relevant rights); in the event of any breach thereof, and the Company may redeem all or portion such RSAs at no consideration, and then shall cancel such RSAs.
2. After the RSAs are granted to the employee, if the employee materially breaches the labor contract, employment agreement, work rules or employee handbook, or other the Company's material rules announced after this Plan has been effective, etc., and the Company may redeem all or portion such RSAs at no consideration and then shall cancel such RSAs.

IX. Miscellaneous

1. In the case that the grantee employee is an ROC citizen, such employee shall, immediately after the Company issues the RSAs to such employee, trust such RSAs to the trustee designated by the Company in accordance with the Company's instruction and, unless otherwise provided hereunder, shall be continuously trusted till the full satisfaction of the vesting conditions. Any and all the Restricted Share and Cash Distribution derived from the unvested RSAs shall also be put in the trust. In the case that the grantee employee is non-ROC citizen, such employee shall put the RSA with a custodian bank for custody.

2. This plan shall be approved by the board of directors and then submitted to the shareholders' meeting for approval and shall become effective after registration with the competent authority. If any amendment is necessary due to any change of laws or regulations, any demand by the competent authority or any requirement of the circumstance, the chairman is authorized to make necessary amendment and submit such proposed amendment to the board of directors for approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors before the issuance of RSA hereunder; provided, however, that any amendment to the total number of RSAs, the substantial change in the terms and conditions of the issuance, such amendment shall be submitted to the shareholders' meeting.
3. Any other matters not set forth in this Plan shall be dealt with in accordance with the applicable laws and regulations.

Parade Technologies, Ltd.

Share Repurchase and Employee Incentive Plan

Date: March 8, 2017

Article 1. In order to motivate employees and enhance their centripetal force, the Company hereby establishes this Share Repurchase and Employee Incentive Plan (this “**Plan**”) pursuant to subparagraph 1 of paragraph 1 of Article 28-2 of Securities and Exchange Act, Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies by Financial Supervisory Commission and other related statutes, regulations and orders. Unless otherwise provided in the applicable laws, the repurchase of the shares and the subsequent transfer thereof to the employees shall be conducted pursuant to this Plan.

(Class, Substance and Limitation Of Rights Of Shares)

Article 2. The shares (the “**Shares**”) to be transferred to the employees are ordinary shares. Unless provided otherwise in the Applicable Laws or this Plan, Shares bear the same rights and obligations as other Company’s outstanding ordinary shares.

(Transfer Period)

Article 3. The Company may transfer the Shares, in whole or in tranches, to the employees within 3 years commencing from the date of repurchase in accordance with this Plan.

(Qualifications of The Transferee)

Article 4. The employees (i) (x) of the Company or (y) of any domestic or foreign company in which the Company’s more than 50% of its total number of voting shares are directly or indirectly held by the Company and (ii) (x) are employed more than one year from the record date of subscription, or (y) have special achievements and are approved by the Board of Directors (individually and collectively referred to as the “**Qualified Employees**”) are eligible to subscribe the Shares up to the number

provided in Article 5 of this Plan.

(Procedure for Transfer)

Article 5. Number of shares to be subscribed by Qualified Employees (*Note: The Board of Directors shall decide the number of Shares to be subscribed by considering factors, such as the Qualified Employees' title, seniority or special achievements to the Company, together with the number of treasury shares held by the Company as of the record date of subscription and the maximum number of Shares subscribable that can be subscribed by an individual employee, etc*):

Article 6. Procedure for Transfer:

- (1) The Company shall make announcement and report and repurchase the Shares within the execution period in accordance with the resolution of Board of Directors,
- (2) According to this Plan, the Board of Directors shall decide and announce the record date of subscription, the criteria for determining the number of Shares to be subscribed, the subscription and payment period, the rights and limitations of Shares, etc..
- (3) The Company shall calculate the number of Shares actually subscribed and paid for. Then the Company shall transfer those Shares and register such transfer.

(Transfer Price per Share)

Article 7. The transfer price of the Shares equals to the average of the actual share repurchase price. If the number of the Company's issued ordinary shares increases or decreases prior to transfer, that transfer price shall be adjusted proportionately. (*Note: If, according to the Company's charter, the transfer price is lower than the average actual share repurchase price, the transfer price shall be approved, prior to transfer, by a resolution of a shareholder meeting adopted by a majority of the*

shareholders present who represent two-thirds or more of the total number of its outstanding shares. The notice to convene that shareholder meeting of shareholders should itemize the matters listed in section 10-1 of the Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies.)

Adjustment formula of the transfer price:

adjusted Exercise Price = (Exercise Price before adjustment × number of issued and outstanding Shares + subscription price per new Share × number of new Shares) / (number of issued and outstanding Shares + number of new Shares)

(Rights and Obligations of Shares After Transfer)

Article 8. After Shares have been transferred to Qualified Employees and such transfer has been registered, unless provided otherwise, the rights and obligations shall be identical with those originally attached to those shares.

(Other Matters With Respect To The Rights And Obligations Between The Company And Qualified Employees)

Article 9. *(Note: Subject to Securities and Exchange Act, Company Act and other Applicable Laws, the Company may consider to reach an agreement for matters with respect to the rights and obligations between the Company and Qualified Employee)*

(Miscellaneous)

Article 10. This Plan shall take effect after being affirmatively resolved by the Board of Directors and may be amended by a resolution of the Board of Directors.

Article 11. The enactment and any amendment of this Plan shall be reported to the shareholder meeting.

Comparison Table of Amendments to Procedures for Acquisition or Disposal of Assets

Proposed Amendments	Current Provisions	Reasons of Amendment
<p>Article 3</p> <p>The following terms used in these Procedures shall have the following meanings:</p> <p>1. "Derivatives": means forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.</p> <p>2. "Assets acquired or disposed via mergers, spin-off, acquisitions, or transfer of shares in accordance with acts of law": means to assets acquired or disposed through mergers, spin-off, or acquisitions conducted under the Taiwan Business</p>	<p>Article 3</p> <p>The following terms used in these Procedures shall have the following meanings:</p> <p>1. "Derivatives": means forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.</p> <p>2. "Assets acquired or disposed via mergers, spin-off, acquisitions, or transfer of shares in accordance with acts of law": means to assets acquired or disposed through mergers, spin-off, or acquisitions conducted under the Taiwan Business</p>	<p>Amended pursuant to Article 156 of the Taiwan Company Act.</p>

Proposed Amendments	Current Provisions	Reasons of Amendment
<p>Mergers and Acquisitions Act, Taiwan Financial Holding Company Act, Taiwan Financial Institution Merger Act and other acts, or to transfer of shares [from another company] through issuance of new shares of its own as the consideration therefore (hereinafter "transfer of shares") under Article 156, paragraph <u>8</u> of the Taiwan Company Act.</p> <p>3. "Related party" as referred to in these Procedures shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers of the Republic of China (for issuer who adopted the International Financial Reporting Standard published by International Accounting Standards Board).</p> <p>4. "Subsidiary" as referred to in these Procedures shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers of the Republic of China (for issuer who adopted the International Financial Reporting</p>	<p>Mergers and Acquisitions Act, Taiwan Financial Holding Company Act, Taiwan Financial Institution Merger Act and other acts, or to transfer of shares [from another company] through issuance of new shares of its own as the consideration therefore (hereinafter "transfer of shares") under Article 156, paragraph <u>6</u> of the Taiwan Company Act.</p> <p>3. "Related party" as referred to in these Procedures shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers of the Republic of China (for issuer who adopted the International Financial Reporting Standard published by International Accounting Standards Board).</p> <p>4. "Subsidiary" as referred to in these Procedures shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers of the Republic of China (for issuer who adopted the International Financial Reporting</p>	

Proposed Amendments	Current Provisions	Reasons of Amendment
<p>Standard published by International Accounting Standards Board).</p> <p>5. "Professional appraiser": means a real property appraiser or other person duly authorized by an act of law to engage in the value appraisal of real property or other fixed assets.</p> <p>6. "Date of occurrence": Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the Competent Authority is required, the earlier of the above date or the date of receipt of approval by the Competent Authority shall apply.</p> <p>7. To calculate 10% of total assets as required in these Procedures, the standard of calculation shall be the "total assets" shown in the latest stand-alone financial statements of the Company as provided under the Regulations Governing the</p>	<p>Standard published by International Accounting Standards Board).</p> <p>5. "Professional appraiser": means a real property appraiser or other person duly authorized by an act of law to engage in the value appraisal of real property or other fixed assets.</p> <p>6. "Date of occurrence": Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the Competent Authority is required, the earlier of the above date or the date of receipt of approval by the Competent Authority shall apply.</p> <p>7. To calculate 10% of total assets as required in these Procedures, the standard of calculation shall be the "total assets" shown in the latest stand-alone financial statements of the Company as provided under the Regulations Governing the</p>	

Proposed Amendments	Current Provisions	Reasons of Amendment
Preparation of Financial Reports by Securities Issuers of the Republic of China.	Preparation of Financial Reports by Securities Issuers of the Republic of China.	
<p>Article 8</p> <p>1. Appraisal procedures:</p> <p>1-1 The means of price determination The responsible division shall ask for price quotation, compare and negotiate the price, and prepare the analysis report and present to the chairman to make the decision.</p> <p>1-2 Supporting reference material The Company shall refer to the publicly announced value, evaluated value, the actual trading price of near real property, and the appraisal report issued pursuant to paragraph 3 of Article 8, if applicable.</p> <p>2. Operating procedures:</p> <p>2.1 Degree of authority delegated, the levels to which authority is delegated: The responsible division shall prepare budget and submit to the board of directors for approval. Within the</p>	<p>Article 8</p> <p>1. Appraisal procedures:</p> <p>1-1 The means of price determination The responsible division shall ask for price quotation, compare and negotiate the price, and prepare the analysis report and present to the chairman to make the decision.</p> <p>1-2 Supporting reference material The Company shall refer to the publicly announced value, evaluated value, the actual trading price of near real property, and the appraisal report issued pursuant to paragraph 3 of Article 8, if applicable.</p> <p>2. Operating procedures:</p> <p>2.1 Degree of authority delegated, the levels to which authority is delegated: The responsible division shall prepare budget and submit to the board of directors for approval. Within the</p>	<p>Amended pursuant to Article 9 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

Proposed Amendments	Current Provisions	Reasons of Amendment
<p>ceiling of the approved budget, the chairman is authorized to make decision and handle all the related affairs. In terms of acquisition or disposal to meet the provisional need and beyond the approved budget, for any acquisition or disposal of the assets involving the amount no more than NT\$30 millions, it shall be approved and authorized by the chairman, and for the amount in excess of NT\$ 30 millions, it should be resolved by the board of directors.</p> <p>2.2 the division responsible for implementation The division responsible for implementation of real property and equipment are the users and related authorized and responsible units.</p> <p>2.3 Transaction procedures</p> <p>2-3-1 The acquisition of assets: the responsible division shall prepare the capital expenditure proposal in advance, and evaluate the</p>	<p>ceiling of the approved budget, the chairman is authorized to make decision and handle all the related affairs. In terms of acquisition or disposal to meet the provisional need and beyond the approved budget, for any acquisition or disposal of the assets involving the amount no more than NT\$30 millions, it shall be approved and authorized by the chairman, and for the amount in excess of NT\$ 30 millions, it should be resolved by the board of directors.</p> <p>2.2 the division responsible for implementation The division responsible for implementation of real property and equipment are the users and related authorized and responsible units.</p> <p>2.3 Transaction procedures</p> <p>2-3-1 The acquisition of assets: the responsible division shall prepare the capital expenditure proposal in advance, and evaluate the</p>	

Proposed Amendments	Current Provisions	Reasons of Amendment
<p>feasibility, then forward to the finance division to arrange the capital expenditure budget and execution and control afterward.</p> <p>2-3-2 The disposal of assets: the user shall make application, stating the reason and method of disposition, and implement after getting approval.</p> <p>3. Appraisal report.</p> <p>3. In acquiring or disposing real property or equipment where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of business equipment for operation purpose, shall obtain an appraisal report prior to the date of occurrence of the event from a Professional appraiser and shall further</p>	<p>feasibility, then forward to the finance division to arrange the capital expenditure budget and execution and control afterward.</p> <p>2-3-2 The disposal of assets: the user shall make application, stating the reason and method of disposition, and implement after getting approval.</p> <p>3. Appraisal report.</p> <p>3. In acquiring or disposing real property or equipment where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of business equipment for operation purpose, shall obtain an appraisal report prior to the date of occurrence of the event from a Professional appraiser and shall further</p>	

Proposed Amendments	Current Provisions	Reasons of Amendment
<p>comply with the following provisions:</p> <p>3.1 Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.</p> <p>3.2 Where the transaction amount is NT\$1 billion or more, appraisals from two or more Professional appraisers shall be obtained.</p> <p>3.3 Where any one of the following circumstances applies with respect to the Professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public</p>	<p>comply with the following provisions:</p> <p>3.1 Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.</p> <p>3.2 Where the transaction amount is NT\$1 billion or more, appraisals from two or more Professional appraisers shall be obtained.</p> <p>3.3 Where any one of the following circumstances applies with respect to the Professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public</p>	

Proposed Amendments	Current Provisions	Reasons of Amendment
<p>accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>3-3-1 The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>3-3-2 The discrepancy between the appraisal results of two or more Professional appraisers is 10 percent or more of the transaction amount.</p> <p>3.4 No more than three months may pass between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced value for</p>	<p>accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>3-3-1 The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>3-3-2 The discrepancy between the appraisal results of two or more Professional appraisers is 10 percent or more of the transaction amount.</p> <p>3.4 No more than three months may pass between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced value</p>	

Proposed Amendments	Current Provisions	Reasons of Amendment
<p>the same period is the same and not more than six months have elapsed, an opinion may still be issued by the original Professional appraiser.</p>	<p>for the same period is the same and not more than six months have elapsed, an opinion may still be issued by the original Professional appraiser.</p>	
<p>Article 9 Procedures for acquisition or disposal of securities</p> <p>1. Appraisal procedures:</p> <p>1.1 The means of price determination</p> <p>1-1-1 Acquisition or disposal securities which are trading on the stock exchange or over the counter, the price is determined by the market.</p> <p>1-1-2 Acquisition or disposal securities which are not trading on the stock exchange nor over the counter, it shall refer the book value per share, the profitability, the potential, the market rate, the interest rate, and the credibility of the creditors and refer the professional opinion and other trading price at that time.</p> <p>1.2 Reference basis Prior to the date of</p>	<p>Article 9 Procedures for acquisition or disposal of securities</p> <p>1. Appraisal procedures:</p> <p>1.1 The means of price determination</p> <p>1-1-1 Acquisition or disposal securities which are trading on the stock exchange or over the counter, the price is determined by the market.</p> <p>1-1-2 Acquisition or disposal securities which are not trading on the stock exchange nor over the counter, it shall refer the book value per share, the profitability, the potential, the market rate, the interest rate, and the credibility of the creditors and refer the professional opinion and other trading price at that time.</p> <p>1.2 Reference basis Prior to the date of</p>	<p>Amended pursuant to Article 10 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

Proposed Amendments	Current Provisions	Reasons of Amendment
<p>occurrence of acquiring or disposing of securities, the Company shall obtain financial statements of the issuing company for the most recent period, audited or reviewed by a certified public accountant, for reference in appraising the transaction price. The Company shall also refer the professional opinion provided under Article 9 paragraph 3, if applicable.</p> <p>2. Operating procedures:</p> <p>2.1 Degree of authority delegated, the levels to which authority is delegated: The responsible division shall prepare budget and submit to the board of directors for approval. Within the ceiling of the budget, the chairman is authorized to make decision and handle all the related affairs. If beyond the approved budget, for any acquisition or disposal of the assets involving the amount no more than NT\$30 millions, it shall be approved and authorized by the chairman, and</p>	<p>occurrence of acquiring or disposing of securities, the Company shall obtain financial statements of the issuing company for the most recent period, audited or reviewed by a certified public accountant, for reference in appraising the transaction price. The Company shall also refer the professional opinion provided under Article 9 paragraph 3, if applicable.</p> <p>2. Operating procedures:</p> <p>2.1 Degree of authority delegated, the levels to which authority is delegated: The responsible division shall prepare budget and submit to the board of directors for approval. Within the ceiling of the budget, the chairman is authorized to make decision and handle all the related affairs. If beyond the approved budget, for any acquisition or disposal of the assets involving the amount no more than NT\$30 millions, it shall be approved and authorized by the chairman, and</p>	

Proposed Amendments	Current Provisions	Reasons of Amendment
<p>for the amount in excess of NT\$ 30 millions, it should be resolved by the board of directors; provided, however, that any acquisition or disposal of the securities with low risk (including but not limited to treasury bonds or securities traded on the money market) shall be approved and authorized by the chairman.</p> <p>2.2 The division responsible for implementation The finance division is the responsible division.</p> <p>2.3 Transaction procedure The responsible division shall form an evaluation team and shall be responsible for execution only after feasibility study.</p> <p>3. Professional opinion In acquiring or disposing securities where the transaction amount reaches 20 percent of paid-in capital of the Company or NT\$300 million or more, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of</p>	<p>for the amount in excess of NT\$ 30 millions, it should be resolved by the board of directors; provided, however, that any acquisition or disposal of the securities with low risk (including but not limited to treasury bonds or securities traded on the money market) shall be approved and authorized by the chairman.</p> <p>2.2 The division responsible for implementation The finance division is the responsible division.</p> <p>2.3 Transaction procedure The responsible division shall form an evaluation team and shall be responsible for execution only after feasibility study.</p> <p>3. Professional opinion In acquiring or disposing securities where the transaction amount reaches 20 percent of paid-in capital of the Company or NT\$300 million or more, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of</p>	

Proposed Amendments	Current Provisions	Reasons of Amendment
<p>the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (the “FSC”).</p>	<p>the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (the “FSC”).</p>	
<p>Article 10 Procedures for acquisition or disposal of memberships or intangible assets</p> <p>1. Appraisal procedures:</p> <p>1.1 The means of price determination The responsible division prepares the analysis report and present to the chairman president to make the decision.</p> <p>1.2 Supporting reference material</p> <p>1-2-1 Memberships: Refer to the market value.</p> <p>1-2-2 Intangible assets: Refer to market value or appraisal report</p>	<p>Article 10 Procedures for acquisition or disposal of memberships or intangible assets</p> <p>1. Appraisal procedures:</p> <p>1.1 The means of price determination The responsible division prepares the analysis report and present to the chairman president to make the decision.</p> <p>1.2 Supporting reference material</p> <p>1-2-1 Memberships: Refer to the market value.</p> <p>1-2-2 Intangible assets: Refer to market value or appraisal report</p>	<p>Amended pursuant to Article 11 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

Proposed Amendments	Current Provisions	Reasons of Amendment
<p>described in paragraph 3, if applicable.</p> <p>2. Operating procedures:</p> <p>2.1 Degree of authority delegated, the levels to which authority is delegated: The responsible division shall prepare budget and submit to the board of directors for approval. Within the ceiling of the budget, the chairman is authorized to make decision and handle all the related affairs. If beyond the approved budget, for any acquisition or disposal of the assets involving the amount no more than NT\$30 millions, it shall be approved and authorized by the chairman, and for the amount in excess of NT\$30 millions, it should be resolved by the board of directors.</p> <p>2.2 The division responsible for implementation The division responsible for implementation of memberships or</p>	<p>described in paragraph 3, if applicable.</p> <p>2. Operating procedures:</p> <p>2.1 Degree of authority delegated, the levels to which authority is delegated: The responsible division shall prepare budget and submit to the board of directors for approval. Within the ceiling of the budget, the chairman is authorized to make decision and handle all the related affairs. If beyond the approved budget, for any acquisition or disposal of the assets involving the amount no more than NT\$30 millions, it shall be approved and authorized by the chairman, and for the amount in excess of NT\$30 millions, it should be resolved by the board of directors.</p> <p>2.2 The division responsible for implementation The division responsible for implementation of memberships or</p>	

Proposed Amendments	Current Provisions	Reasons of Amendment
<p>intangible assets are the users and related authorized and responsible units.</p> <p>2.3 Transaction procedures The responsible division shall form an evaluation team and shall be responsible for execution only after feasibility study.</p> <p>3. Professional opinion Except for transactions with a government agency, in acquiring or disposing memberships or intangible assets where the transaction amount reaches 20 percent of the paid-in capital of the Company or NT\$300 million or more, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p>	<p>intangible assets are the users and related authorized and responsible units.</p> <p>2.3 Transaction procedures The responsible division shall form an evaluation team and shall be responsible for execution only after feasibility study.</p> <p>3. Professional opinion Except for transactions with a government agency, in acquiring or disposing memberships or intangible assets where the transaction amount reaches 20 percent of the paid-in capital of the Company or NT\$300 million or more, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p>	
<p>Article 11</p> <p>1. The Company that acquires or disposes of assets from or to a related party shall, in</p>	<p>Article 11</p> <p>1. The Company that acquires or disposes of assets from or to a related party shall, in</p>	<p>Amended pursuant to Article 14 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

Proposed Amendments	Current Provisions	Reasons of Amendment
<p>addition to ensure that the necessary resolutions are adopted the reasonableness of the transaction terms is appraised, and other relevant matters are carried out, in compliance with the Article 8 to 10 of these Procedures and this Article, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the Article 8 to 10. The calculation of the transaction amount referred to in this paragraph shall be made in accordance with Article 10-1 herein. When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>2. The Company that intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than</p>	<p>addition to ensure that the necessary resolutions are adopted the reasonableness of the transaction terms is appraised, and other relevant matters are carried out, in compliance with the Article 8 to 10 of these Procedures and this Article, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the Article 8 to 10. The calculation of the transaction amount referred to in this paragraph shall be made in accordance with Article 10-1 herein. When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>2. The Company that intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than</p>	

Proposed Amendments	Current Provisions	Reasons of Amendment
<p>real property (except for trading of government bonds, bonds under repurchase/resale agreements, purchase or <u>repurchase</u> of domestic money market fund <u>issued by the securities investment trust enterprises</u>) from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the audit committee and the board of directors.</p> <p>2.1 The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>2.2 The reason for choosing the related party as a trading counterparty.</p> <p>2.3 With respect to the acquisition of real property from a related party, information regarding appraisal of</p>	<p>real property (except for trading of government bonds, bonds under repurchase/resale agreements, purchase or <u>redemption</u> of domestic money market fund) from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the audit committee and the board of directors.</p> <p>2.1 The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>2.2 The reason for choosing the related party as a trading counterparty.</p> <p>2.3 With respect to the acquisition of real property from a related party, information regarding appraisal of</p>	

Proposed Amendments	Current Provisions	Reasons of Amendment
<p>the reasonableness of the preliminary transaction terms in accordance with the provisions of Article 12 and 13.</p> <p>2.4 The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party.</p> <p>2.5 Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the use of proceeds.</p> <p>2.6 An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding paragraph.</p> <p>2.7 Restrictive covenants and other important stipulations associated with the transaction.</p>	<p>the reasonableness of the preliminary transaction terms in accordance with the provisions of Article 12 and 13.</p> <p>2.4 The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party.</p> <p>2.5 Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the use of proceeds.</p> <p>2.6 An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding paragraph.</p> <p>2.7 Restrictive covenants and other important stipulations associated with the transaction.</p>	

Proposed Amendments	Current Provisions	Reasons of Amendment
<p>3. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 22, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the audit committee need not be counted toward the transaction amount.</p> <p>4. <u>With respect to the acquisition or disposal of the equipment for operational use between the Company and its subsidiaries, the Company's board of directors may, pursuant to the paragraph 2 of Article 8, delegate the chairman to decide such matters when the transaction is within a certain amount and subsequently submit the decisions to the next board of directors meeting for ratification.</u></p>	<p>3. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 22, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the audit committee need not be counted toward the transaction amount.</p> <p>4. Where the position of independent director has been established in accordance with the provisions of the Act, when an acquisition of real property from a related party is submitted for discussion by the board of directors pursuant to paragraph 2 of this Article 11, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about</p>	

Proposed Amendments	Current Provisions	Reasons of Amendment
<p><u>5.</u> Where the position of independent director has been established in accordance with the provisions of the Act, when an acquisition of real property from a related party is submitted for discussion by the board of directors pursuant to paragraph 2 of this Article 11, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p><u>6.</u> Where an audit committee has been established in accordance with the provisions of the Act, the matters for which paragraph 2 requires approval by one half or more of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of</p>	<p>any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p><u>5.</u> Where an audit committee has been established in accordance with the provisions of the Act, the matters for which paragraph 2 requires approval by one half or more of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of the provisions of Article 28, paragraphs 3 and 4.</p>	

Proposed Amendments	Current Provisions	Reasons of Amendment
the provisions of Article 28, paragraphs 3 and 4.		
<p>Article 16 Procedures for Mergers, Spin-offs, Acquisitions, and Transfer of Shares:</p> <p>1. Appraisal procedures:</p> <p>1.1 The means of price determination The Company that conducts a merger, spin-off, acquisition, or transfer of shares, shall engage an attorney, CPA, and securities underwriter to plan legal procedures, and to organize a committee execute in accordance with the procedures.</p> <p>Prior to convening the board of directors to resolve on the matter, the Company shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the</p>	<p>Article 16 Procedures for Mergers, Spin-offs, Acquisitions, and Transfer of Shares:</p> <p>1. Appraisal procedures:</p> <p>1.1 The means of price determination The Company that conducts a merger, spin-off, acquisition, or transfer of shares, shall engage an attorney, CPA, and securities underwriter to plan legal procedures, and to organize a committee execute in accordance with the procedures.</p> <p>Prior to convening the board of directors to resolve on the matter, the Company shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the</p>	<p>Amended pursuant to Article 22 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

Proposed Amendments	Current Provisions	Reasons of Amendment
<p>board of directors for discussion and resolution. <u>Notwithstanding the foregoing, in the event of the merger between the Company and its subsidiary whose all issued and outstanding shares or capital is directly or indirectly held by the Company or the merger between such subsidiaries, the above professional opinion on the reasonableness may be exempted.</u></p> <p>1.2 Reference basis Refer to expert opinions mentioned in preceding paragraph.</p> <p>2. Operating procedures:</p> <p>2.1 The levels to which authority is delegated:</p> <p>2-1-1 The Company shall submit the transaction to the board of directors for deliberation and resolution according to the procedures above.</p> <p>2-1-2 The Company participating in a</p>	<p>board of directors for discussion and resolution.</p> <p>1.2 Reference basis Refer to expert opinions mentioned in preceding paragraph.</p> <p>2. Operating procedures:</p> <p>2.1 The levels to which authority is delegated:</p> <p>2-1-1 The Company shall submit the transaction to the board of directors for deliberation and resolution according to the procedures above.</p> <p>2-1-2 The Company participating in a</p>	

Proposed Amendments	Current Provisions	Reasons of Amendment
<p>merger, spin-off, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, spin-off, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in paragraph above when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, spin-off, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, spin-off, or acquisition, this restriction shall not apply.</p> <p>2-1-3 Where the shareholders meeting of any one of the companies participating in a merger, spin-off,</p>	<p>merger, spin-off, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, spin-off, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in paragraph above when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, spin-off, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, spin-off, or acquisition, this restriction shall not apply.</p> <p>2-1-3 Where the shareholders meeting of any one of the companies participating in a merger, spin-off,</p>	

Proposed Amendments	Current Provisions	Reasons of Amendment
<p>or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, spin-off or acquisition shall immediately publicly explain the reason, the follow-up measures, and the tentative date of the next shareholders meeting.</p> <p>2.2 The division responsible for implementation The division responsible for implementation are the division related to the transaction and shall implement in accordance with the applicable laws.</p> <p>2.3 Procedures for convening a board of directors meeting and shareholders meeting.</p> <p>2-3-1 The Company participating in a merger, spin-off, or acquisition</p>	<p>or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, spin-off or acquisition shall immediately publicly explain the reason, the follow-up measures, and the tentative date of the next shareholders meeting.</p> <p>2.2 The division responsible for implementation The division responsible for implementation are the division related to the transaction and shall implement in accordance with the applicable laws.</p> <p>2.3 Procedures for convening a board of directors meeting and shareholders meeting.</p> <p>2-3-1 The Company participating in a merger, spin-off, or acquisition</p>	

Proposed Amendments	Current Provisions	Reasons of Amendment
<p>shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, spin-off, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.</p> <p>2-3-2 The Company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.</p>	<p>shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, spin-off, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.</p> <p>2-3-2 The Company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.</p>	
<p>Article 17</p> <p>Every person participating in or privy to the plan for merger, spin-off, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of</p>	<p>Article 17</p> <p>Every person participating in or privy to the plan for merger, spin-off, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of</p>	<p>Amended pursuant to Article 24 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

Proposed Amendments	Current Provisions	Reasons of Amendment
<p>another person, in any stock or other equity security of any Company related to the plan for merger, spin-off, acquisition, or transfer of shares. When participating in a merger, spin-off, acquisition, or transfer of another company's shares, the Company shall prepare a full written record of the following information and retain it for five years for reference:</p> <ol style="list-style-type: none"> 1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, spin-off, acquisition, or transfer of another company's shares prior to disclosure of the information. 2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting. 3. Important documents and minutes: 	<p>another person, in any stock or other equity security of any Company related to the plan for merger, spin-off, acquisition, or transfer of shares. When participating in a merger, spin-off, acquisition, or transfer of another company's shares, the Company shall prepare a full written record of the following information and retain it for five years for reference:</p> <ol style="list-style-type: none"> 1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, spin-off, acquisition, or transfer of another company's shares prior to disclosure of the information. 2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting. 3. Important documents and minutes: 	

Proposed Amendments	Current Provisions	Reasons of Amendment
<p>Including merger, spin-off, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.</p> <p>After the shares of the Company are listed on an exchange or traded on an over the counter market (the “OTC”), when participating in a merger, spin-off, acquisition, or transfer of another company's shares, the Company shall, within two days commencing immediately from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.</p> <p>Where any of the companies participating in a merger, spin-off, acquisition, or transfer of another company’s shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign the agreement with such company.</p>	<p>Including merger, spin-off, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.</p> <p>After the shares of the Company are listed on an exchange or traded on an over the counter market (the “OTC”), when participating in a merger, spin-off, acquisition, or transfer of another company's shares, the Company shall, within two days commencing immediately from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.</p> <p>Where any of the companies participating in a merger, spin-off, acquisition, or transfer of another company’s shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign the agreement with such company.</p>	

Proposed Amendments	Current Provisions	Reasons of Amendment
<p>Article 22</p> <p>1. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within two days commencing immediately from day of occurrence of the fact:</p> <p>1.1 Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds, bonds under repurchase and resale agreements, or purchase or <u>repurchase</u> of domestic money market</p>	<p>Article 22</p> <p>1. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within two days commencing immediately from day of occurrence of the fact:</p> <p>1.1 Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds, bonds under repurchase and resale agreements, or purchase or <u>redemption</u> of domestic money</p>	<p>Amended pursuant to Article 30 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

Proposed Amendments	Current Provisions	Reasons of Amendment
<p>fund <u>issued by the securities investment trust enterprises.</u></p> <p>1.2 Merger, spin-off, acquisition, or transfer of shares.</p> <p>1.3 Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in Company's Procedures for Financial Derivatives Transactions.</p> <p><u>1.4</u> Where the type of asset acquired or disposed is equipment for operational use, the trading counterparty is not a related party, and the transaction amount is <u>no</u> less than NT\$500 million.</p> <p><u>1.5</u> Where land is acquired under an arrangement for commissioned construction on self-owned land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership</p>	<p>market fund.</p> <p>1.2 Merger, spin-off, acquisition, or transfer of shares.</p> <p>1.3 Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in Company's Procedures for Financial Derivatives Transactions.</p> <p><u>1.4</u> Where an asset transaction other than any of those referred to in the preceding <u>three</u> subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital of the Company or NT\$300 million or more; provided, this shall not apply to the following circumstances:</p> <p><u>1-4-1</u> Trading of government bonds</p> <p><u>1-4-2</u> Trading of bonds under repurchase/resale agreements or</p>	

Proposed Amendments	Current Provisions	Reasons of Amendment
<p>percentages, or joint construction and separate sale, and the amount the Company expects to invest in the transaction is <u>no</u> less than NT\$500 million.</p> <p><u>1.6</u> Where an asset transaction other than any of those referred to in the preceding <u>five</u> subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital of the Company or NT\$300 million or more; provided, this shall not apply to the following circumstances:</p> <p><u>1-6-1</u> Trading of government bonds</p> <p><u>1-6-2</u> As <u>investment professionals, securities trading on foreign or domestic securities exchanges or over-the-counter markets; or subscription of the corporate bond or financial bond not related to equity offered and issued in the</u></p>	<p>purchase or <u>redemption</u> of domestic money market fund.</p> <p><u>1-4-3</u> Where the type of asset acquired or disposed is <u>equipment/machinery</u> for operational use, the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.</p> <p><u>1-4-4</u> Where land is acquired under an arrangement for commissioned construction on self-owned land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the Company expects to invest in the transaction is less than NT\$500 million.</p>	

Proposed Amendments	Current Provisions	Reasons of Amendment
<p><u>primary market.</u></p> <p><u>1-6-3</u> Trading of bonds under repurchase and resale agreements, or purchase or <u>repurchase</u> of domestic money market fund <u>issued by the securities investment trust enterprises.</u></p> <p>2. The amount of transactions above shall be calculated as follows:</p> <p>2.1 The amount of any individual transaction.</p> <p>2.2 The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within one year.</p> <p>2.3 The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) in connection with the same development project within one year.</p> <p>2.4 The cumulative transaction amount of acquisitions and disposals (cumulative</p>	<p>2. The amount of transactions above shall be calculated as follows:</p> <p>2.1 The amount of any individual transaction.</p> <p>2.2 The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within one year.</p> <p>2.3 The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) in connection with the same development project within one year.</p> <p>2.4 The cumulative transaction amount of acquisitions and disposals (cumulative</p>	

Proposed Amendments	Current Provisions	Reasons of Amendment
<p>acquisitions and disposals, respectively) of the same security within one year. Within one year as used in preceding paragraph refers to the year preceding the base date of occurrence of the current transaction. The amounts of the transactions duly announced in accordance with these Procedures may be excluded for the purpose of calculation.</p> <p>3. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the 2 paragraphs above, a public report of relevant information shall be made on the information reporting website designated by the FSC within two days commencing immediately from the day of occurrence of the fact:</p> <p>3.1 Change, termination, or rescission of a contract signed in regard to the</p>	<p>acquisitions and disposals, respectively) of the same security within one year. Within one year as used in preceding paragraph refers to the year preceding the base date of occurrence of the current transaction. The amounts of the transactions duly announced in accordance with these Procedures may be excluded for the purpose of calculation.</p> <p>3. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the 2 paragraphs above, a public report of relevant information shall be made on the information reporting website designated by the FSC within two days commencing immediately from the day of occurrence of the fact:</p> <p>3.1 Change, termination, or rescission of a contract signed in regard to the</p>	

Proposed Amendments	Current Provisions	Reasons of Amendment
<p>original transaction.</p> <p>3.2 The merger, spin-off, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>3.3 Change to the originally publicly announced and reported information.</p>	<p>original transaction.</p> <p>3.2 The merger, spin-off, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>3.3 Change to the originally publicly announced and reported information.</p>	
<p>Article 24</p> <p>When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety <u>within two days upon knowing such error or omission.</u></p>	<p>Article 24</p> <p>When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety.</p>	<p>Amended pursuant to Article 30 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

Comparison Table of Amendments to The Amended and Restated Articles of Association

Proposed Amendments	Current Provisions	Reason of Amendment
Amended and Restated Articles of Association		
109.[Deleted]	<p style="text-align: center;"><u>TENDER OFFER</u></p> <p>109. <u>Within seven (7) days after the receipt of the copy of a tender offer application form and relevant documents by the Company or its litigation or non litigation agent appointed pursuant to the Applicable Public Company Rules, the Board shall resolve to recommend to the Member whether to accept or object the tender offer and make a public announcement of the following:</u></p> <p>(a) <u>the types and number of the Shares held by the Directors and the Members holding more than 10% of the outstanding Shares in their own names or in the names of other persons,</u></p> <p>(b) <u>recommendations to the Members on the tender offer, which shall set forth the names of the Directors who abstain or object to the tender offer and the reason(s) therefore,</u></p> <p>(c) <u>whether there is any material change in the financial condition of the Company after the submission of the latest financial report and an explanation of the change, if any; and</u></p> <p>(d) <u>the types, numbers and amount of the Shares of the tender offeror or its affiliates held by the Directors and the Members holding more than 10% of the outstanding Shares in their own names or in the name of other persons.</u></p>	Amendment is made in response to the amendment of Checklist for Protecting Shareholders of Foreign Issuer. Since the Company shall comply with the Securities and Exchange Act in connection with any tender offer for the Company's shares, this Article is not necessary and thus is deleted.