

Parade Technologies, Ltd.
(the “Company”)
2018 ANNUAL GENERAL MEETING of MEMBERS
MEETING MINUTES
(Translation)

Time: June 21, 2018, 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 65,123,494 shares entitled to vote for or against each of the resolutions as set out below (among them, 48,451,716 shares voted via electronic transmission), accounted for 83.00% of the total 78,455,578 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: Hua-Ling Liang, 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 2017 business (See Attachment I)
2. To report the 2017 review report by the Audit Committee (See Attachment II)

3. To report the implementation of the 2018 Share Repurchase and Incentive Plan.

Explanatory Notes:

- (1) The results of the 2018 Share Repurchase Plan is as below:

Series	the first repurchase in year 2018
Board resolution date	03/07/2018 (Taiwan Time)
Purpose of repurchase	Transferring to the employees
The set repurchase period	Between 03/08/2018 and 05/07/2018
The actual repurchase period	Between 04/19/2018 and 05/02/2018
The set repurchase price range (per share)	NT\$ 379.00 to NT\$ 848.00
The actual repurchase price range (per share)	NT\$ 453.00 to NT\$ 490.00
Average repurchase price per share	NT\$ 474.63
The set maximum repurchase shares	170,000 common stocks
Accumulated number of shares already repurchased	170,000 common stocks
Value spent on the repurchase	NT\$ 80,687,768
Number of shares transferred and cancelled	0
Accumulated number of shares already repurchased	170,000 common stocks
Accumulated percentage of repurchased shares to total number of shares issued (%)	0.22%

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

4. To report the allocation of 2017 employees' cash bonuses and the Directors' remuneration.

Explanatory Notes:

Considering the "Amended and Restated Memorandum and Articles" and the Company's 2017 annual profits before tax, the Compensation Committee has recommended to the Board of Directors the approval of distribution and payment of NT\$128,698,234 in cash as the employees' bonuses and NT\$42,000,507 in cash as Directors' remuneration, respectively, equivalent to US\$4,324,537 and US\$1,411,307, by adopting foreign exchange rate of US\$1=NT\$29.76.

Proposals

1. To ratify the 2017 Business Report (Proposed by the Board of Directors)

Explanatory Notes:

- (1) The 2017 business report is attached hereto as Attachment I.
- (2) Please ratify the above-mentioned the 2017 Business Report.

Resolution: 65,003,991 shares were represented at the time of voting (including 48,451,716 shares voted via electronic transmission); 56,711,394 voted in favor for the proposal (including 40,160,119 shares voted via electronic transmission), representing 87.24% of the total votes held by the members present in the meeting, 2,010 voted against the proposal (including 2,010 shares voted via electronic transmission), 0 voted invalid the proposal, and 8,290,587 voted abstained/no voted the proposal (including 8,289,587 shares voted via electronic transmission). This proposal as proposed by the board of directors was duly passed as ordinary resolution of the Company.

2. To adopt the Company's 2017 audited consolidated financial reports (Proposed by the Board of Directors)

Explanatory Notes:

- (1) The Company's 2017 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. Liang Hua-Ling 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 2017 independent accountants' audit report and above-mentioned consolidated financial statements are attached hereto as Attachment III.
- (3) Please ratify the above-mentioned 2017 audited consolidated financial statements.

Resolution: 65,003,991 shares were represented at the time of voting (including 48,451,716 shares voted via electronic transmission); 56,711,394 voted in favor for the proposal (including 40,160,119 shares voted via electronic transmission), representing 87.24% of the total votes held by the members present in the meeting, 2,010 voted against the proposal (including 2,010 shares voted via electronic transmission), 0 voted invalid the proposal, and 8,290,587 voted abstained/no voted the proposal (including 8,289,587 shares voted via electronic transmission). This proposal as proposed by the board of directors was duly passed as ordinary resolution of the Company.

3. To approve the 2017 profit distribution plan (Proposed by the Board of Directors)

Explanatory Notes:

- (1) The Company's 2017 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 2017 Retained Earnings Available for Distribution, inclusive of distribution of the profits to the shareholders at the total amount of NT\$965,599,330, equivalent to cash dividend per share of NT\$12.32, equivalent to US\$0.4234, by adopting foreign exchange rate of US\$1=NT\$29.10.
- (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 2018 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 2018 Annual General Meeting of Members.
- (5) The 2017 Profit Distribution Table is attached hereto as Attachment IV.
- (6) Please approve the above-mentioned 2017 Profit Distribution Proposal.

Resolution: 65,003,991 shares were represented at the time of voting (including 48,451,716 shares voted via electronic transmission); 56,749,394 voted in favor for the proposal (including 40,198,119 shares voted via electronic transmission), representing 87.30% of the total votes held by the members present in the meeting, 2,010 voted against the proposal (including 2,010 shares voted via electronic transmission), 0 voted invalid the proposal, and 8,252,587 voted abstained/no voted the proposal (including 8,251,587 shares voted via electronic transmission). This proposal as proposed by the board of directors was duly passed as ordinary resolution of the Company.

Discussions

1. To approve 2018 Employee Restricted Stock Awards Plan (Proposed by the Board of Directors)

Explanatory Notes:

(1) The Company has established this 2018 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 2018 Employee Restricted Stock Awards Plan (the "2018 RSA Plan") are as below:

I. Expected total number of the Restricted Stock Awards ("RSA") issuance:
600,000 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 on US Daylight Saving Time July 31, 2018 (the "new hired non-management employee") will be vested at the equal rate of 25% per year over four (4) years from the board grant date. Each 25% will be vested on the anniversary of such board grant

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, 2018. Each 25% will be vested on the anniversary of May 1, 2018 (i.e. April 30 of each year of 2019 to 2022) 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, 2018 (the “new hired management employee”) will be vested at the equal rate of 25% per year over four (4) years from the board grant date. Each 25% will be vested on the anniversary of such board grant date to the grantee 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.

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\$330,000,000 over four years. (2) The dilution effect on the Company's earnings per share is approximately NT\$0.177. The total numbers to be issued under this plan is approximately 0.77% of the Company's total issued and outstanding shares (78,446,362 shares as of January 31, 2018).

(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: 65,003,991 shares were represented at the time of voting (including 48,451,716 shares voted via electronic transmission); 47,128,846 voted in favor for the proposal (including 30,577,571 shares voted via electronic transmission), representing 72.50% of the total votes held by the members present in the meeting, 9,122,558 voted against the proposal (including 9,122,558 shares voted via electronic transmission), 0 voted invalid the proposal, and 8,752,587 voted abstained/no voted the proposal (including 8,751,587 shares voted via electronic transmission). 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 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 VII.

(2) Please approve the above-mentioned proposal.

Resolution: 65,003,991 shares were represented at the time of voting (including 48,451,716 shares voted via electronic transmission); 56,668,394 voted in favor for the proposal (including 40,117,119 shares voted via electronic transmission), representing 87.17% of the total votes held by the members present in the meeting, 2,010 voted against the proposal (including 2,010 shares voted via electronic transmission), 0 voted invalid the proposal, and 8,333,587 voted abstained/no voted the proposal (including 8,332,587 shares voted via electronic transmission). 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.
2017 Business Report**

Dear Shareholders,

In 2017, Parade kept a strong growth momentum and achieved the new record in both revenue and net income of US\$340.43 million or NT\$10.35 billion and US\$63.57 million or NT\$1.93 billion, respectively. In terms of dollar, the new records in revenue and net income represented an increase of 20.59% and 51.31% year-over-year growth, respectively, as compared to 2016. Our new products and strategy focusing on our core competency of high-speed propelled the growth 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 cutting-edge new technologies will further expanding our business to high-growth areas, such as servers for data center and advanced display as well as touch solutions for consumer and automotive market.

The development and integration of TrueTouch business from our strategically acquisition in 2015 was an important task in 2017. The progress of TDDI technology and products development was significant. Our TDDI technologies offer unique advantages. We are heavily engaging and qualifying our solutions in many LCD panel vendors. We also advanced our touch technology greatly to address the new challenging applications.

We achieved a great growth in high-speed interface market segment in 2017. Our long-term vision and investment in high-speed technologies and products have been fitting the market trend of adopting even higher speed solutions well. 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 dongle. In addition, USB Type-C Connector with DP Alt Mode grew strongly and its application reached the speed to 10Gbps in 2017. While Parade is well positioned in such speed increase, it does pose the technology challenge for our competitors. Parade's USB3.1 (10Gbps) USB Type-C high-speed solutions (PS88xx products) scored many Tie 1 design wins. We have worked closely with industry leaders and made great progress to develop PCIe Gen 4 solutions (16Gbps) for server applications in the data centers.

Parade leveraged its market leading position and extensive industry knowledge in embedded DisplayPort area to expand our market and serve our customers. Parade developed customized and highly integrated eDP solutions to solve unique technical challenges faced by the leading global brands for advanced display solutions. We also have been working with industry leaders to develop the advanced display technologies and products for automotive customers. 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 great acceptance in 2017. 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.

Parade's consolidated net income in 2017, including the acquisition related expense of Cypress' TrueTouch business was US\$63.57 million (NT\$1.93 billion), an increase of 51.31% from US\$42.02 million (NT\$1.36 billion) in year 2016. Earnings per diluted share in 2017

were US\$0.81 (NT\$24.55), an increase of 50% from US\$0.54 (NT\$17.58) in 2016. Gross profit margin was 40.45% as compared to 41.06% in 2016, while operating profit margin was 19.03% up from 16.32% 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, 2017, Parade has a total of 434 employees, up 20 from 2016. Out of 434 employees, 272 were engaged in research, development and related engineering. We hold 207 granted patents and 61 patent applications pending at the end of year 2017.

Looking forward, we will benefit from the increasing demand for bandwidth to support high-speed data transmission, advanced display and lower power consumption. We are excited to expand our technologies and business to the markets of high-speed solutions for servers, advanced display TCON in both consumer and automotive market 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, 2018

Audit Committee's Report

The Board of Directors has prepared the Company's 2017 Business Report, 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, 2018

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 subsidiaries (the “Group”) as at December 31, 2017 and 2016, 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, 2017 and 2016, 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 judgement, 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.

Key audit matters for the Group's consolidated financial statements of the current period are stated as follows:

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, 2017 was NT\$1,459,783 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 a key audit matter this year.

How our audit addressed the matter

Our procedures in relation to the key audit matter included:

1. Evaluated 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.

We assessed the appropriateness of key assumptions used, such as growth rate and discount rate.

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, 2017 was NT\$1,125,068 thousand and NT\$105,053 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 judgements 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 a key audit matter this year.

How our audit addressed the matter

Our procedures in relation to the key audit matter 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. Verified 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.

Reviewed the historical information of inventories, supplemented by inspecting the amount of provision after the reference period, and then assessed the reasonableness of the loss provision.

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 judgement 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.

Liang, Hua-Ling

Lai, Chung-Hsi

For and on behalf of PricewaterhouseCoopers, Taiwan

March 7 , 2018

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.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

PARADE TECHNOLOGIES, LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2017 AND 2016
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

ASSETS	Notes	December 31, 2017		December 31, 2016		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 4,763,227	45	\$ 4,030,839	41
1170	Accounts receivable, net	6(2)	1,555,625	15	1,533,751	16
130X	Inventories, net	6(3)	1,020,015	9	849,120	9
1470	Other current assets		288,120	3	242,910	2
11XX	Total current assets		<u>7,626,987</u>	<u>72</u>	<u>6,656,620</u>	<u>68</u>
Non-current assets						
1600	Property, plant and equipment, net	6(4)	261,470	3	142,448	1
1780	Intangible assets	6(5)	2,640,450	25	2,979,491	30
1840	Deferred income tax assets	6(15)	38,694	-	52,166	1
1900	Other non-current assets		24,344	-	27,247	-
15XX	Total non-current assets		<u>2,964,958</u>	<u>28</u>	<u>3,201,352</u>	<u>32</u>
1XXX	TOTAL ASSETS		<u>\$ 10,591,945</u>	<u>100</u>	<u>\$ 9,857,972</u>	<u>100</u>

(Continued)

PARADE TECHNOLOGIES, LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2017 AND 2016
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

LIABILITIES AND EQUITY	Notes	December 31, 2017		December 31, 2016	
		Amount	%	Amount	%
Current liabilities					
2170	Accounts payable	\$ 767,441	7	\$ 968,324	10
2200	Other payables	6(6) 614,049	6	544,858	6
2230	Current income tax liabilities	6(15) 585,621	6	529,731	5
2300	Other current liabilities	246,422	2	313,227	3
21XX	Total current liabilities	<u>2,213,533</u>	<u>21</u>	<u>2,356,140</u>	<u>24</u>
2XXX	Total liabilities	<u>2,213,533</u>	<u>21</u>	<u>2,356,140</u>	<u>24</u>
Equity attributable to owners of the Company					
Share capital					
		6(9)			
3110	Ordinary shares	783,766	7	773,049	8
Capital reserves					
		6(10)			
3200	Capital reserves	2,562,661	24	2,159,549	22
Retained earnings					
		6(11)			
3310	Legal reserve	614,295	6	478,681	5
3320	Special reserve	8,324	-	8,324	-
3350	Unappropriated earnings	5,251,928	50	4,151,202	42
Other equity					
3400	Other equity	(842,562)	(8)	(68,973)	(1)
31XX	Equity attributable to owners of the Company	<u>8,378,412</u>	<u>79</u>	<u>7,501,832</u>	<u>76</u>
3XXX	Total equity	<u>8,378,412</u>	<u>79</u>	<u>7,501,832</u>	<u>76</u>
Significant contingent liabilities and unrecognized contract commitments					
Significant events after the balance sheet date					
3X2X	TOTAL LIABILITIES AND EQUITY	<u>\$ 10,591,945</u>	<u>100</u>	<u>\$ 9,857,972</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, 2017 AND 2016
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE AMOUNTS)

	Notes	2017		2016	
		Amount	%	Amount	%
4000		\$ 10,351,803	100	\$ 9,106,654	100
5000	6(3)(13)(14)	(6,164,614)	(60)	(5,367,234)	(59)
5900		<u>4,187,189</u>	<u>40</u>	<u>3,739,420</u>	<u>41</u>
	6(13)(14)(16) and 7				
6100		(507,068)	(5)	(539,294)	(6)
6200		(322,865)	(3)	(281,170)	(3)
6300		(1,388,734)	(13)	(1,432,375)	(16)
6000		<u>(2,218,667)</u>	<u>(21)</u>	<u>(2,252,839)</u>	<u>(25)</u>
6900		<u>1,968,522</u>	<u>19</u>	<u>1,486,581</u>	<u>16</u>
7010		6,569	-	10,307	-
7020		(4,864)	-	2,940	-
7050		-	-	(3,087)	-
7000		<u>1,705</u>	<u>-</u>	<u>10,160</u>	<u>-</u>
7900		1,970,227	19	1,496,741	16
7950	6(15)	(38,518)	-	(140,605)	(1)
8000		<u>1,931,709</u>	<u>19</u>	<u>1,356,136</u>	<u>15</u>
8361		(592,223)	(6)	(149,949)	(2)
8310		(592,223)	(6)	(149,949)	(2)
8500		<u>\$ 1,339,486</u>	<u>13</u>	<u>\$ 1,206,187</u>	<u>13</u>
8610		<u>\$ 1,931,709</u>	<u>19</u>	<u>\$ 1,356,136</u>	<u>15</u>
8710		<u>\$ 1,339,486</u>	<u>13</u>	<u>\$ 1,206,187</u>	<u>13</u>
9750	6(12)	<u>\$ 25.49</u>		<u>\$ 18.04</u>	
9850	6(12)	<u>\$ 24.55</u>		<u>\$ 17.58</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, 2017 AND 2016
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Equity attributable to owners of the parent													
Notes	Ordinary shares	Capital Reserves				Retained Earnings			Other Equity			Total	
		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 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>
Year 2017													
	Balance at January 1, 2017	\$ 773,049	\$ 1,339,185	\$ 150,797	\$ 633,144	\$ 36,423	\$ 478,681	\$ 8,324	\$ 4,151,202	\$ 345,567	(\$ 414,540)	\$ -	\$ 7,501,832
	Share-based compensation cost	6(8)	-	-	-	-	-	-	-	-	200,144	-	200,144
	Exercise of employee stock options	6(8)(9)	1,995	53,962	(23,634)	-	-	-	-	-	-	-	32,323
	Issuance of restricted stocks		9,109	-	-	390,595	-	-	-	-	(399,704)	-	-
	Cancellation of share-based compensation	6(8)	(387)	-	-	(17,811)	-	-	375	-	18,194	-	371
	Purchase of treasury shares	6(9)	-	-	-	-	-	-	-	-	-	(60,844)	(60,844)
	Treasury shares reissued to employees	6(9)	-	-	-	-	-	-	-	-	-	60,844	60,844
	Earnings appropriation	6(11)											
	Legal reserve		-	-	-	-	135,614	-	(135,614)	-	-	-	-
	Cash dividends		-	-	-	-	-	-	(695,744)	-	-	-	(695,744)
	Net income for 2017		-	-	-	-	-	-	1,931,709	-	-	-	1,931,709
	Other comprehensive loss for 2017		-	-	-	-	-	-	-	(592,223)	-	-	(592,223)
	Balance at December 31, 2017	<u>\$ 783,766</u>	<u>\$ 1,393,147</u>	<u>\$ 127,163</u>	<u>\$ 1,005,928</u>	<u>\$ 36,423</u>	<u>\$ 614,295</u>	<u>\$ 8,324</u>	<u>\$ 5,251,928</u>	<u>(\$ 246,656)</u>	<u>(\$ 595,906)</u>	<u>\$ -</u>	<u>\$ 8,378,412</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)

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Income before income tax for the year		\$ 1,970,227	\$ 1,496,741
Adjustments			
Adjustments to reconcile profit or loss			
Depreciation	6(4)(13)	72,405	69,684
Amortization	6(5)(13)	227,804	221,986
Loss on disposal of equipment	6(4)	961	-
Share-based compensation cost	6(8)(14)	200,144	148,708
Interest income		(1,844)	(1,460)
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		(140,294)	(303,014)
Inventories		(236,455)	(246,187)
Other current assets		(16,221)	9,038
Other non-current assets		-	6,266
Changes in operating liabilities			
Accounts payable		(126,119)	278,843
Other payables		111,259	154,608
Other current liabilities		(42,621)	48,206
Cash inflow provided by operations		<u>2,019,246</u>	<u>1,883,419</u>
Interest received		1,661	1,263
Interest paid		-	(3,087)
Income tax paid		(107,835)	(17,076)
Income tax received		156,380	-
Net cash flows from operating activities		<u>2,069,452</u>	<u>1,864,519</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of equipment	6(4)	(201,126)	(60,271)
Proceeds from disposal of equipment	6(4)	-	352
Acquisition of intangible assets	6(5)	(116,335)	(247,366)
Decrease in refundable deposits		800	2,070
Net cash flows used in investing activities		<u>(316,661)</u>	<u>(305,215)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from exercise of employee stock options		32,323	18,798
Purchase of treasury shares	6(9)	(60,844)	-
Treasury shares reissued to employees	6(9)	60,844	48,405
Cash dividends paid	6(11)	(695,744)	(381,897)
Cash dividend recovered from cancellation of share-based compensation		371	385
Net cash flows used in financing activities		<u>(663,050)</u>	<u>(314,309)</u>
Effect of exchange rate changes on cash and cash equivalents		(357,353)	(101,907)
Increase in cash and cash equivalents		732,388	1,143,088
Cash and cash equivalents at beginning of year		4,030,839	2,887,751
Cash and cash equivalents at end of year		<u>\$ 4,763,227</u>	<u>\$ 4,030,839</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)					
民國一百零六年十二月三十一日 (December 31, 2017)					
項目 (Description)		NT\$		US\$	
		小計 (Subtotal)	合計 (Total)	小計 (Subtotal)	合計 (Total)
民國一百零六年度稅後淨利(註)	FY 2017 Net Income (Note)	1,931,709,376	1,931,709,376	63,573,815	63,573,815
減:	subtract:				
提列10%法定盈餘公積	10% legal reserve	193,170,938		6,357,382	
提列特別盈餘公積	Special reserve	238,333,380		8,190,151	
民國一百零六年度可供分配盈餘	Retained Earnings in 2017 Available for Distribution		1,500,205,058		49,026,282
加:	Plus:				
以前年度未分配盈餘	Unappropriated Retained Earnings of Previous Years	3,319,143,735		107,752,733	
至民國一百零六年底可分配盈餘	Retained Earnings Available for Distribution as of 12/31/2017		4,819,348,793		156,779,015
分配項目:	Distribution Items:				
普通股股東紅利-現金(每股 12.32元)	- Cash dividends to ordinary shareholders (NT\$12.32 per share)	965,599,330		33,182,108	
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	965,599,330		33,182,108	
期末未分配盈餘	Unappropriated Retained Earnings		3,853,749,463		123,596,907
Exchange rate: US\$1.00=NT\$29.10		Exchange rate: US\$1.00=NT\$29.10			

Chairman: Ji Zhao



CEO: Ji Zhao



Sr. VP of Finance: Judy Wang



Parade Technologies, Ltd.
2018 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 600,000 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 on US Daylight Saving Time July 31, 2018 (the “new hired non-management employee”) will be vested at the equal rate of 25% per year over four (4) years from the board grant date. Each 25% will be vested on the anniversary of such board grant 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, 2018. Each 25% will be vested on the anniversary of May 1, 2018 (i.e. April 30 of each year of 2019 to 2022) 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, 2018 (the “new hired management employee”) will be vested at the equal rate of 25% per year over four (4) years from the board grant date. Each 25% will be vested on the anniversary of such board grant date to the grantee 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 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 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 7, 2018

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
The Amended and Restated Articles of Association**

Proposed Amendments	Current Provisions	Reason of Amendment
Amended and Restated Articles of Association		
<p>24-1. Notwithstanding otherwise provided in these Articles, unless otherwise provided by the Applicable Laws, in case the Company will be dissolved upon the consummation of a merger/consolidation to which the Company is a party or the Company will be delisted from the Taipei Exchange due to the general transfer/assignment of all rights and obligations the Company, the general transfer/assignment of business or assets of the Company, any share swap arrangement or any spin-off to which the Company is a party while the surviving company, the transferee, the acquirer, whether being an existing or a newly incorporated company, is not a listed company (including TWSE/ Taipei Exchange listed company), any transaction aforementioned shall be subject to the approval adopted by the affirmative vote of Members holding at least two-thirds (2/3) of the total issued Shares of the Company.</p>	<p>(Newly added)</p>	<p>Amendment is made in response to the amendment of Checklist for Protecting Shareholders of Foreign Issuer and the requirement of Taipei Exchange.</p>