



Stock Code : 4966

Parade Technologies, Ltd. 2025 Annual Report

**The annual report is available at <https://mops.twse.com.tw>
<https://www.paradetech.com/annual-general-meeting/>**

Parade Technologies, Ltd.

Printed on May 1, 2026

Notice to Readers:

The reader is advised that 2025 Annual Report has been prepared originally in Chinese. The English version is directly translated from Chinese version.

I. Spokesperson and deputy spokesperson

Spokesperson's name: Ji Zhao
Tel: 408-329-5540

Title: Chairman
Email: ir@paradetech.com

Deputy spokesperson
Name: Yo-Ming Chang
Tel: 886-2-2627-9109

Title: Head of Corporate Governance
Email: ir@paradetech.com

II. Company Information

1. Head office

Name: Parade Technologies, Ltd. Website: www.paradetech.com Tel: 408-329-5540
Address: P.O. Box 309GT, Uglund House, South Church Street, George Town, Grand Cayman, Cayman Islands

2. Headquarter and US Subsidiary

Name: Parade Technologies, Inc. Website: www.paradetech.com Tel: 408-329-5540
Address: 2720 Orchard Parkway, San Jose, CA 95134

3. Korea Subsidiary

Name: Parade Technologies Korea, Ltd. Website: www.paradetech.com Tel: 82-31-714-7990
Address: Sungok Blvd 5F, 262, Hwangsaecul-ro, Sunae-Dong, Bundang-gu, Seongnam-si, Gyeonggi-do, 13595, Korea

4. Nanjing Subsidiary

Name: Parade Technologies, Ltd. (Nanjing) Website: www.paradetech.com Tel: 86-25-5235-6901
Address: 2F, Building B, No. 36 Tulip Road, Yu Hua Tai District, Nanjing, 210012 China

5. Shanghai Subsidiary

Name: Parade Technologies, Inc. (Shanghai) Website: www.paradetech.com Tel: 86-21-5169-6318
Address: 16F, 24F & 25F Xinyuan Technology Square, 418 Gui Ping Road, Shanghai 200233, China

6. Hong Kong Branch Office

Name: Parade Technologies, Ltd.
Hong Kong Branch Office Website: www.paradetech.com Tel: 852-2763-9776
Address: Unit 1905, 19/F., Futura Plaza, 111-113 How Ming Street, Kwun Tong, Kowloon, Hong Kong

7. Taiwan Branch Office

Name: Parade Technologies, Ltd.
Taiwan Branch Office Website: www.paradetech.com Tel: 886-2-2627-9109
Address: 14F., No. 335, Ruiguang Rd., Neihu Dist., Taipei City 114, Taiwan

8. Japan Branch Office

Name: Parade Technologies, Ltd.
Japan Branch Office Website: www.paradetech.com Tel: 81-44-712-0507
Address: 3F, No. 300, River Stone Dai-3 Building, 2-11-8, Mizonokuchi, Takatsu-ku, Kawasaki-shi, Kanagawa, 213-0001 Japan

9. Ireland Branch Office

Name: Parade Technologies, Ireland Branch Website: www.paradetech.com Tel: 353-021-4358568
Address: Bldg. 1000, Unit 1302, City Gate, Mahon, T12W7CV, Cork

10. Washington Branch Office

Name: Parade Technologies, Inc.
Washington Branch Office Website: www.paradetech.com Tel: 425-954-8168
Address: 20700 44th Ave West, Suite 300, Lynnwood WA 98036

11. Beijing Branch Office

Name: Parade Technologies, Inc. (Shanghai)
Beijing Branch Office Website: www.paradetech.com Tel: 86-10-8286-2766
Address: Units 1110, Block C, South Tower, 2 Academy Road (S.), Raycom Info Center, Hai Dian District, Beijing, China

12. Shenzhen Branch Office

Name: Parade Technologies, Inc. (Shanghai)
Shenzhen Branch Office Website: www.paradetech.com Tel: 86-755-2640-8835
Address: Room 801, Building 3, Tower 2, Dachong Business Center, the crossing of Shen Nan Avenue and Tong Gu Road, Nanshan District, Shenzhen, China

13. Cayman Subsidiary
 Name: Pinchot Ltd. Website: www.paradetech.com Tel: 408-329-5540
 Address: P.O. Box 309GT, Uglan House, South Church Street, George Town, Grand Cayman, Cayman Islands
14. Chongqing Subsidiary
 Name: Parade Technologies, Ltd. (Chongqing) Website: www.paradetech.com Tel: 86-23-6882-8391
 Address: 12F, Building 1, Kangtian Xi Jin Hui. No.60 Kecheng Road, Jiulongpo District, Chongqing, China
15. Oregon Branch Office
 Name: Parade Technologies, Inc. Oregon Branch Office Website: www.paradetech.com Tel: 1-503-533-8900
 Address: 8905 SW Nimbus Ave., Suite #200 Beaverton, OR 97008

III. Litigation and non-litigated agent

Name: Yo-Ming Chang Title: Deputy spokesperson
 Tel: 886-2-2627-9109 Email: ir@paradetech.com

IV. Directors

Title	Name	Title	Name	Nation
Chairman	Ji Zhao	Independent Director	Dennis Lynn Segers	USA
Vice Chairman	Ming Qu	Independent Director	Huei-Chu (Laura) Huang	R.O.C.
Director	Jackie Yang	Independent Director	Shu-Yu (Sherry)	R.O.C.
Director	Darren Huang		Lee	

Note: Please refer to page 3-5 for education and qualification of Directors and Independent Directors.

V. Stock Transfer Agent

Name: Transfer Agency Department, CTBC Bank Co., Ltd. Website: <https://www.ctcbank.com>
 Address: 5F., No. 83, Section 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City 100, Taiwan (R.O.C.) Tel: 886-2-6636-5566

VI. Auditors

Auditors: Lin, Kuan-Hung, Chou, Hsiao-Tzu
 Firm: PricewaterhouseCoopers, Taiwan Website: <https://www.pwc.tw>
 Address: 27F, International Trade Building,
 333 Keelung Road, Section 1, Taipei, Taiwan 110 R.O.C. Tel: 886-2-2729-6666

VII. Name of overseas securities dealers and methods to inquire into overseas securities

Name: Luxembourg Stock Exchange Website: <https://www.bourse.lu>

VIII. Company website: <https://www.paradetech.com>

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I. Letter to Shareholders

Dear Shareholders,

The operating environment of the consumer electronics industry was dramatically disrupted in 2025. On Liberation Day, April 2, a broad US import tariff was announced. The sudden tariff increase led to PC and Notebook Original Equipment Manufacturers (OEMs) pulling their demand aggressively into the first half of 2025 to avoid high tariffs. In late 2025, the unprecedented AI demand in datacenters crashed the traditional semiconductor market, causing a significant increase in prices of DRAM, SSD, and others. The sudden increase of cost depressed the market demand for PCs and notebooks. Such market headwinds negatively impacted our business. On the other hand, our new technologies and products, and our employee dedication helped us to navigate through such complex dynamics. The budget execution performed well. In 2025, we achieved revenue and net income at \$531.09 million (NT\$16.53 billion) and \$87.75 million (NT\$2.73 billion), respectively.

In March 2025, we announced the purchase of substantial assets of Spectra 7 Microsystems Inc. (Spectra 7). The assets include intellectual property (IP), products, designs, and inventory. Spectra 7 developed and marketed advanced ultra high-speed redrivers based on SiGe BiCMOS process for AI datacenter applications. Their 112Gbps and 224Gbps redriver solutions are additions to Parade's existing SiGe BiCMOS product lines. This asset purchase led us to enter into datacenter applications. The integration of Spectra into the Parade organization has been smooth and successful. High-speed redrivers based on SiGe BiCMOS process demonstrate their strength and value in ultra high-speed applications to overcome performance loss on PCB boards and copper cables. With the additional Spectra 7 IPs and technologies, we expanded our roadmap to include redriver products for PCIe Gen 5 (32Gbps), PCIe Gen 6 (64Gbps), USB 4.2 (80Gbps) and Ethernet 112Gbps and 224Gbps. These devices are for applications in workstations, servers, and high-speed cables in datacenters. We also have been developing retimer technologies and products for PCIe Gen 6 (64Gbps) and USB 4.2 (80Gbps). These new high-speed redriver and retimer product portfolios will advance our high-speed leadership to a new level.

In 2025, our high-speed product portfolios propelled our growth. The leading products, USB 4.0 (40Gbps) and DP 2.1 retimers, were in hot demand and won market share. Our newly developed USB 4.0 HUB technologies also gained significant traction and design wins. This high-speed USB HUB product line helps us to penetrate new market segments and provide total high-speed solutions for customers. Our high-speed technologies and their intellectual properties (IP) also provide unique value by attracting new customers through an Application-Specific Integrated Circuit (ASIC)-like product line. These ASIC-like products will be built on deep submicron FinFET process technologies. We are investing heavily in such opportunities and are engaging with Tier 1 customers to develop these products. The success of these projects will advance our business to a new high.

We have been winning designs in automotive market, including global Tier 1 brands, with our automotive grade high-speed converters and HUBs. We expect that our solutions will gain more high-speed device adoption and business in the automotive market.

Parade has been well recognized as the leader of display technologies and products for notebook panels. We developed high-level integrated panel technologies and solutions: TED

(Tcon-Embedded-Driver) and tTED (touch-Tcon-Embedded-Driver) products. It has been our vision and focus that such integrated panel solutions are much more efficient and cost-effective for notebook displays. The technologies themselves establish the high technical barrier for competitors. We have been developing integrated panel product lines to broadly support various notebook panels. Our TED and tTED products have gained significant wins with Original Equipment Manufacturers (OEM) and panel customers in 2025 and generated sizable revenue in 2025 and beyond. We foresee that the integration solutions will help us to recover our market shares in the notebook panel market. In addition, modern cars demand integrated display solutions. tTED technology is on the forefront in supporting such requirements. We are also successfully developing auto-grade tTED products and heavily promoting to auto manufacturers and panel vendors.

On the other hand, our traditional eDP-Tcon supports not only LCD notebook panels but also new display technology including AMOLED and mini-LED panels. We offer advanced and competitive eDP-Tcon solutions for the general market. We also develop customized eDP-TCON products for global Tier 1 customers based on our IPs similarly to our ASIC-like business.

Parade’s consolidated net income in 2025 was US\$87.75 million (NT\$2.73 billion), an increase of 8.76% from US\$80.68 million (NT\$2.59 billion) in 2024. Earnings per diluted share in 2025 were US\$1.10 (NT\$34.31), an increase of 8.91% from US\$1.01 (NT\$32.39) in 2024. Gross profit margin in 2025 was 42.56% compared to 42.50% in 2024 while operating profit margin was 16.42 %, up from 15.09% in the prior year.

We continue to focus on our employees and intellectual property. High-quality engineering talent is critical to our success. We are committed to recruiting and investing in our employees to build up corporate structures and to execute our product roadmap. We have started to incorporate AI technologies to improve our design efficiency. We are also committed to our corporate social responsibility. Moreover, we invested heavily to modernize our network infrastructure to improve our security and strengthened our IT team capability and capacity. As of December 31, 2025, Parade has 775 employees, an increase of 20 employees from 2024. Out of 775 employees, 526 were engaged in research, development, and related engineering. We hold 381 granted patents and have 26 patent applications pending at the end of the year 2025.

We are confident that our leadership, strategy, and technologies will grow our business. We believe Parade is well-positioned to generate favorable results for our shareholders.

We appreciate the support from all of our shareholders!



Jack Zhao
Chairman
April 22, 2026

II. Corporate Governance

2.1 Directors and Supervisors

2.1.1 Board of Directors

4/19/2026; Unit: Shares; %

Title	Nationality or Location Registered	Name	Gender age	Date First Elected	Date Elected	Term	Shareholding When Elected		Current Shareholding		Current Shareholding of Spouse and Minor		Shareholding by Nominee Arrangement		Education and Experiences	Current Positions at Parade and positions at Other Companies	Executives, Directors or Supervisors who are spouses or within two degree of kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	USA	Ji Zhao	M 61~70	11/15/2005	06/11/2025	3 years	1,805,680 (note 1)	2.22%	1,821,680 (note 2)	2.28%	0	0.00%	0	0.00%	EE PhD of University of California Irvine VP of Engineering at Cerdelinx Technologies President of Parade (US)	CEO & Chairman of Parade (US) Chairman of Parade (SH) Chairman of Parade (NJ) Chairman of Parade (KR) Chairman of Parade (CQ) Director of Pinchot Ltd.	None	None	None	None
Vice Chairman	USA	Ming Qu	M 61~70	11/15/2005	06/11/2025	3 years	1,780,985	2.19%	1,627,985	2.03%	0	0.00%	0	0.00%	EE PhD of Texas A&M University CTO at Cerdelinx Technologies	President of the Company President & Executive Vice President of Engineering of Parade (US) Director of Parade (SH) Director of Parade (NJ) Director of Parade (CQ) President of Parade (CQ) Director of Pinchot Ltd.	None	None	None	None
Director	R.O.C.	Darren Huang	M 61~70	08/08/2007	06/11/2025	3 years	347,007	0.43%	387,007	0.48%	18,000	0.02%	0	0.00%	MBA of University of Michigan, Ann Arbor Bachelor degree of National Chiao Tung University of Science and Technology	Chairman and Head of Strategy Development Office of GCS Holdings, Inc. Representative of Corporate Director of GCS Device Technologies, Co., Ltd. Director of Shanghai Galasemi Co., Ltd. Independent Director of Systex Corp.	None	None	None	None

Title	Nationality or Location Registered	Name	Gender age	Date First Elected	Date Elected	Term	Shareholding When Elected		Current Shareholding		Current Shareholding of Spouse and Minor		Shareholding by Nominee Arrangement		Education and Experiences	Current Positions at Parade and positions at Other Companies	Executives, Directors or Supervisors who are spouses or within two degree of kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	R.O.C.	Jackie Yang	M 51~60	12/29/2005	06/11/2025	3 years	171,155	0.21%	171,155	0.21%	0	0.00%	0	0.00%	MBA of University of Missouri-Columbia Senior Vice President at UMC Capital	Managing Director of Translink Capital Director of Parade (SH) Director of Reed Semiconductor Corporation Director of Point Robotics Medtech Inc. Director of DCard Holdings Ltd. Director of Pakal Technologies, Inc. Director of Axonne, Inc. Director of UBiAi International (Cayman) Limited Director of LIONSBOT INTERNATIONAL PTE. LTD. Director of ATV Capital Management Ltd.	None	None	None	None
Independent Director	USA	Dennis Lynn Segers	M 71~80	01/03/2007	06/11/2025	3 years	54,004	0.07%	54,004	0.07%	0	0.00%	0	0.00%	BSEE of Texas A&M University Director, CEO and president of Tabula, Inc. CEO of Matrix Semiconductor Chairman of the Board, Senior VP of Xilinx, Inc. Director & Chairman-Emerging Company CEO Council at Global Semiconductor Alliance. an adjunct lecturer of Santa Clara University	Chairman of QuantumScope	None	None	None	None
Independent Director	R.O.C.	Huei-Chu (Laura) Huang	F 61~70	06/15/2022	06/11/2025	3 years	0	0.00%	0	0.00%	0	0.00%	0	0.00%	MBA of University of Missouri, USA Managing Director, Country Team Head, Ultra High Net Worth Taiwan of UBS AG Managing Director of investment banking of Merrill Lynch (Asia Pacific) Ltd., Hong Kong Managing Director, Head of Taiwan Investment Banking of China Development Financial Holding Cor., Taiwan	Independent Director of VisEra Technology Co., Ltd. Taiwan Independent Director of Sino Horizon Holdings Limited Independent Director of Polytronics Technology Corp.	None	None	None	None

Title	Nationality or Location Registered	Name	Gender age	Date First Elected	Date Elected	Term	Shareholding When Elected		Current Shareholding		Current Shareholding of Spouse and Minor		Shareholding by Nominee Arrangement		Education and Experiences	Current Positions at Parade and positions at Other Companies	Executives, Directors or Supervisors who are spouses or within two degree of kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	R.O.C.	Shu-Yu (Sherry) Lee	F 51~60	06/11/2025	06/11/2025	3 years	0	0.00%	0	0.00%	0	0.00%	0	0.00%	MBA of National Chengchi University Corporate Director Representative of Aethertek Tech. Vice President of Mega Securities Co., Ltd. Vice President of Fubon Securities Co., Ltd.	COO of FULAGAI Capital Co., Ltd. Independent Director of Pegavision Corporation Corporate Director Representative of BASO Precision Optics Ltd.	None	None	None	None

Note 1: When elected, 704,972 of shares held are included in trust account.

Note 2: 704,972 of shares currently held are included in trust account.

Directors' shares in trust account:

Title	Name	Trustee	Shares in Trust	% of outstanding shares
Chairman	Ji Zhao	The ZG Grantor Retain Annuity Trust	704,972	0.88%

2.1.2 Major shareholders of the institutional shareholders: None.

2.1.3 Major shareholders of the major shareholders that are juridical persons: None.

2.1.4 Professional qualifications and independence analysis of Directors and Supervisors:

Criteria Name	Professional Qualifications and Experiences	Independence Situation (Note)	Concurrently Serving as an Independent Director at Other Public Companies
Ji Zhao	<p>Dr. Zhao received his Ph.D. in EE from the University of California, Irvine, and M.S. and B.S. degrees from Shanghai Jiaotong University.</p> <p>Mr. Zhao has over 20 years of experience in the semiconductor industry. Prior to joining Parade, Dr. Zhao served as the VP of Engineering at a company that he co-founded, Cerdelinx Technologies, which was acquired by Lattice Semiconductor in 2002. Prior to Cerdelinx, Dr. Zhao served in various management positions at Cypress Semiconductor, National Semiconductor, and Trident Microsystems.</p> <p>Mr. Zhao does not have any conditions defined in Article 30 of the Company Law.</p>	<p>As of April 19, 2026, the number and % of the Company's shares held by myself, my spouse, relatives within the second degree of relatives (or shares held under the name of third parties): 1,821,680 shares and 2.28%</p> <p>Other qualifying conditions for independence are as follows: (4)(5) (6)(7)(8)(9)(10)(11)(12)</p>	0
Ming Qu	<p>Dr. Qu received his Ph.D. in EE from Texas A&M University, and M.S. and B.S. degrees from Shanghai Jiaotong University.</p> <p>Dr. Qu has over 20 years of semiconductor industry experience and served as Chief Technology Officer at Cerdelinx, which he co-founded prior to Parade. Previously he held various positions at National Semiconductor and Sandcraft, Inc.</p> <p>Mr. Qu does not have any conditions defined in Article 30 of the Company Law.</p>	<p>As of April 19, 2026, the number and % of the Company's shares held by myself, my spouse, relatives within the second degree of relatives (or shares held under the name of third parties): 1,627,985 shares and 2.03%</p> <p>Other qualifying conditions for independence are as follows: (4)(5) (6)(7)(8)(9)(10)(11)(12)</p>	0
Darren Huang	<p>Mr. Huang holds an MBA from University of Michigan, Ann Arbor and a Mechanical Engineering degree from National Chiao Tung University, Taiwan.</p> <p>Mr. Huang has served since 2002 as Partner of AsiaVest Partners, a leading venture capital firm investing in private companies in the Greater China Region. Prior to AsiaVest, Mr. Huang worked with Crimson Ventures, Icare Asia and InveStar Venture Capital. Currently, Mr. Huang is the Chairman and Head of Strategy Development Office of GCS Holdings, Inc., a representative of Corporate Director of GCS Device Technologies, Co., Ltd., a Director of Shanghai Galasemi Co., Ltd., and an Independent Director of Systex Corp..</p> <p>Mr. Huang does not have any conditions defined in Article 30 of the Company Law.</p>	<p>As of April 19, 2026, the number and % of the Company's shares held by myself, my spouse, relatives within the second degree of relatives (or shares held under the name of third parties): 405,007 shares and 0.51%</p> <p>Other qualifying conditions for independence are as follows: (1)(3) (4)(5)(6)(7)(8)(9)(10)(11)(12)</p>	1

Criteria Name	Professional Qualifications and Experiences	Independence Situation (Note)	Concurrently Serving as an Independent Director at Other Public Companies
Jackie Yang	<p>Mr. Yang received his MBA degree from University of Missouri, Columbia and B.S. degree in Mechanical Engineering from National Tsinghua University, Taiwan.</p> <p>Mr. Yang is the Managing Director of Translink Capital, a Director of Reed Semiconductor Corporation, a Director of Point Robotics Medtech Inc., a Director of DCard Holdings Ltd., a Director of Pakal Technologies, Inc., a Director of Axonne, Inc., a Director of UBIAi International (Cayman) Limited, a Director of LIONSBOT INTERNATIONAL PTE. LTD., and a Director of Director of ATV Capital Management Ltd.. Prior to these experiences, Mr. Yang was a Senior Vice President at UMC Capital and was responsible for UMC's investment activities in the United States and China. Mr. Yang started his venture career at InveStar Capital in 1996, where he specialized in semiconductor and telecommunication companies. Mr. Yang does not have any conditions defined in Article 30 of the Company Law.</p>	<p>As of April 19, 2026, the number and % of the Company's shares held by myself, my spouse, relatives within the second degree of relatives (or shares held under the name of third parties): 171,155 shares and 0.21%</p> <p>Other qualifying conditions for independence are as follows: (1)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)</p>	0
Dennis Lynn Segers	<p>Mr. Segers received a BS Electrical Engineering degree from Texas A&M University.</p> <p>Mr. Segers was Chairman of the Board at Xilinx from 2015 to 2022. Previously, Mr. Segers served as the Chairman of the GSA Emerging Company CEO Council, CEO of Tabula, Inc, senior vice president and general manager of the FPGA product groups at Xilinx, and an adjunct lecturer at Santa Clara University, where he teaches managerial accounting related courses. Mr. Segers began his career at Mostek Corporation as a product development engineer for Mostek's 16K DRAMs. Mr. Segers currently serves as the Chairman of QuantumScape.</p> <p>Mr. Segers is the Audit Committee member of the Company and has accounting or finance expertise. And Mr. Segers does not have any conditions defined in Article 30 of the Company Law.</p>	<p>As of April 19, 2026, the number and % of the Company's shares held by myself, my spouse, relatives within the second degree of relatives (or shares held under the name of third parties): 54,004 shares and 0.07%</p> <p>Amount of remuneration for providing commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the past 2 years: NTD 0</p> <p>Other qualifying conditions for independence are as follows: (1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)</p>	0
Huei-Chu (Laura) Huang	<p>Ms. Huang received her MBA degree from University of Missouri.</p> <p>Ms. Huang was the managing director and head of Taiwan ultra high net worth department at UBS. Prior to UBS, she was a managing director of investment banking of Merrill Lynch (Asia Pacific) Ltd., Hong Kong, and a managing director, head of Taiwan Investment Banking of China Development Financial Holding Cor., Taiwan. Ms. Huang is currently an Independent Director of VisEra Technology Corporation, an Independent Director of Sino Horizon Holdings Limited, and an Independent Director of Polytronics Technology Corp..</p> <p>Ms. Huang is the Audit Committee member of the Company and has accounting or finance expertise. And Ms. Huang does not have any conditions defined in Article 30 of the Company Law.</p>	<p>As of April 19, 2026, the number and % of the Company's shares held by myself, my spouse, relatives within the second degree of relatives (or shares held under the name of third parties): 0 share and 0.00%</p> <p>Amount of remuneration for providing commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the past 2 years: NTD 0</p> <p>Other qualifying conditions for independence are as follows: (1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)</p>	3

Criteria Name	Professional Qualifications and Experiences	Independence Situation (Note)	Concurrently Serving as an Independent Director at Other Public Companies
Shu-Yu (Sherry) Lee	Ms. Lee received her MBA degree from National Chengchi University. Ms. Lee has held several senior leadership roles, including Director at Aethertek Technology Inc., Vice President at both Mega Securities Co., Ltd. and Fubon Securities Co., Ltd., and earlier in her career, she gained professional experience at Deloitte. Ms. Huang is currently a COO of FULAGAI Capital Co., Ltd., an Independent Director of Pegavision Corporation, and a Corporate Director Representative of BASO Precision Optics Ltd.. Ms. Huang is the Audit Committee member of the Company and has accounting or finance expertise. And Ms. Huang does not have any conditions defined in Article 30 of the Company Law.	As of April 19, 2026, the number and % of the Company's shares held by myself, my spouse, relatives within the second degree of relatives (or shares held under the name of third parties): 0 share and 0.00% Amount of remuneration for providing commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the past 2 years: NTD 0 Other qualifying conditions for independence are as follows: (1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	1

Note: If Directors and Supervisors have been met any of the following criteria during the two years term of office and prior to being elected. :

- (1) Not an employee of the Company or any of its affiliates;
- (2) Not a Director or supervisor of the Company or any of its affiliates. The same does not apply, however, in cases where the person is an Independent Director of the Company, its parent company, or any subsidiary, as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary;
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of 1% or more of the total number of issued shares of the Company or ranking in the top 10 in holdings;
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer listed in paragraph 1 or any of the persons listed in paragraph 2 and 3;
- (5) Not a Director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a Director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. However, this does not apply if the Independent Directors established by the Company and its parent company, subsidiary company, or subsidiary company of the same parent company in accordance with this law or local national laws concurrently serve each other;
- (6) Not a Director, supervisor, or employee of that other company if a majority of the Company's Director seats or voting shares and those of any other company are controlled by the same person. However, this does not apply if the Independent Directors established by the Company and its parent company, subsidiary company, or subsidiary company of the same parent company in accordance with this law or local national laws concurrently serve each other;
- (7) Not a Director (or governor), supervisor, or employee of that other company or institution if the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses. However, this does not apply if the Independent Directors established by the Company and its parent company, subsidiary company, or subsidiary company of the same parent company in accordance with this law or local national laws concurrently serve each other;
- (8) Not a Director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. However, this does not apply if a particular company or institution holds more than 20% of the total issued shares of the Company but not exceed 50%, and the Independent Directors established by the Company and its parent company, subsidiary company, or subsidiary company of the same parent company in accordance with this law or local national laws concurrently serve each other;
- (9) Not a professional individual who, or an owner, partner, Director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations;
- (10) Not having a marital relationship, or a relative within the second degree of kinship to any other Director of the Company;
- (11) Not been a person of any conditions defined in Article 30 of the Company Law; and
- (12) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

2.1.5 Diversity and Independence of Board of Directors:

(1) Diversity of Board of Directors

The Company respects the policy of Directors diversity. In order to improve the composition of the Board of Directors and strengthen its functions, the selection of Directors is based on a comprehensive consideration of their basic background (such as age, nationality, etc.), industry experience and professional capabilities (such as accounting and finance, business management, crisis management, etc.). The specific diversity management objectives are not limited by gender, race and nationality, and the main consideration is the professional ability and background required for the Company's operation. The diversity status of the current Directors is as follows.

Board Members Title/Name		Diversity Dimensions		Basic Background						Experiences					Professional Skills								
		Nationality	Gender	Served as employee of the Company	Age			Independent Director Tenure			Semiconductor Industry	Computer and Peripheral Equipment Industry	Biotechnology and Medical Industry	Automotive Industry	Financial Industry	Operational Judgments	Accounting and Financial Analysis	Business Management	Crisis Management	Industry Knowledge	International Market View	Leadership and Decision-making	Risk Management
					51 - 60	61 - 70	71 - 80	3 years or less	3 to 9 years	9 years or more													
Chairman	Ji Zhao	USA	Male	●	●					●					●	●	●	●	●	●	●	●	
Vice Chairman	Ming Qu	USA	Male	●	●					●					●	●	●	●	●	●	●	●	
Director	Darren Huang	R.O.C	Male		●					●		●	●		●	●	●	●	●	●	●	●	
Director	Jackie Yang	R.O.C	Male		●					●	●	●	●		●	●	●	●	●	●	●	●	
Independent Director	Dennis Lynn Segers	USA	Male			●			●	●					●	●	●	●	●	●	●	●	
Independent Director	Huei-Chu (Laura) Huang	R.O.C	Female		●			●		●				●	●	●	●	●	●	●	●	●	
Independent Director	Shu-Yu (Sherry) Lee	R.O.C	Female		●		●			●		●		●	●	●	●	●	●	●	●	●	

The specific management objectives of the board diversity and their achievement status are as follows:

Diversity management objectives	Achievement Status
The number of the Directors who concurrently serve as the officers of the Company should not exceed one-third (1/3) of the board seats	Achieved: 29% (2/7) of Directors serve as the officers of the Company
The Board as a whole has adequate and diverse expertise and skill sets	Achieved: The Board members have diverse industry experience and expertise
The number of Independent Directors exceeds one-third (1/3) of the Board seat	Achieved: 43% (3/7) of the Board seats are held by Independent Directors
At least one female Director of the Board members	Achieved: 2 female Directors

The number of Directors of either gender on the Company's Board has not reached one-third (with female Directors only accounting for 28.57%). However, compared with the previous term, the current Board (re-elected at the Annual General Meeting in June 2025) has added one female director, bringing the proportion closer to one-third and remaining in compliance with relevant regulations.

(2) Independence of Board of Directors

The Company's Board of Directors is currently set at 7 Directors, 3 of whom are Independent Directors. Independent Directors make up 42.86% of Board of Directors seats. The qualifications, shareholdings, part-time restrictions, nomination and selection of Independent Director candidates was handled in accordance with the relevant laws and regulations such as the Securities and Exchange Act, and Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. The Company's Head of Corporate Governance conducted a qualification check procedure for independent directors during their tenure in January 2025, for independent director candidates in April 2025, and for the elected independent directors in July 2025. Each review included obtaining written independence declarations to confirm that all independent directors met the independence requirements. The review results were reported to the Board of Directors in February 2025, April 2025, and August 2025, respectively.

Provisions for avoiding conflict of interest are stated in the Rules and Procedures of Board of Directors Meetings of the Company. If an interested party relationship exists between any Director, or a juristic person the Director represents, and any agenda item, the Director shall declare and disclose the essential contents of such interest but may not participate in discussion of or voting on that agenda item, and shall abstain from themselves during discussion of and voting on that item, and may not act as proxy of another Director to exercise voting rights on that matter.

All Directors and Independent Directors of the Company have no spouse relationship or familial relationship within the second degree of kinship. None of the circumstances prescribed in paragraph 3 and paragraph 4, Article 26-3 of the Securities Exchange Act exist among the Directors and Independent Directors. Except for Chairman Ji Zhao and Vice Chairman Ming Qu, who are deemed non-independent as they respectively serve as Chief Executive Officer of Parade (US) and President of the Company and Parade (US), the remaining 5 Directors, including 2 Directors and 3 Independent Directors, have provided constructive opinions to the Company in accordance with their independent business judgments, which enables the Board of Directors of the Company to fulfill its supervisory function.

2.1.6 Remuneration of Directors and Independent Directors

4/22/2026; Unit: NTD in Thousands; %

Title	Name	Remuneration								Total Remuneration (A+B+C+D), and Total Remuneration as a % of Net Income		Relevant remuneration received by Directors who are also employees						Total Compensation (A+B+C+D+E+F+G), and Total Compensation as a % of Net Income		Compensation Paid to Directors from Nonconsolidated Affiliates or Parent Company			
		Base Compensation (A)		Severance Pay and Pension (B)		Directors' Remuneration (C) (Note 1)		Allowances (D)				Compensation, Bonuses, and Allowances (E)		Severance Pay and Pension (F)		Employees' Bonuses (G) (Note 1)							
		The Company	Companies in the Consolidated Financial Report	The Company	Companies in the Consolidated Financial Report	The Company	Companies in the Consolidated Financial Report	The Company	Companies in the Consolidated Financial Report	The Company	Companies in the Consolidated Financial Report	The Company	Companies in the Consolidated Financial Report	The Company	Companies in the Consolidated Financial Report	Cash	Stock (Fair Market Value)	Cash	Stock (Fair Market Value)		The Company	Companies in the Consolidated Financial Report	
Directors	Chairman	Ji Zhao	0	0	0	0	5,745	5,745	0	0	5,745 0.21%	5,745 0.21%	0	113,873	0	0	2,063	0	2,063	0	7,808 0.29%	121,681 4.46%	None
	Vice Chairman	Ming Qu	0	0	0	0	5,745	5,745	0	0	5,745 0.21%	5,745 0.21%	0	113,298	0	0	2,063	0	2,063	0	7,808 0.29%	121,106 4.44%	None
	Director	Darren Huang	0	0	0	0	5,745	5,745	187	187	5,932 0.22%	5,932 0.22%	0	0	0	0	0	0	0	0	5,932 0.22%	5,932 0.22%	None
	Director	Jackie Yang	0	0	0	0	5,745	5,745	187	187	5,932 0.22%	5,932 0.22%	0	0	0	0	0	0	0	0	5,932 0.22%	5,932 0.22%	None
Independent Directors		Dennis Lynn Segers	0	0	0	0	10,150	10,150	327	327	10,477 0.38%	10,477 0.38%	0	0	0	0	0	0	0	0	10,477 0.38%	10,477 0.38%	None
		Jen-Lin (Norman) Shen (Note 2)	0	0	0	0	5,363	5,363	210	210	5,573 0.20%	5,573 0.20%	0	0	0	0	0	0	0	0	5,573 0.20%	5,573 0.20%	None
		Huei-Chu (Laura) Huang	0	0	0	0	8,043	8,043	273	273	8,316 0.30%	8,316 0.30%	0	0	0	0	0	0	0	0	8,316 0.30%	8,316 0.30%	None
		Shu-Yu (Sherry) Lee (Note 3)	0	0	0	0	3,352	3,352	94	94	3,446 0.13%	3,446 0.13%	0	0	0	0	0	0	0	0	3,446 0.13%	3,446 0.13%	None
<p>*Please describe the policies, systems, standards and structure of Independent Directors' remuneration, and describe the relationship with the amount of remuneration according to the responsibilities, risks and participation time: According to Article 75 of the Company's Article and Charter of the Compensation Committee of the Board of Directors, the Compensation Committee considers each Director's (included Independent Director) degree of participation and contribution to the Company's operations, and considers the Company's business performance and the remuneration standards of other enterprises in the same industry, and makes recommendations to the Board of Directors.</p> <p>*In addition to the above table, the Directors' remuneration for providing services (such as a consultant for non-employees of the parent company/ financial report of all companies/ reinvested enterprise, etc.) to the Companies in the Consolidated Financial Report: None.</p>																							

Note 1: On April 22, 2026, the Board of Directors resolved to report the allocation of 2025 employees' cash bonuses and the Directors' remuneration to 2026 Annual General Meeting on June 17, 2026.

Note 2: Mr. Jen-Lin (Norman) Shen resigned on October 28, 2025.

Note 3: Ms. Shu-Yu (Sherry) Lee was assumed on October 28, 2025.

Compensation Table

Compensation Paid to Directors	Name of Directors			
	Total Compensation (A+B+C+D)		Total Compensation (A+B+C+D+E+F+G)	
	The Company	Companies in the consolidated financial report	The Company	Companies in the consolidated financial report
Under NT\$ 1,000,000	-	-	-	-
NT\$1,000,000 (includes) ~NT\$2,000,000 (not included)	-	-	-	-
NT\$2,000,000 (includes) ~NT\$3,500,000 (not included)	Shu-Yu (Sherry) Lee	Shu-Yu (Sherry) Lee	Shu-Yu (Sherry) Lee	Shu-Yu (Sherry) Lee
NT\$3,500,000 (includes) ~NT\$5,000,000 (not included)	-	-	-	-
NT\$5,000,000 (includes) ~NT\$10,000,000 (not included)	Ji Zhao Ming Qu Darren Huang Jackie Yang Jen-Lin (Norman) Shen Huei-Chu (Laura) Huang	Ji Zhao Ming Qu Darren Huang Jackie Yang Jen-Lin (Norman) Shen Huei-Chu (Laura) Huang	Ji Zhao Ming Qu Darren Huang Jackie Yang Jen-Lin (Norman) Shen Huei-Chu (Laura) Huang	Darren Huang Jackie Yang Jen-Lin (Norman) Shen Huei-Chu (Laura) Huang
NT\$10,000,000 (includes) ~NT\$15,000,000 (not included)	Dennis Lynn Segers	Dennis Lynn Segers	Dennis Lynn Segers	Dennis Lynn Segers
NT\$15,000,000 (includes) ~NT\$30,000,000 (not included)	-	-	-	-
NT\$30,000,000 (includes) ~NT\$50,000,000 (not included)	-	-	-	-
NT\$50,000,000 (includes) ~NT\$100,000,000 (not included)	-	-	-	-
Over NT\$ 100,000,000	-	-	-	Ji Zhao Ming Qu
Total	8	8	8	8

Note 1: Total remuneration paid to the Directors and the names of the Directors are disclosed on above compensation table.

Note 2: Total remuneration paid to the Directors and the names of the Directors on the companies in the consolidated financial report are disclosed on above compensation table.

2.2.7 Compensation to Supervisors: The Company has no supervisors, thus not applicable.

2.2 Management Team

2.2.1 President, Vice President, Directors and Supervisors of the Company and its affiliates (Note 1)

4/19/2026; Unit: Shares; %

Title	Nationality or Location Registered	Name	Gender	Date Effective	Shareholding		Spouse and Minor Shareholding		Shareholding by Nominee Arrangement		Education and Experiences	Current Positions at Other Companies	Spouse or Relative Within Two Degrees of Consanguinity Serving as a Manager or Director			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chairman	USA	Ji Zhao	M	11/15/2005	1,821,680 (Note 2)	2.28%	0	0.00%	0	0.00%	EE PhD of University of California Irvine VP of Engineering at Cerdelinx Technologies President of Parade (US)	CEO & Chairman of Parade (US) Chairman of Parade (SH) Chairman of Parade (NJ) Chairman of Parade (KR) Chairman of Parade (CQ) Director of Pinchot Ltd.	None	None	None	None
President	USA	Ming Qu	M	11/15/2005	1,627,985	2.03%	0	0.00%	0	0.00%	EE PhD of Texas A&M University CTO at Cerdelinx Technologies	President & Executive Vice President of Engineering of Parade (US) Director of Parade (SH) Director of Parade (NJ) Director of Parade (CQ) President of Parade (CQ) Director of Pinchot Ltd.	None	None	None	None
Vice President of Finance and Accounting	USA	Kuowei Wu	M	04/01/2023	25,825	0.03%	0	0.00%	0	0.00%	MBA in finance from the University of Southern California MS in biochemical engineering from the University of California, Irvine Sr. Manager, Corp Financial Planning and Analysis and G&A Controller of VeriFone Systems, Inc. Controller, Global Operations of KLA-Tencor Corporation	Vice President of Finance and Accounting of Parade (US)	None	None	None	None

Title	Nationality or Location Registered	Name	Gender	Date Effective	Shareholding		Spouse and Minor Shareholding		Shareholding by Nominee Arrangement		Education and Experiences	Current Positions at Other Companies	Spouse or Relative Within Two Degrees of Consanguinity Serving as a Manager or Director			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Executive Vice President of Marketing	USA	Jingwu Jimmy Chiu	M	11/21/2005	668,454	0.83%	0	0.00%	0	0.00%	MS of Texas A&M University AVP of XGI and Trident Microsystems	Executive Vice President of Marketing of Parade (US)	None	None	None	None
Executive Vice President of Product Development	USA	Ding Lu	M	12/12/2005	302,957	0.38%	0	0.00%	0	0.00%	EE PhD of Colorado State University Engineering Director at XGI and Trident Microsystems	Supervisor of Parade (SH) Supervisor of Parade (NJ) Supervisor of Parade (CQ) Executive Vice President of Product Development of Parade (US)	None	None	None	None
Sr. Vice President of Worldwide Sales	USA	Peter Oaklander	M	09/09/2019	119,750	0.15%	0	0.00%	0	0.00%	BSEE of the Rochester Institute of Technology and an MBA with emphasis on Asia business of the Northwestern Kellogg /HKUST program Sr. Vice President of Intersil Sr. Vice President of ST-Ericsson	Sr. Vice President of Sales of Parade (US)	None	None	None	None
Sr. Vice President of TrueTouch Business	USA	Joseph D. Montalbo	M	08/31/2015	29,625	0.04%	0	0.00%	0	0.00%	BEEE of the Cooper Union in New York VP of TrueTouch Business Unit at Cypress Semiconductor VP & GM of LV MOSFETs and Power MCM's at Fairchild Semiconductor SVP at Synaptics CEO of Pixim Inc.	Sr. Vice President of TrueTouch Business of Parade (US)	None	None	None	None
Vice President of Legal	USA	Dale Edmondson	M	04/04/2023	15,000	0.02%	0	0.00%	0	0.00%	JD University of California at Berkeley Director, Legal Commercial at AppZen, Inc.	Vice President of Legal of Parade (US)	None	None	None	None

Title	Nationality or Location Registered	Name	Gender	Date Effective	Shareholding		Spouse and Minor Shareholding		Shareholding by Nominee Arrangement		Education and Experiences	Current Positions at Other Companies	Spouse or Relative Within Two Degrees of Consanguinity Serving as a Manager or Director			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Vice President of Operation & General Manager of Parade (TW)	R.O.C.	KP Yang	M	03/01/2010	47,750	0.06%	0	0.00%	0	0.00%	MSEE of University of Michigan, Ann Arber Director of UMC Taiwan	General Manager of Parade (TW)	None	None	None	None
Head of Corporate Governance	R.O.C.	Yo-Ming Chang	M	04/26/2023	1	0.00%	0	0.00%	0	0.00%	Masters of Business Administration, Hofstra University, Hempstead, New York Operation Finance Manager of Trident Tech. Manager of Mega Securities	Deputy spokesperson	None	None	None	None

Note 1: The above table includes key managers of the Company and its affiliates.

Note 2: 704,972 of shares held are included in trust account.

2.2.2 Compensation of President and Vice Presidents

(1) Compensation of the President and Vice Presidents (Note 1)

4/22/2026; Unit: NTD in Thousands; %

Title	Name	Salary (A)		Severance Pay and Pension (B)		Bonuses and Allowances (C)		Employees' Bonuses (D) (Note 2)				Total Compensation (A+B+C+D) and a % of Net Income		Compensation Paid to President and Vice Presidents From Non-consolidated Affiliates
		The Company	Companies in the Consolidated financial report	The Company	Companies in the Consolidated financial report	The Company	Companies in the Consolidated financial report	The Company		Companies in the Consolidated financial report		The Company	Companies in the Consolidated financial report	
								Cash	Stock (Fair Market Value)	Cash	Stock (Fair Market Value)			
Chairman	Ji Zhao													
President	Ming Qu													
Vice President of Finance and Accounting	Kuowei Wu													
Executive Vice President of Marketing	Jingwu Jimmy Chiu													
Executive Vice President of Product Development	Ding Lu													
Sr. Vice President of Worldwide Sales	Peter Oaklander													
Sr. Vice President of TrueTouch Business	Joseph D. Montalbo	0	119,709	0	0	0	388,584	13,282	0	13,282	0	13,282	521,575	None
Sr. Vice President of Operations	Randy D. Baker (Note 3)											0.49%	19.13%	
Vice President of Operation & General Manager of Parade (TW)	KP Yang													
Vice President of Legal	Dale Edmondson													
Head of Corporate Governance	Yo-Ming Chang													

Note 1: The above table includes President and Vice Presidents' compensation of the Company and its affiliates.

Note 2: On April 22, 2026, the Board of Directors resolved to report the allocation of 2025 employees' cash bonuses to 2026 Annual General Meeting on June 17, 2026.

Note 3: Mr. Randy D. Baker was removed on June 30, 2025.

Compensation Table

Remuneration Paid to the President and Vice President	Name of President and Vice President	
	The Company	Companies in the consolidated financial report
Under NT\$ 1,000,000	Randy D. Baker KP Yang Dale Edmondson Yo-Ming Chang	—
NT\$1,000,000 (Includes)~NT\$2,000,000 (Not Included)	Jingwu Jimmy Chiu Ding Lu Joseph D. Montalbo Peter Oaklander Kuowei Wu	—
NT\$2,000,000 (Includes)~NT\$3,500,000 (Not Included)	Ji Zhao Ming Qu	—
NT\$3,500,000 (Includes)~NT\$5,000,000 (Not Included)	—	—
NT\$5,000,000 (Includes)~NT\$10,000,000 (Not Included)	—	Yo-Ming Chang
NT\$10,000,000 (Includes)~NT\$15,000,000 (Not Included)	—	—
NT\$15,000,000 (Includes)~NT\$30,000,000 (Not Included)	—	Randy D. Baker KP Yang Dale Edmondson Kuowei Wu
NT\$30,000,000 (Includes)~NT\$50,000,000 (Not Included)	—	Joseph D. Montalbo Peter Oaklander
NT\$50,000,000 (Includes)~NT\$100,000,000 (Not Included)	—	Jingwu Jimmy Chiu Ding Lu
Over NT\$100,000,000	—	Ji Zhao Ming Qu
Total	11	11

Note: The above table includes President and Vice Presidents' compensation of the Company and its affiliates.

(2) Compensation of the five highest remunerated management personnel

4/22/2026; Unit: NTD in Thousands; %

Title	Name	Salary (A)		Severance Pay and Pension (B)		Bonuses and Allowances (C)		Employees' Bonuses (D) (Note 1)				Total Compensation (A+B+C+D) and a % of Net Income		Compensation Paid to President and Vice Presidents From Non-consolidated Affiliates
		The Company	Companies in the Consolidated financial report	The Company	Companies in the Consolidated financial report	The Company	Companies in the Consolidated financial report	The Company		Companies in the Consolidated financial report		The Company	Companies in the Consolidated financial report	
								Cash	Stock (Fair Market Value)	Cash	Stock (Fair Market Value)			
Chairman	Ji Zhao	0	17,687	0	0	0	96,186	2,063	0	2,063	0	2,063 0.08%	115,936 4.25%	None
President Vice Chairman	Ming Qu	0	17,687	0	0	0	95,611	2,063	0	2,063	0	2,063 0.08%	115,361 4.23%	None
Executive Vice President of Marketing	Jingwu Jimmy Chiu	0	12,873	0	0	0	47,721	1,502	0	1,502	0	1,502 0.06%	62,096 2.28%	None
Executive Vice President of Product Development	Ding Lu	0	12,633	0	0	0	47,466	1,474	0	1,474	0	1,474 0.05%	61,573 2.26%	None
Sr. Vice President of Worldwide Sales	Peter Oaklander	0	12,084	0	0	0	25,863	1,410	0	1,410	0	1,410 0.05%	39,357 1.44%	None

Note 1: On April 22, 2026, the Board of Directors resolved to report the allocation of 2025 employees' cash bonuses to 2026 Annual General Meeting on June 17, 2026.

2.2.3 Names of executives distributing employees' bonuses:

4/22/2026; Unit: NTD in Thousands; %

Title	Name	In Stock (Fair Market Value)	In Cash	Total	% of net income after tax
Chairman	Ji Zhao	-	13,282	13,282	0.49
President	Ming Qu				
Vice President of Finance and Accounting	Kuwei Wu				
Executive Vice President of Marketing	Jingwu Jimmy Chiu				
Executive Vice President of Product Development	Ding Lu				
Sr. Vice President of Worldwide Sales	Peter Oaklander				
Sr. Vice President of TrueTouch Business	Joseph D. Montalbo				
Sr. Vice President of Operations	Randy D. Baker (Note 2)				
Vice President of Legal	Dale Edmondson				
Vice President of Operation & General Manager of Parade (TW)	KP Yang				
Head of Corporate Governance	Yo-Ming Chang				

Note 1: On April 22, 2026, the Board of Directors resolved to report the allocation of 2025 employees' cash bonuses to 2026 Annual General Meeting on June 17, 2026.

Note 2: Mr. Randy D. Baker was removed on June 30, 2025.

2.2.4 Compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to Directors, supervisors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

(1) The analysis on the proportion of total remuneration to net income after tax paid to the Company's Directors, President, and Vice Presidents by the Company and its affiliates:

Unit: NTD in Thousands; %

Item	Year 2024		Year 2025	
	Amount	%	Amount	%
Remuneration of Directors, President and Vice Presidents	691,326	26.67%	566,860	20.79%
The Company's Consolidated Net Income	2,592,123	100.00%	2,726,713	100.00%

- (2) The remuneration payout policy, standards and procedures that corresponds to business performance and future risks:
- A. Remuneration of Directors corresponds to the Directors' service and value to the business operations, the result of Board performance review, financial indicators (such as consolidated revenue and operating income) and with reference to the salary level of industry standards. The criteria for evaluating the performance of the individual board members are understanding of company goals and missions, Director's understanding of their duties and responsibilities, participation in the Company's operation, internal relation maintenance and communications, specialty of Directors and continued knowledge development, and internal control.
- B. Remuneration of President and Vice Presidents is based on the overall consideration of their participation in the Company's operations and their performance, with reference to remuneration given to in prior years and the payment level for positions of the same nature in the industry. The performance evaluation criteria include their position, corporate responsibilities, contributions to the business operations, financial indicators (such as consolidated revenue and operating income), comprehensive management indicators (such as the achievement of practicing and upholding the Company's core values, and leadership and management skills), and other special contributions, etc.
- C. In accordance with the amended Articles of Association, where the Company makes profits before tax for the annual financial year, the Company shall appropriate no less than 3.0% and up to 7.5% of such annual profits before tax as employees' compensation and a maximum of 2% as additional directors' remuneration.

2.3 Corporate Governance

2.3.1 The state of operations of the Board of Directors, the Audit Committee and the Compensation Committee:

(1) The state of operations of the Board of Directors

The Board of Directors held 7 meetings in 2025. The attendance of Directors is as below:

Title	Name	Number of Actual Attendance	Number of Delegate Attendance	Rate of Actual Attendance (%)	Note
Chairman	Ji Zhao	7	0	100%	Renewal of office
Vice Chairman	Ming Qu	7	0	100%	Renewal of office
Director	Darren Huang	7	0	100%	Renewal of office
Director	Jackie Yang	7	0	100%	Renewal of office
Independent Director	Dennis Lynn Segers	7	0	100%	Renewal of office
Independent Director	Jen-Lin (Norman) Shen	4	0	100%	Term expired

Title	Name	Number of Actual Attendance	Number of Delegate Attendance	Rate of Actual Attendance (%)	Note
Independent Director	Huei-Chu (Laura) Huang	7	0	100%	Renewal of office
Independent Director	Shu-Yu (Sherry) Lee	3	0	100%	New office assumed

Other matters that require reporting:

I . When the below matters have occurred, the date, series, motion content, opinions from Independent Directors, and the Company's handling on such opinions shall be noted in the minutes of the Board of Directors meeting:

A. The matters listed in Article 14-3 of Securities and Exchange Act have occurred: The Company had established the Audit Committee, that the provisions of Article 14-3 of the Securities and Exchange Act shall not apply. With respect to the descriptions for the matters listed in Article 14-5 of the Securities and Exchange Act, please take a reference to page 24~25 of this Annual Report.

B. In addition to the previous items, the Independent Director has a dissenting opinion or qualified opinion: Have reviewed all the Board meeting minutes in 2025, all of the resolutions have been approved by the Independent Directors.

II . The Company shall state the implementation of Directors recusing themselves from motions in their personal interests, including the name of Directors, motion content, recusing reason and voting participation:

Date (Taiwan Time)	Resolutions	Name	Reason	Voting Participation
02/05/2025	Approval of the distribution of 2024 management bonus	Ji Zhao Ming Qu	They are managements in the Company.	The Directors, Ji Zhao and Ming Qu, did not participate in the discussion and voting, and the other Directors and Independent Directors approved the resolution without objection.
	Approval of transfer of treasury shares to executives	Ji Zhao Ming Qu	They are intended recipients of the treasury share pursuant to the plan approved by this resolution.	The Directors, Ji Zhao and Ming Qu, did not participate in the discussion and voting, and the other Directors and Independent Directors approved the resolution without objection.
04/23/2025	Approval of transfer of treasury shares to executives under 2025 Equity Plan	Ji Zhao Ming Qu	They are intended recipients of the treasury share pursuant to the plan approved by this resolution.	The Directors, Ji Zhao and Ming Qu, did not participate in the discussion and voting, and the other Directors and Independent Directors approved the resolution without objection.
	Approval of transfer of treasury shares to executives under 2022, 2023 and 2024 Equity Plans	Ji Zhao Ming Qu	They are intended recipients of the treasury share pursuant to the plan approved by this resolution.	The Directors, Ji Zhao and Ming Qu, did not participate in the discussion and voting, and the other Directors and Independent Directors approved the resolution without objection.

Date (Taiwan Time)	Resolutions	Name	Reason	Voting Participation
04/23/2025	Nomination of Independent Directors nominees for election or re-election at Company's 2025 Annual General Meeting	Dennis Lynn Segers Huei-Chu (Laura) Huang	They are the Independent Director nominees in the Company.	The Independent Directors, Dennis Lynn Segers and Huei-Chu (Laura) Huang, did not participate in the discussion and voting, and other Directors were without objection by the case.
	Nomination of non-Independent Directors nominees for election or re-election at Company's 2025 Annual General Meeting	Ji Zhao Ming Qu Jackie Yang Darren Huang	They are the Director nominees in the Company.	The Directors, Ji Zhao, Ming Qu, Jackie Yang and Darren Huang, did not participate in the discussion and voting, and other Independent Directors were without objection by the case.
08/06/2025	Approval of 2024 employee bonus distribution	Ji Zhao Ming Qu	They are employees in the Company.	The Directors, Ji Zhao and Ming Qu, did not participate in the discussion and voting, and other Directors and Independent Directors were without objection by the case.

III. The Company shall disclose the evaluation cycles and periods, scope of evaluation, method of evaluation and evaluation content of self-evaluation of performance of Board of Directors/Board Members, and fill out the following table.

A. The Board of Directors amended the Rules and Procedures Governing the Board Performance Evaluation on August 7, 2024. The evaluation procedure of year 2025 is as follows:

Evaluation Cycles	Once a year.
Evaluation Periods	January 1, 2025 to December 31, 2025
Scope of Evaluation	Board of Directors, individual board members, and functional committees (the Audit Committee and the Compensation Committee)
Method of Evaluation	The internal evaluation of the Board of Directors and self-evaluation by individual board members
Evaluation Content	<ol style="list-style-type: none"> The criteria for evaluating the performance of the Board: participation in the operation of the Company, improvement of the quality of the Board's decision making, composition and structure of the Board, election and continuing education of the Directors, and internal controls. The criteria for evaluating the performance of the board members: alignment of the goals and missions of the Company, awareness of the duties of a Director, participation in the operation of the Company, management of internal relationship and communication, the Director's professionalism and continuing education, and internal controls.

	<p>3. The criteria for evaluating the performance of the functional committees: participation in the operation of the Company, awareness of the duties of the committee, improvement of quality of decisions made by the committee, composition of the committee and election of its members, and internal controls.</p>
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B. The 2025 evaluation of the performance of the Board of Directors, individual board members, and functional committees are all rated as Good.

- i. For continuous improvement in the overall performance of the Board of Directors, the Company will focus on evaluating whether the current establishment of functional committees sufficiently meets the Company's strategic needs. Strengthening these committees will enhance the Board's oversight capabilities and decision-making quality, while ensuring a broader range of perspectives and independence in alignment with the FSC's Sustainable Development Action Plans (2023).
- ii. For continuous improvement in the performance of the individual board members, the Company will focus on streamlining the information flow to directors. This initiative will ensure that all members, including new appointees, can promptly contribute their specialized expertise to the Board's strategic discussions and oversight.
- iii. For continuous improvement in the performance of the functional committees, the Company seeks to further enhance diversity and independence, ensuring the committees remain resilient and forward-looking in their critical oversight roles.

IV. The evaluation of targets for strengthening of the functions of the Board (ex. Establishing the Audit Committee, enhancing information transparency, etc.) during the current and immediately preceding fiscal years, and measures taken toward achievement thereof: The Company has established the Audit Committee on October 28, 2010. And the Company has held a shareholders meeting on June 11, 2025 and has passed the resolution of re-electing the Independent Directors with Dennis Lynn Segers, Huei-Chu (Laura) Huang, and Shu-Yu (Sherry) Lee who are the Audit Committee members. The Company will see the necessity and invite its CPA, financial, operating, and auditing heads to sit in the meeting, and have them report annual financial statements, company's recent financial position, operation status, and internal audit results to ensure that the audit committee obtains complete and detailed information about the Company.

(2) The state of operations of the Audit Committee

The main purpose of Audit Committee is assisting the Board of Directors in performing the supervision on the quality and faith of execution regarding accounting, audit, financial report process and financial control of the Company, the focuses of its practice in 2025 are set forth below:

- I . Reviewing and approving the business report, proposal for distribution of profit, and the annual and quarterly financial reports.
- II . Reviewing and approving the amendments of internal control system, such as the “Procedures for Lending Funds to Other Parties”, “Subsidiaries’ Procedures for Managing Sustainability information” and “Subsidiaries’ Audit Procedures for Managing Sustainability information”.
- III . Assessing the effectiveness of internal control system.
- IV . Reviewing and approving external auditor’s independence, suitability and engagement.
- V . Reviewing and approving the proposal of 2026 audit plan.
- VI . Reviewing and approving the grant of treasury share purchase right to non-executive employees.
- VII . Reviewing and approving the Definitive Agreement and bridge loan

The Audit Committee has held 6 meetings in 2025. The attendance of Independent Directors is as below:

Title	Name	Number of Actual Attendance	Number of Delegate Attendance	Rate of Actual Attendance (%)	Note
Independent Director	Jen-Lin (Norman) Shen	4	0	100%	Term expired
Independent Director	Dennis Lynn Segers	6	0	100%	Renewal of office
Independent Director	Huei-Chu (Laura) Huang	6	0	100%	Renewal of office
Independent Director	Shu-Yu (Sherry) Lee	2	0	100%	New office assumed

Other matters that require reporting:

- I . When the below matters have occurred, the date of audit committee, series, motion content, objections, reservations, or major suggestions from independent directors, opinions from audit committees, and the Company’s handling on such opinions shall be noted in the minutes of the Audit Committee:

- i. The matters listed in Article 14-5 of Securities and Exchange Act have occurred:

The resolutions of 2025 were approved by all the members present in the Audit Committee and all the directors present in the Board of Directors. The operation of the Audit Committee in 2025 was as follows:

Date (Taiwan Time)	Resolutions	Matters listed in Article 14-5 of Securities and Exchange Law	Objections, reservations, or major suggestions from independent directors, opinions from audit committees, and the Company’s handling on such opinions
2025/02/05	To approve the grant of treasury share purchase right to non-executive employee under 2021 Equity Plan	√	Independent Directors did not express objections, reservations, or major suggestions, and Audit Committee approved these resolutions.
	To approve the grant of treasury share purchase right to non-executive employee under 2022 Equity Plan	√	

Date (Taiwan Time)	Resolutions	Matters listed in Article 14-5 of Securities and Exchange Law	Objections, reservations, or major suggestions from independent directors, opinions from audit committees, and the Company's handling on such opinions
2025/02/05	To approve the grant of treasury share purchase right to non-executive employee under 2023 Equity Plan	V	Independent Directors did not express objections, reservations, or major suggestions, and Audit Committee approved these resolutions.
	To approve the grant of treasury share purchase right to non-executive employee under 2024 Equity Plan	V	
2025/03/05	The draft financial reports of Parade Technologies, Ltd. Taiwan branch office for fiscal years ended December 31, 2024 and 2023 prepared in accordance with International Financial Reporting Standard (IFRS) were submitted for review and approval	V	Independent Directors did not express objections, reservations, or major suggestions, and Audit Committee approved these resolutions.
	To review and approve the draft consolidated financial reports for fiscal years ended December 31, 2024 and 2023 prepared in accordance with International Financial Reporting Standard (IFRS)	V	
	To approve the 2024 profit distribution proposal		
	To approve the Statements of Internal Control System and the Self Assessment Report of Internal Control of Y2024	V	
	To approve Definitive Agreement of Project 7 (subject to DA negotiation progress)	V	
	To approve bridge loan to seller of Project 7	V	
2025/04/23	To review and approve the Q1 2025 draft consolidated financial reports prepared in accordance with International Financial Reporting Standard (IFRS)	V	Independent Directors did not express objections, reservations, or major suggestions, and Audit Committee approved these resolutions.
	To approve 2024 Business Report		
	To approve certain changes of Company's "Procedures for Lending Funds to Other Parties"	V	
	To approve the grant of treasury share purchase right to non-executive employee under 2024 Equity Plan	V	
2025/08/06	The 1 st half of FY 2025 draft consolidated financial reports prepared in accordance with International Financial Reporting Standard (IFRS) were submitted for review and approval	V	Independent Directors did not express objections, reservations, or major suggestions, and Audit Committee approved these resolutions.
	To approve the grant of treasury share purchase right to non-executive employee under 2024 Equity Plan	V	
2025/10/29	The Q3 2025 draft consolidated financial reports prepared in accordance with International Financial Reporting Standard (IFRS) were submitted for review and approval	V	Independent Directors did not express objections, reservations, or major suggestions, and Audit Committee approved these resolutions.
	To approve of Business Report of 1 st half of 2025		
	To approve of profit distribution proposal of 1 st half of 2025		
	To approve Year 2026 Internal Audit Plan		
2025/12/10	To approve the evaluation report of the external auditors' independence and suitability		Independent Directors did not express objections, reservations, or major suggestions, and Audit Committee approved these resolutions.
	To approve the terms of engagement for year 2026 financial audit and internal control audit with PwC Taipei	V	
	To approve the terms of engagement for year 2026 financial audit and tax compliance of Taiwan office with PwC Taipei	V	
	To approve the terms of engagement with PwC US and PwC Hong Kong for Year 2026 tax compliance and tax provision services	V	
	To approve the "Procedures for Managing Sustainability Information" and "Audit Procedures for Managing Sustainability Information" of US and SH subsidiaries	V	

- ii. In addition to the previous items, the resolution didn't pass by Audit Committee but passed by a majority of not less than two-thirds of all Directors: Have reviewed all the Audit Committee meeting minutes in 2025, all of the resolutions have been approved by the Independent Directors.

II. The Company shall state the implementation of Audit Committees recusing themselves from motions in their personal interests, including the name of Directors, motion content, recusing reason and voting participation: None

III. Communication between the Independent Directors, chief internal auditor, and CPA:

- i. The manager of internal audit reports the results of auditing and the implementation of the follow-up report periodically. The communication channel between the Audit Committee and the manager of internal audit of the Company has been functioning well.
- ii. The Company's Independent Directors will see the necessity and invite the CPA to attend the Audit Committee meeting and to have them report their audit or review results. The communication channel between the Independent Directors and the CPA of the Company has been functioning well.
- iii. If the Independent Directors, manager of internal audit and CPA believe that it is necessary to communicate independently, they can contact by phone or email at any time, and hold a meeting to communicate immediately.
- iv. The communications between the Independent Directors, manager of internal audit, and CPA are listed in the table below:

Date (Taiwan Time)	Attendees	Focus of communication	Recommendations and results
02/05/2025 Audit Committee	-All Independent Directors -Manager of internal audit	1.Manager of internal audit reported the results of internal audit.	No objection or other comment
03/05/2025 Audit Committee	-All Independent Directors -Manager of internal audit -CPA	1.CPA explained the audit conclusion of the 2024 consolidated financial report. 2.CPA discussed and communicated about the questions raised by the participants. 3.Manager of internal audit reported the results of internal audit. 4.Discussion and approval of the Statement of Internal Control System of 2024.	No objection or other comment
04/23/2025 Audit Committee	-All Independent Directors -Manager of internal audit -CPA	1.CPA explained the review results of the Q1 2025 consolidated financial report. 2.CPA discussed and communicated about the questions raised by the participants. 3.Manager of internal audit reported the results of internal audit.	No objection or other comment
08/06/2025 Audit Committee	-All Independent Directors -Manager of internal audit -CPA	1.CPA explained the audit conclusion of the Q2 2025 consolidated financial report. 2.CPA discussed and communicated about the questions raised by the participants. 3.Manager of internal audit reported the results of internal audit.	No objection or other comment
10/29/2025 Audit Committee	-All Independent Directors -Manager of internal audit -CPA	1.CPA explained the review results of the Q3 2025 consolidated financial report. 2.CPA discussed and communicated about the questions raised by the participants. 3.Manager of internal audit reported the results of internal audit. 4.Manager of internal audit reported the 2026 Internal Audit Plan.	No objection or other comment

Results: The above matters were examined and approved by the Audit Committee, and the independent directors had no objection or other comment.

(3) The state of operations of the Compensation Committee or the Nomination Committee:
(The Company does not have a nominating committee.)

(A) Member of the Compensation Committee

5/1/2026

Title	Criteria Name	Professional Qualification and Experience	Independence Situation (Note)	Concurrently Serving as an Independent Director at Other Public Companies
Independent Director (Convener)	Dennis Lynn Segers	Please refer to the Board of Directors table on page 3-5 of this annual report	As of April 19, 2026, the number and % of the Company's shares held by myself, my spouse, relatives within the second degree of relatives (or shares held under the name of third parties): 54,004 shares and 0.07% Amount of remuneration for providing commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the past 2 years: NTD 0 Other qualifying conditions for independence are as follows: (1)(2)(3)(4)(5)(6)(7)(8)(9)(10)	0
Independent Director	Huei-Chu (Laura) Huang	Please refer to the Board of Directors table on page 3-5 of this annual report	As of April 19, 2026, the number and % of the Company's shares held by myself, my spouse, relatives within the second degree of relatives (or shares held under the name of third parties): 0 share and 0.00% Amount of remuneration for providing commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the past 2 years: NTD 0 Other qualifying conditions for independence are as follows: (1)(2)(3)(4)(5)(6)(7)(8)(9)(10)	3
Independent Director	Shu-Yu (Sherry) Lee	Please refer to the Board of Directors table on page 3-5 of this annual report	As of April 19, 2026, the number and % of the Company's shares held by myself, my spouse, relatives within the second degree of relatives (or shares held under the name of third parties): 0 share and 0.00% Amount of remuneration for providing commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the past 2 years: NTD 0 Other qualifying conditions for independence are as follows: (1)(2)(3)(4)(5)(6)(7)(8)(9)(10)	1

Note: If the members have been met any of the following criteria during the two years term of office and prior to being elected:

- (1) Not an employee of the Company or any of its affiliates;
- (2) Not a Director or supervisor of the Company or any of its affiliates. The same does not apply, however, in cases where the person is an Independent Director of the Company, its parent company, or any subsidiary, as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary;
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of 1% or more of the total number of issued shares of the Company or ranking in the top 10 in holdings;
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer listed in paragraph (1) or any of the persons listed in paragraph (2) and (3);
- (5) Not a Director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a Director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. However, this does not apply if the Independent Directors established by the Company and its parent company, subsidiary company, or subsidiary company of the same parent company in accordance with this law or local national laws concurrently serve each other;
- (6) Not a Director, supervisor, or employee of that other company if a majority of the Company's Director seats or voting shares and those of any other company are controlled by the same person. However, this does not apply if the Independent Directors established by the Company and its parent company, subsidiary company, or subsidiary company of the same parent company in accordance with this law or local national laws concurrently serve each other;
- (7) Not a Director (or governor), supervisor, or employee of that other company or institution if the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses. However, this does not apply if the Independent Directors established by the Company and its parent company, subsidiary company, or subsidiary company of the same parent company in accordance with this law or local national laws concurrently serve each other;
- (8) Not a Director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. However, this does not apply if a particular company or institution holds more than 20% of the total issued shares of the Company but not exceed 50%, and the Independent Directors established by the Company and its parent company, subsidiary company, or subsidiary company of the same parent company in accordance with this law or local national laws concurrently serve each other;
- (9) Not a professional individual who, or an owner, partner, Director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations; and
- (10) Not been a person of any conditions defined in Article 30 of the Company Law.

(B) The state of operations of the Compensation Committee

- ① The Compensation Committee is comprised of three members.
- ② The term of the Compensation Committee commences from October 29, 2025 and ends on October 27, 2028.
- ③ The Compensation Committee has held 5 meetings in 2025, and the attendance of Compensation Committee is as below:

Title	Name	Number of Actual Attendance	Number of Delegate Attendance	Rate of Actual Attendance (%)	Note
Independent Director	Dennis Lynn Segers	5	0	100%	Renewal of office
Independent Director	Jen-Lin (Norman) Shen	3	0	100%	Term expired
Independent Director	Huei-Chu (Laura) Huang	5	0	100%	Renewal of office
Independent Director	Shu-Yu (Sherry) Lee	2	0	100%	New office assumed
Other matters that require reporting: (1) When the Board of Directors don't adopt or revise the suggestions from compensation committee, the date, series, motion content, opinions from the Board of Directors, and the Company's handling on such opinions (e.g., in case the remuneration approved by the Board of Directors is superior to the suggestions from compensation committee, describe the reason and the differences): None (2) When a member has a dissenting opinion or qualified opinion and has written representation, the date, series, motion content, opinions from all members, and the Company's handling on such opinions: None					

(C) The responsibilities and duties of operations of the compensation committee

- ① Set up and periodically review the policies, systems, standards, and structures of the performance review and the compensation and benefits of the Company's officers and Directors.
- ② Periodically assess and set up the compensation and benefits of the Company's officers and Directors.
- ③ Determine the form and amount of compensation to be paid or awarded to all employees of the Company; the Committee may delegate authority to subcommittees of the Committee or to executive officers of the Company with respect to compensation determinations for persons who are not executive officers of the Company.
- ④ Retain and terminate any consultant to be used to assist the Committee in the evaluation of the CEO, executive officer and Director compensation, including the authority to approve any such consultant's fees and other retention terms.
- ⑤ Annually review and approve the corporate goals and objectives relevant to CEO compensation and evaluate the CEO performance in light of these goals and objective.
- ⑥ Annually review and approve the corporate goals and objectives relevant to executive officers compensation.
- ⑦ Annually review and make recommendations to the Board with respect to adoption and approval of, or amendments to, all cash-based and equity-based incentive

compensation plans and arrangements, and the shares and amounts reserved thereunder after taking into consideration the Company's strategy of long-term and equity-based compensation.

- ⑧ Make regular reports to the Board, where such reports will be provided at least quarterly.

(D) In 2025, the major resolutions of the Compensation Committee, Opinions from Compensation Committee, and the Company's handling on such opinions

Meetings	Date (Taiwan Time)	Major Resolutions	Opinions from Compensation Committee, and the Company's handling on such opinions
Compensation Committee	02/05/2025	<ol style="list-style-type: none"> 1.To approve 12/11/2024 (Taiwan Time) Compensation Committee Meeting minutes 2.To approve the distribution of 2024 management bonus 3.To approve the grants of treasury share purchase right to executives under 2024 Equity Plan 4.To approve the 2024 Board performance self-evaluation report 	<ol style="list-style-type: none"> 1.Compensation Committee approved this resolution. 2.Compensation Committee approved this resolution. 3. Compensation Committee approved this resolution. 4. Compensation Committee approved this resolution.
Compensation Committee	04/23/2025	<ol style="list-style-type: none"> 1.To approve 2/4/2025 (Pacific Standard Time) Compensation Committee Meeting minutes 2.To approve the grants of treasury share purchase right to executives under 2025 Equity Plan 3.To approve the grants of treasury share purchase right to executives under 2022, 2023 and 2024 Equity Plans 	<ol style="list-style-type: none"> 1. Compensation Committee approved this resolution. 2.Compensation Committee approved this resolution. 3.Compensation Committee approved this resolution.
Compensation Committee	08/06/2025	<ol style="list-style-type: none"> 1.To approve 4/22/2025 (Daylight Saving Time) Compensation Committee Meeting minutes 2.To approve the allocation and distribution of 2024 director remuneration 3.To approve the guidelines of 2024 employee profit sharing, the executive profit sharing and summary of 2024 employee profit sharing 	<ol style="list-style-type: none"> 1.Compensation Committee approved this resolution. 2.Compensation Committee approved this resolution. 3.Compensation Committee approved this resolution.
Compensation Committee	10/29/2025	<ol style="list-style-type: none"> 1.To waive the seven-day prior notice 2.To approve 8/05/2025 (Daylight Saving Time) Compensation Committee Meeting minutes 	<ol style="list-style-type: none"> 1.Compensation Committee approved this resolution. 2.Compensation Committee approved this resolution.
Compensation Committee	12/10/2025	<ol style="list-style-type: none"> 1.To approve 10/28/2025 (Daylight Saving Time) Compensation Committee Meeting minutes 2.To approve the adjustment of CEO 2026 annual salary 3.To approve the average salary adjustment percentage of respective geographic site of the Company for year 2026 4.Approve the structure of 2026 Management Bonus Program 5.To approve the distribution of employee profit sharing 	<ol style="list-style-type: none"> 1.Compensation Committee approved this resolution. 2.Compensation Committee approved this resolution. 3.Compensation Committee approved this resolution. 4.Compensation Committee approved this resolution. 5.Compensation Committee approved this resolution.

2.3.2 The status of the Company's implementation of corporate governance, any deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”, and the reasons for any deviations

Items	Implementation Status			Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Description	
I .Has the Company established and disclosed its corporate governance principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?		V	The Company has had an internal control system and various regulations containing the spirit of corporate governance to implement the corporate governance. And the Company will establish its corporate governance principles depending on the needs of the Company’s operation to enforce the transparency of information and the duties of the Board of Directors, Audit Committee and Compensation Committee.	The Company has not yet established and disclosed its corporate governance principles. However, the Company has had an internal control system and various regulations containing the spirit of corporate governance to implement the corporate governance. No significant difference.
II .Ownership structure and the rights and interests of shareholders (I)Has the Company established and implemented its internal procedures for handling shareholder proposals, inquiries, disputes and litigation? (II)Has the Company retained at all times a register of major shareholders who have controlling power and of the persons with ultimate control over those major shareholders? (III)Has the Company established and carried out risk assessments and firewalls between it and its affiliated enterprises?		V V V	(I) The Company has not yet established and implemented its internal procedures for handling shareholder proposals, inquiries, disputes and litigation. However, the Company has established the spokesman and the designated person to handle shareholder's questions. If it involves legal issues, the Company will handle it with the Company’s lawyer. And the Company will establish its corporate governance principles depending on the needs of the Company’s operation. (II) The Company has acquired the list stated in the left column, and regularly asked the shareholder services agent to assist in providing the latest roster of principal shareholders, so as to fully grasp the list of major shareholders who actually control the Company. (III) The Company has developed regulations regarding Operational Procedures for Loaning Funds to Others, Operational Procedures for Endorsements/Guarantees, and Trading procedures with related parties and specific companies under a group enterprise to against the occurrence of financial fraud and the knock- on effect to its affiliates.	(I) The Company has had an internal control system to handle shareholder proposals, inquiries, disputes and litigation. No significant difference. (II) No significant difference. (III) No significant difference.

Items	Implementation Status			Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Description	
(IV) Has the Company established internal rules prohibiting company insiders from trading securities using information not disclosed to the market?	V		(IV) The Company has established Rules of Conduct with Respect to Inside Information and Trading, and has advocated the policy to employees, managers and Directors to reduce the risk of inside trading.	(IV) No significant difference.
III. Structure of the Board and its duties				
(I) Has the Board of Directors formulated a diversity policy, specific management objectives and implemented them?	V		(I) The Company respects the policy of Directors diversity. In order to improve the composition of the Board of Directors and strengthen its functions, the selection of Directors is based on a comprehensive consideration of their basic background (such as age, nationality, etc.), industry experience and professional capabilities (such as accounting and finance, business management, crisis management, etc.). The specific diversity management objectives are not limited by gender, race and nationality, and the main consideration is the professional ability and background required for the Company’s operation. At present, the Directors of the Company have expertise in business, finance, and technology related industries, possess the knowledge, skills and literacy required to perform their duties, have rich experience in business management and judgment, and could lead the Company and shareholders to get the best interests.	(I) No significant difference.
(II) Has the Company set up functional committees in addition to the compensation committee and audit committee based on the related laws and regulations?	V		(II) The Company has met the requirement for corporate governance implementation, and other functional committees will be set depending on future needs of the Company.	(II) No significant difference.
(III) Has the Company formulated rules and procedures for Board of Directors performance assessments and conducted regularly scheduled performance assessments, and use the results as reference for director’s remuneration and renewal?	V		(III) The Company has formulated the rules and procedures for Board of Directors performance assessments and evaluates the performance every year. The results of latest performance evaluation of 2025 Board of Directors, board members, and functional committees was reported to the Board of Directors meeting on February 10, 2026 (Taiwan Time). The results of the performance evaluation will be used as reference for Director’s remuneration and future renewal.	(III) No significant difference.

Items	Implementation Status			Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and reasons										
	Yes	No	Description											
(IV) Has the Company evaluated the independence and suitability of the CPA engaged by the Company regularly?	V		(IV) The Company's CPAs belong to one of the Big Four international accounting firms. They have avoided any engagement in which they have a direct or indirect interest. In our selection and appointment process for CPAs, the Company requires CPAs to provide an "Independence Statement for Audit Engagement" and "Audit Quality Indicators (AQIs)" on an annual basis. The Audit Committee and the Board of Directors assess the independence and suitability of the CPAs every year. The most recent assessment of the CPAs' independence and suitability was approved by the Audit Committee and the Board of Directors in December 2025. For details on the independence and suitability assessment indicators, please refer to Note 1 on page 36-37 of this annual report.	(IV) No significant difference.										
IV. Is the Company equipped with appropriate and appropriate numbers of corporate governance personnel, and designate corporate governance executives responsible for corporate governance related affairs (including, but not to be limited to, providing Directors with the information needed to perform business, assisting Directors in complying with laws and regulations, handling matters related to meeting of the Board of Directors and shareholders' meetings in accordance with the laws, preparing Board meeting minutes and annual general meeting of members meeting minutes)?	V		<p>On April 26, 2023, the Board of Directors approved the appointment of Mr. Yo-Ming Chang as the Company's Head of Corporate Governance to safeguard the rights and interests of shareholders, strengthen the functions of the Board of Directors, and ensure good communication of information between the members of the Board of Directors and between the Directors and the management. The main responsibilities of the Head of Corporate Governance include assistance in handling of matters relating to Board of Directors meetings and General Meetings in compliance with law, assistance in preparation of minutes of Board of Directors meetings and General Meetings, assistance in onboarding and continuing education of the Directors, assistance in provision of information required for performance of duties by the Directors, and assistance to the Directors in complying with laws and regulations. The Head of Corporate Governance also follows regulatory requirements to undergo annual training, with courses primarily focusing on corporate governance and sustainability development-related topics.</p> <table border="1"> <thead> <tr> <th>Head of Corporate Governance</th> <th>Date</th> <th>Host by</th> <th>Training course</th> <th>Hours</th> </tr> </thead> <tbody> <tr> <td>Yo-Ming Chang</td> <td>06/17/2025</td> <td>Accounting Research and Development Foundation</td> <td>Practical Analysis of Internal Controls for Corporate Greenhouse Gas (GHG) Inventory Management</td> <td>6</td> </tr> </tbody> </table>	Head of Corporate Governance	Date	Host by	Training course	Hours	Yo-Ming Chang	06/17/2025	Accounting Research and Development Foundation	Practical Analysis of Internal Controls for Corporate Greenhouse Gas (GHG) Inventory Management	6	No significant difference.
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V.Has the Company established channels of communication with its stakeholders (including, but not to be limited to, shareholders, employees, clients and suppliers, etc.), designated a stakeholders section on its website, and properly responded the stakeholders concern on the importance corporate social responsibility?	V		The Company has designated a stakeholders section on its official website (https://www.paradetech.com), and has the specific mailbox (csr@paradetech.com) to communicate with its related parties. Please refer to Note 2 for the stakeholders identified, focus, communication channel and response on page 37-38 of this annual report. The Head of Corporate Governance has compiled the Company's stakeholder communication summary and reported it to the Board of Directors annually. The stakeholder communication summary for 2025 was reported to the Board of Directors on March 4, 2026 (Taiwan Tiem).		No significant difference.										
VI.Has the Company engaged a professional shareholder services agent to handle shareholders meeting matters?	V		The Company has engaged Transfer Agency Department of CTBC Bank as Stock Transfer Agent.		No significant difference.										
VII.Information Disclosure (I)Has the Company set up a website to disclose its financial, operational and corporate governance information?	V		(I) The Company has disclosed its financial, operational and corporate governance information on the Company Website (https://www.paradetech.com).		(I) No significant difference.										
(II)Has the Company adopted other methods to disclose its information (ex. set up English website, designate a person responsible for the collection and disclosure of information, implement the spokesman system, upload road show process to the company website, etc.)?	V		(II) The Company has designated persons responsible for collecting and disclosing company information, and has set up Chinese and English Website, and implemented the spokesman system.		(II) No significant difference.										

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(III) Does the Company announce the report the annual financial report within two months after the end of the fiscal year, and announce and report the first, second and third quarter financial reports and the revenue of each month as soon as possible before the prescribed period?	V		(III) The Company has announced and reported the annual financial report, the first, second and third quarter financial reports and the revenue of each month within the time limit prescribed by law.	(III) No significant difference.																			
VIII. Does the Company have other important information to facilitate the understanding to the Company’s practice of corporate governance (including, but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders rights, the progress of Directors and supervisors’ trainings, implementation of risk management policies and risk measurement standards, implementation of customer policies, liability insurance for Directors and supervisors purchased, etc.)?	V		<p>(I) Status of employee rights and employee care: Please refer to the “4.5 Labor Relations” section on page 95-98 of this annual report.</p> <p>(II) Investor relations: The Company has fully disclosed the information through MOPS and the Company’s website, and let investors could fully understand the Company’s operating conditions. And the Company has communication with investors through the shareholders’ meetings, regular Investor Conferences and spokespersons.</p> <p>(III) The progress of training of Directors and Independent Directors: Directors and Independent Directors of the Company have relevant expertise in corporate governance. In order to let Directors and Independent Directors further understand their responsibilities and obligations, the Company would also provide Directors and Independent Directors latest training information from time to time. Continuing Education/Training of Directors in 2025:</p> <table border="1" data-bbox="907 1070 1626 1406"> <thead> <tr> <th>Director/Independent Directors</th> <th>Date</th> <th>Host by</th> <th>Training course</th> <th>Hours</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Ji Zhao</td> <td>12/12/2025</td> <td rowspan="2">Securities and Futures Institute</td> <td rowspan="2">Introduction of Financial Instruments & Case sharing/ Example, Accounting & Compliance for Financial Instruments Investments</td> <td>3</td> </tr> <tr> <td>12/12/2025</td> <td>3</td> </tr> <tr> <td rowspan="2">Ming Qu</td> <td>12/12/2025</td> <td rowspan="2">Securities and Futures Institute</td> <td rowspan="2">Introduction of Financial Instruments & Case sharing/ Example, Accounting & Compliance for Financial Instruments Investments</td> <td>3</td> </tr> <tr> <td>12/12/2025</td> <td>3</td> </tr> </tbody> </table>	Director/Independent Directors	Date	Host by	Training course	Hours	Ji Zhao	12/12/2025	Securities and Futures Institute	Introduction of Financial Instruments & Case sharing/ Example, Accounting & Compliance for Financial Instruments Investments	3	12/12/2025	3	Ming Qu	12/12/2025	Securities and Futures Institute	Introduction of Financial Instruments & Case sharing/ Example, Accounting & Compliance for Financial Instruments Investments	3	12/12/2025	3	No significant difference.
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Items	Implementation Status			Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Description	
			(V) Implementation of customer policies: The Company always keeps close contact with customers and maintains stable and good relations to ensure and expected reliability and quality of products and create company profits. (VI) Company's purchase of liability insurance for Directors and supervisors: The Company has purchased liability insurance for Directors and Independent Directors, and has disclosed the information in the Corporate Governance Area of MOPS.	
<p>IX. Please describe the improved situation of corporate governance evaluation results from TWSE recent year, and please list the priority improved items for the non-improved items.</p> <p>The Company's Improved Items in the 2025 Corporate Governance Evaluation:</p> <p>(I)Does the Company have more than half of its Independent Directors serving no more than three consecutive terms? Ans: Following the re-election at the Annual General Meeting (AGM) in June 2025, more than half of the Company’s independent directors have served no more than three consecutive terms.</p> <p>Priority improved items:</p> <p>(I)Does the Company conduct its annual general shareholders’ meeting via live streaming, or upload a complete, uninterrupted audio and video recording after the meeting? Ans: The Company plans to upload a complete, uninterrupted audio and video recording of the 2026 annual general shareholders’ meeting on its website after the meeting. The Company remains committed to complying with corporate governance indicators, continuously enhancing information disclosure transparency, promoting the implementation of corporate governance, and advancing measures related to environmental sustainability and social responsibility.</p>				

Note 1: Evaluation Criteria for CPA’s independence and suitability

Item	Evaluation Criteria for Independence	Result	Independence
1	Whether the CPA has direct or significant indirect financial interests with the Company.	No	✓
2	Whether the CPA has any financing or guarantees with the Company or the directors of the Company.	No	✓
3	Whether the CPA has a close business relationship or potential employment relationship with the Company.	No	✓
4	Whether the CPA or members in the audit team have served as directors, officers or any position that have a significant influence on the financial statements audit in the last two years.	No	✓
5	Whether the CPA has any non-audit services to the Company which may directly affect the audit work.	No	✓
6	Does the CPA act as broker of the stock or other securities issued by the Company?	No	✓
7	Whether the CPA acts as a defender of the Company or coordinates conflicts with third parties on behalf of the Company.	No	✓
8	Does the CPA have a close or immediate family relationship with the directors, officers of the Company or those who have significant influence on the financial statements audit?	No	✓

Item	Evaluation Criteria for Suitability	Result
1	Professionalism (audit experience, training hours, turnover rate, and professional support)	All indicators are within reasonable ranges, with no major issues identified.
2	Quality Control (audit workload, audit engagement, engagement quality control review, and quality control support capability)	All indicators are within reasonable ranges, with no major issues identified.
3	Independence (non-audit fees, and familiarity with clients)	The CPA firm has various mechanisms to maintain independence, with no major issues identified.
4	Supervision (external inspection deficiencies and sanctions, and request for improvements by regulatory authority)	No significant deficiencies and sanctions have been found involving the CPAs.
5	Innovation Ability	The CPA firm continues to develop digital tools, with no major issues identified.

Note 2: Stakeholder Communication

Stakeholders	Priority Focus	Communication Channel & Frequency	Response
Employees	<ul style="list-style-type: none"> • Talent recruitment and retention • Compliance • Talent development 	<ul style="list-style-type: none"> • Performance Review (annually) • Employee interview/meeting (as needed) • Employee training (as needed) • Email announcement (as needed) • Contact: HR Dept. Mr. Edmondson hr@paradetech.com 	<ul style="list-style-type: none"> • Completed annual performance review for all employees in 2025 • Reward employee contribution and strengthened talent retention through a comprehensive rewards strategy, including bonuses, profit sharing and stock awards • Provide customized insurance plans as employee benefits, such as medical insurance, life and accident & dismemberment insurance • 100% of employees completed the compliance training course in 2025 • Total employee training hours reached 17,651 in 2025
Customers	<ul style="list-style-type: none"> • Customer relationship management • Satisfaction of customer requirements • Forecasting and order fulfillment 	<ul style="list-style-type: none"> • Telephone/Email/In-person interview (any time) • Customer meeting and in-house follow-up meeting (as needed) • Channels for customer complaints (any time) • Contact: Sales Dept. Mr. Oaklander support@paradetech.com 	<ul style="list-style-type: none"> • Develop products that meet the needs of customers • Held one worldwide sales training in September 2025 • Held many regular customer meetings during 2025 with proactive and reactive meetings in person, phone and video conference, to address their needs regarding orders, product quality, and environmental requirements. • Attended customer vendor parties and won awards from several key customers in 2025, including Lenovo, Huaqin and Dell. • Held Quarterly Business Review (QBR) with tier 1 OEMs and ODMs

Stakeholders	Priority Focus	Communication Channel & Frequency	Response
Suppliers	<ul style="list-style-type: none"> ● Production status tracking ● Product quality issues ● Supplier management ● Supplier compliance handling and tracking 	<ul style="list-style-type: none"> ● Telephone/Email/ In-person interview (any time) ● Supplier meeting (as needed) ● Supplier audit (as needed) ● Documentary reviews (as needed) ● Contact: Operation Dept. Mr. Baker support@paradetech.com 	<ul style="list-style-type: none"> ● Hold daily/weekly calls or meetings with suppliers to track production status and resolve product quality issues ● Conducted 10 supplier on-site audits in 2025, supported by documentary reviews ● Signed quality agreement with suppliers to secure product quality ● Held supplier meeting every quarter in 2025 to ensure that suppliers can meet customers' requirements for quality, environmental protection, human rights and occupational health and safety ● By checking data provided by suppliers and resources from the Responsible Minerals Assurance Process (RMAP) and Extended Minerals Reporting Template (EMRT) to Investigate whether conflict minerals are used ● In 2025, all suppliers are aligned with conflict minerals legislation
Shareholders and Investors	<ul style="list-style-type: none"> ● Operating conditions ● Financial information ● Corporate governance ● Sustainability policy ● Law compliance 	<ul style="list-style-type: none"> ● Shareholders' meeting (annually and as needed) ● Financial results call (quarterly) ● Annual report (annually) ● Institutional investor conference (as needed) ● Market Observation Post System (as required by relevant regulations) ● Contact: Deputy spokesperson Mr. Change ir@paradetech.com 	<ul style="list-style-type: none"> ● Interact with investors through different channels and listen to their opinions ● Held 4 financial results conference calls in 2025 ● Attended 12 investor conferences and forums in 2025 ● Engage weekly with shareholders and investors through calls and meetings

2.3.3. (1) The Implementation Status of Promoting Sustainable Development and Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons

Promoting Items	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Description	
I .Has the Company established a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the Board of Directors to handle senior management, and supervised by the Board of Directors? (Listed companies are required to report their implementation status, rather than providing compliance or interpretation)	V		The Board of Directors of the Company serves as the highest governing body and the center for material operational decision-making. The Company’s Board of Directors approved the Greenhouse Gas Emissions Disclosure and Verification Schedule and authorized the Finance Department to implement this schedule. The main tasks of the Finance Department regarding sustainable development in 2025 are to plan and prepare the Sustainability Report for the year, and to assign members to participate in sustainability-related courses or seminars, in order to fully understand the content and development trends of various sustainability topics. The Company's management also reports to the Board of Directors on the implementation status of the greenhouse gas inventory and sustainability related issues on a quarterly basis The Board provides guidance based on the report content and tracks the progress of implementation to ensure that sustainable development is fully integrated into the Company's operations.	No significant difference.
II .Does the Company conduct risk assessments of environmental, social and corporate governance issues related to the Company’s operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Listed companies are required to report their implementation status, rather than providing compliance or interpretation)	V		The Company refers to the Global Reporting Initiative (GRI) Standards 2021 to identify the actual and potential impacts its operations on various stakeholders, and to evaluate the significance of such impacts in order to identify the material environmental, social, and governance topics related to the Company and its subsidiaries. The material topics identified by the Company in 2025 include employee relations and talent cultivation, corporate governance and law compliance, supply chain management, climate change action. Please refer to 2025 Sustainability Report of the Company for the policy on risk management related to material topics.	No significant difference.
III .Environmental issues (I)Has the Company established proper environmental management systems based on the characteristics of its industries?	V		(I) The Company is a fabless IC design company, and works closely with foundries and assembly/testing suppliers. The raw materials used are in accordance with the European Union Restriction of Hazardous Substances (RoHS) regulations. To ensure that all products meet the requirements of applicable regulations, any dangerous material is strictly controlled in production. The Company has also continuously made improvements in pollution, energy and resource saving and waste reduction in order to reduce potential environmental risks	(I) No significant difference.

Promoting Items	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons																					
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<p>(II) Has the Company endeavored to improving energy efficiency and used renewable materials which have a low impact on the environment?</p> <p>(III) Does the Company assess the potential risks and opportunities of climate change for the Company now and in the future, and take relevant countermeasures?</p>	V		(II) The Company's workplace is a general office without a factory, and the impact of its business activities on the environment is very low. However, the Company still promotes energy saving and carbon reduction in the office to reduce waste of paper, electricity and water.	(II) No significant difference.																					
	V		(III) According to the climate-related risks defined by the Task Force on Climate-related Financial Disclosures and IFRS S2 Climate-related Disclosures, the Company has identified the following material climate-related risks, opportunities and response.	(III) No significant difference.																					
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V		(IV) The Company's self-checked greenhouse gas emissions in 2024 and 2025 are as follows:	(IV) No significant difference.																						
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Item	Unit	2024	2025																						
Scope 1	Metric tons of CO ₂ e	150.2003	173.7001																						
Scope 2	Metric tons of CO ₂ e	1,412.9037	1,404.3580																						
Total	Metric tons of CO ₂ e	1,563.104	1,578.058																						
Scope 1 and 2 Emissions Intensity	Metric tons of CO ₂ e / Revenue in millions of NT\$	0.096	0.095																						

Promoting Items	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Description	
			and 2025, the total water withdrawal for life use at major offices, including Parade (SH), Parade (NJ), Parade (CQ), and Parade’s Taiwan branch office, which collectively employ above 80% of the total workforce, was 6,335 metric tons and 6,921 metric tons, respectively. The Company has not yet collected data on water discharge, water consumption, or waste weight. After considering its business model, the Company concluded that the aforementioned uncollected information should not be material and will not have a significant impact on the Company's stakeholders. Although water and waste management are not material topics of the Company, the Company promotes and practices water conservation and waste reduction.	
IV.Social issues (I)Has the Company established management policies and procedures in accordance with applicable laws and regulations and International Bill of Human Rights	V		(I) The Company has designated the Legal Department as the responsible unit for establishing internal rules and policies in accordance with applicable laws and regulations. The Company’s established policies and measures relating to human rights matters include its Worldwide Business and Ethics Code of Conduct (the “Code”), Employee handbooks, health, safety, and welfare practices, and Human Rights Policy and Standard Operation Guidelines. The Company’s human-rights-related measures are formulated in consideration of applicable law and principles set forth in relevant international standards such as the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises on Responsible Conduct, and International Labor Organization (ILO) standards. Furthermore, in compliance with personal data protection laws in the jurisdictions where the Company operates, the Company has established personal data privacy policies applicable employees as well as to external parties who provide data (including, but not limited to, job applicants, potential customers, and suppliers). These policies are disclosed on the Company’s official website and/or intranet to ensure easy access for all stakeholders. The aforementioned codes, rules, guidelines, and data protection policies are collectively referred to as the "Internal Rules." The Internal Rules outline Parade’s commitment to high standards of ethical conduct, environmental integrity, and social responsibility, and they apply to all employees of Parade and its affiliates. The Company regularly reviews these Internal Rules and implements corresponding updates whenever appropriate in light of changes in circumstances, applicable local laws, or other factors.	(I) No significant difference.

Promoting Items	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Description	
			<p>The Company provides internal training on compliance with its policies, with materials requiring approximately 0.5 to 2 hours per employee to complete. Training is mandatory for both new hires and existing employees. covers subjects included in the Internal Rules and the Company’s public statements, including statements regarding corporate responsibility, anti-bribery measures, whistleblower protection, and information security. On an annual basis, employees must complete this training and report their progress within a specified timeframe.</p> <p>As of November 2025, a total of 776 employees (including personnel from Parade and its subsidiaries) participated in this internal training, achieving a 100% completion rate.</p> <p>In accordance with labor laws and the aforementioned data protection policies, the Company provides for the legal rights of applicants and workers to be protected throughout the recruitment and internal management processes. The Company holds regular labor-management meetings to facilitate two-way communication. These efforts facilitate a safe working environment where employees are treated with respect, operations meet environmental and ethical standards, and a win-win outcome is promoted for all parties.</p> <p>Parade also expects its business partners to adhere to these same standards and principles.</p> <p>The key principles of the Code and the Human Rights Policy and Standard Operation Guidelines include the following:</p> <ul style="list-style-type: none"> * Accurate, truthful recordkeeping and reporting * Prohibition of activities conflicting with duties * Compliance with all applicable laws and regulations, as well as ethical behavior * Prohibition of any illegal discrimination or harassment * Compliance with Parade’s Worldwide Anti-Bribery Policy, the U.S. Foreign Corrupt Practices Act, the OECD Convention on Combating Bribery, the UK Anti-Bribery Act, and any applicable anti-corruption laws. * Compliance with applicable antitrust laws and protections against unfair competition * Compliance with applicable anti-money laundering laws * Compliance with applicable privacy laws * Compliance with applicable securities laws, including bans on insider trading * Compliance with applicable export control laws 	

Promoting Items	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Description	
(II)Does the Company formulate and implement reasonable employee benefits measures (including remuneration, vacation and other benefits, etc.), and appropriately reflect operating performance or results in employee compensation?	V		<ul style="list-style-type: none"> * Respect for fundamental human rights and applicable laws relating to labor and employment * Asset protection * Provision of a safe work environment, respecting applicable health and safety laws * Support for sustainability and respect for the environment across its operations and supply chain * Expectation for Parade partners to comply with the principles of this Code. Mechanisms for employees to have internal training, raise concerns, comments, and issues, as well as a mandate for employees to report violations of this Code. * The Company regularly reviews its measures and practices in light of relevant laws, regulations, standards, and circumstances, and makes updates when applicable. <p>(II) The description of Labors please refer to page 95-98. The Company has appropriately reflected operating performance or results in employee compensation, including all grassroots employees. Please refer to pages 63-64. Due to the characteristics of the IC design industry and the talent pools, the male population is greater than the female population. The Company cares about workplace diversity and equality. As of December 31, 2025, the female employees ratio accounted for 30.8% of the total number of employees, and the number of female employees increased by 0.2% compared to the previous year. The proportion of female managers has shown a gradual upward trend over the past three years. It was 19.02% in 2023, slightly increased to 19.05% in 2024, and further rose to 19.40% in 2025. Although the growth is modest, it demonstrates the Company’s ongoing efforts to promote female employees into managerial roles, reflecting continuous improvement in talent development and diversity.</p>	(II) No significant difference.
(III)Has the Company provided safe and healthful work environments for the employees, including safety and health training to the employees on a regular basis?	V		(III) The Company has set up a security system to ensure the safety of employee at workplace, and has provided safety and health training to the employees. Excluding incidents of injury during commuting, no work-related injuries occurred in 2025. No fire incidents occurred in 2025.	(III) No significant difference.
(IV)Has the Company established effective training programs for the employees to foster career skills?	V		(IV) According to the different requirement of the positions and with employees’ career planning, the Company helps the employees to foster their career skills.	(IV) No significant difference.

Promoting Items	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Description	
(V) Does the Company comply with relevant laws and regulations and international standards, and formulated relevant consumer or customer rights protection policies and grievance procedures for issues such as customer health and safety, customer privacy, marketing and labeling of products and services?	V		(V) The Company's products comply with environmental protection and patent-related laws and regulations and international standards. The Company has maintained good relationships with customers and has provided efficient communication processes dealing with customers' claim for products and services.	(V) No significant difference.
(VI) Does the Company formulate a supplier management policy that requires suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and their implementation?	V		(VI) The Company has the Conflict Minerals Statement and takes measures to avoid the use of Conflict Minerals, including requiring suppliers to conduct due diligence to confirm conformance and to provide investigative reports. Parade will work with the supply, if necessary, to find alternative sources for the Conflict Metals if they exist in the supplier's product. Parade gives close attention to the issue of conflict metals, following international convention, with social responsibility and preserving the rights of customers and as our objectives. In addition, to reinforce our attention to human rights issues in the supply chain, we conducted a human rights due diligence review for the year 2025 based on the publicly disclosed sustainability information of one key supplier. The supplier's sustainability report was subject to assurance by a third-party assurance provider. We reviewed the sections of the report related to human rights, with a focus on the following areas: *Whether any human rights risks or violations were disclosed *Whether any remedial measures were implemented *Whether employees received training on human rights and ethics *Whether the RBA SAQ was completed with a reasonable score *Whether new suppliers were required to sign a code of conduct *Whether grievance mechanisms were in place *Whether any labor unions were organized Through the aforementioned supplier evaluation and documentary review process, the major suppliers of Parade in 2025 have performed well, and no suppliers with potential material negative environmental or human rights impacts have been identified. The Company also regularly tracks and encourages its suppliers to obtain various environmental management certifications, hazardous substance process management	(VI) No significant difference.

Promoting Items	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Description	
			certifications and occupational safety and health management certifications.	
V. Does the Company refer to internationally accepted reporting standards or guidelines for compiling reports on corporate non-financial information such as Sustainability Report? Did the previous Sustainability Report obtain the assurance from a third-party verification unit?	V		The Company voluntarily releases the Sustainability Report in accordance with the GRI Standards 2021 issued by Global Reporting Initiative (GRI). The Company has not yet planned to obtain assurance from a third-party for the Sustainability Report.	No significant difference.
VI. If the Company has established sustainable development principles based on “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the principles and their implementation: The Company has not yet formulated its sustainable development principles, but the Company is still practicing sustainable development and will formulate relevant sustainability policies as needed in the future.				
VII. Other important information to facilitate better understanding of the Company’s sustainable development practices: Please refer to the Company’s 2025 Sustainability Report.				

(2) Climate-related information:

Execution status of climate-related information:

Item	Execution Status
<p>1. Description of the Board of Directors and management's oversight and governance of climate-related risks and opportunities</p>	<p>The Board of Directors of the Company serves as the highest governing body and the center for material operational decision-making. The Company's Board of Directors approved the Greenhouse Gas Emissions Disclosure and Verification Schedule and authorized the Finance Department to implement this schedule. The main tasks of the Finance Department regarding sustainable development in 2025 are to plan and prepare the Sustainability Report for the year, and to assign members to participate in sustainability-related courses or seminars, in order to fully understand the content and development trends of various sustainability topics. The Company's management also reports to the Board of Directors on the implementation status of the greenhouse gas inventory and sustainability related issues on a quarterly basis. The Board provides guidance based on the report content and tracks the progress of implementation to ensure that sustainable development is fully integrated into the Company's operations.</p>
<p>2. Description of how identified climate risks and opportunities affect the company's business, strategy, and finance (short-term, medium-term, long-term)</p>	<p>In the short term, extreme climate events may disrupt the supply chain, affecting the supply and delaying product delivery, thereby impacting profits. Additionally, extreme weather can affect the safety and efficiency of the office environment.</p> <p>In the medium to long term, climate change may impact global economic and technology development trends. The Company needs to prepare for stricter environmental regulations and an increase in market demand for energy-saving and green products. Facing these climate risks and opportunities, the Company can enhance its sustainable competitiveness by accelerating technological innovation and product mix adjustments and strengthening cooperation with outsourced manufacturers to meet market demands.</p>

Item	Execution Status			
3. Description of the financial impacts of extreme climate events and transition actions.	Type	Climate-Related Risks /opportunities description	Potential Financial Impacts	Response
	Transition Risks	Policy and Legal: Possible stricter regulations of greenhouse gas emissions may apply	Higher costs	-Promoting internal energy saving -Asking suppliers to meet international environmental certification standards
	Transition Risks	Technology and Market: The market may gradually accept sustainable concept products, and existing products or services are replaced	Reduced revenue and higher costs	-Investing in R&D to develop advanced and energy-saving products in response to market trends
	Physical Risks	Acute: Events such as typhoons and floods	Reduced revenue and higher costs	-Paying attention to disaster information and forming an emergency response team if necessary
	Physical Risks	Chronic: Extreme variability in weather patterns or rising sea levels		-Promoting energy saving across the group to reduce GHG emissions
Opportunities	Development of low-power products: By developing low-power products, Parade enhances product value and efficiency, while reinforcing its commitment to a green corporate image.	Higher revenue	-Developing energy-saving products and optimizes product performance and efficiency	
4. Description of how the identification, assessment, and management of climate risks are integrated into the overall risk management system	The Company refers to laws and regulations and related guidelines issued by the competent authorities, research reports from international organizations, and suggestions from stakeholders to identify potential climate risks. To manage risks of climate changes, the Company analyzes the impact of climate risks on finance, operations, and other aspects.			
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used should be described	Scenario analysis has not been used for assessment.			
6. If there is a transformation plan for managing climate-related risks, describe the content of the plan and the indicators and targets used to identify and manage physical risks and transition risks	There are no relevant transformation plans.			
7. If internal carbon pricing is used as a planning tool, describe the basis for price setting	Internal carbon pricing has not been established.			
8. If climate-related targets are set, describe the activities covered, greenhouse gas emission scopes, planning periods, and annual progress achieved. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve related targets, describe the source and quantity of the carbon reduction or the number of RECs	Climate-related targets have not been set.			

Item	Execution Status
9. Greenhouse gas inventory and assurance, reduction targets, strategies, and specific action plans are detailed in 1-1 and 1-2.	Please refer to 1-1 and 1-2 below.

1-1 Greenhouse Gas (GHG) Inventory and Assurance for the Past 2 Years

1-1-1 Greenhouse Gas Inventory Information

Describe the GHG emissions for the last two years in terms of total emissions (in metric tons CO₂e), intensity (metric tons CO₂e/million NT dollars), and the scope of the data covered.

Consolidated Company	Unit	2024	2025
Scope 1	Metric tons of CO ₂ e	150.2003	173.7001
Scope 2	Metric tons of CO ₂ e	1,412.9037	1,404.3580
Total	Metric tons of CO ₂ e	1,563.104	1,578.058
Scope 1 and 2 Emissions Intensity	Metric tons of CO ₂ e / Revenue in millions of NT\$	0.096	0.095

Scope 3: Not Yet Assessed

Note 1: Scope 1 (direct emissions) includes four greenhouse gases: CO₂, CH₄, N₂O and HFC, and does not involve SF₆, PFC and NF₃ greenhouse gas emissions.

Note 2: Scope 2 (indirect emissions), including purchased electricity, emissions are calculated using the location-based method, based on the average grid emission factor of the regions where Parade's operating sites are located.

Note 3: Greenhouse Gas Inventory Standards: According to the Greenhouse Gas Protocol.

Note 4: The intensity of greenhouse gas emissions is calculated in metric tons CO₂ e per million sales of turnover.

1-1-2 Greenhouse Gas Assurance Information

Detail the assurance status up to the publication date of this Annual Report for the past two years, including the scope of assurance, assurance firm, assurance standards, and the opinion.

The Company has not yet obtained assurance, but plans to do so according to the schedule required by the competent authority.

1-2 Greenhouse Gas Reduction Targets, Strategies, and Action Plans

Explain the baseline year for GHG reduction and its data, reduction targets, strategies, and specific action plans, along with the status of achieving these reduction targets.

The Company has not yet set reduction targets, strategies, or specific action plans. The Company plans to establish these according to the timeline set by the competent authority.

2.3.4 The Implementation Status of Ethical Management and Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons

Items	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Description	
<p>I . Establishing ethical management policy and programs</p> <p>(I)Does the Company formulate an ethical management policy approved by the Board of Directors, and clearly state the policies and practices of honesty management in the regulations and external documents, and the commitment of the Board of Directors and senior managements to actively implement the business policy?</p>		V	<p>(I) The Company has established the Worldwide Business and Ethics Code of Conduct (the “Code”), which sets forth Parade’s commitment to high standards of ethical conduct and environmental and social responsibility. This Code applies to all Parade employees and those of its affiliates. Parade also expects its distributors and other business partners to share the commitment to these principles. For further details, please refer to pages 41-43 of this annual report. Principles of integrity are also explicitly defined in the Employee Handbook and Work Rules; through regular annual communication, employees have been fully informed and are well aware of these requirements. The Company has clearly defined regulations regarding Directors’ recuse from motions in their personal interest in its “Rules and procedures of Board of Directors Meetings”. Directors shall express their opinions regarding motions in their personal interests, but should not involve in the discussion and resolution, neither to be the representation of other Directors to resolve about the motions.</p>	<p>(I) No significant difference.</p>

Items	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Description	
(II) Whether the Company has established an evaluation mechanism for the risk of dishonesty behaviors, regularly analyzes and evaluates business activities with a higher risk of dishonesty behaviors in the business scope, and formulates a plan to prevent dishonesty behaviors, which at least covers “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” in Paragraph 2 of Article 7?		V	(II) The Company does not formulate an ethical management policy, has established effective internal control system to conduct operational procedures to ensure the implement of ethical management.	(II) No significant difference.
(III) Does the Company clearly establish the operating procedures, behavior guidelines, punishment and appeal system for violations in the plan to prevent dishonesty, implement it, and regularly review and revise the plan before it is revealed?	V		(III) The company has its employee guidelines and enforces employees to sign at will agreement. Furthermore, the company organizes training and awareness programs for employees periodically to advocate and prescribe employees ethical conduct.	(III) No significant difference.
II. Carrying out ethical corporate management (I) Has the Company evaluated trading counterparties’ ethical record, and included terms of ethical corporate management policy in the contracts entered with the trading counterparties?	V		(I) To avoid dishonest behaviors, the Company has evaluated trading counterparties’ ethical record, and included ethical corporate management policy in contract terms.	(I) No significant difference.
(II) Has the Company established a dedicated unit under the Board of Directors for establishing and supervising the implementation of the ethical corporate management policies and prevention program? Has the dedicated unit regularly (at least once a year) reported to the Board of Directors on its integrity management policy and plans to prevent dishonesty and monitor implementation?	V		(II) The Legal Department leads ethical management efforts in coordination with relevant units. In addition, the Company has established the internal auditors under the Board of Directors to supervise if the Company follows the related laws and regulations. The implementation status is as follows: 1. In 2025, one session of Compliance Training was conducted, with a 100% completion rate among employees. 2. In 2025, signed "Statements of No Violation of Ethical Integrity Principles" were obtained from all directors (including independent directors). The responsible unit reports to the Board of Directors at	(II) No significant difference.

Items	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Description	
			least once a year. In 2026, the report is scheduled to be presented to the Board in August.	
(III) Has the Company established and implemented policies for preventing conflicts of interest and offered appropriate means for Directors, supervisors, managers, and other stakeholders attending or present at Board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company?	V		(III) The Company has clearly defined regulations regarding Directors’ recuse from motions in their personal interest in its “Rules and Procedures of Board of Directors Meeting”. Directors shall express their opinions regarding motions in their personal interests, but should not involve in the discussion and resolution, neither to be the representation of other Directors to resolve about the motions.	(III) No significant difference.
(IV) Whether the Company has established effective accounting systems and internal control systems for the implementation of ethical management, and the internal audit unit based on the results of the assessment of the risk of dishonesty behavior, draws up relevant audit plans, and checks the compliance with the plan to prevent dishonesty, or commission an accountant to perform the check?	V		(IV) The Company has established effective accounting systems and internal control systems for the implementation of ethical management, furthermore, the internal auditors audit the compliance of the policies and procedures on periodically and report to the Board of Directors irregularly.	(IV) No significant difference.
(V) Does the Company hold the internal and external trainings on ethical management practices and programs periodically?	V		(V) The Company holds the internal trainings on ethical management practices and programs periodically.	(V) No significant difference.
III. Operation of whistle-blowing system (I) Has the Company established a concrete whistle-blowing programs, incentive measures and convenient reporting channels and appointed dedicated personnel or unit to handle reported matters?	V		(I) The Company has designated HR department responsible for internal communication effectively.	(I) No significant difference.

Items	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Description	
(II)Has the Company established standard operating procedures of whistle-blowing programs for investigations to receive reports, follow-up measures to be taken after the investigation is completed, and related confidentiality mechanisms?	V		(II) The Company has designated HR department to receive investigations of whistle-blowing programs and follow-up measures, and implement confidentiality mechanisms.	(II) No significant difference.
(III)Has the Company adopted measures to protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing?	V		(III) The Company has designated HR department to adopt measures to protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.	(III) No significant difference.
IV. Enhancement of information disclosure (I)Has the Company disclosed its ethical corporate management best practice principles and the effectiveness of promotion of ethical management policy on the Company websites and the Market Observation Post System (MOPS)?		V	(I) The Company has linked MOPS website and disclosed financial information on the Company Website (https://www.paradetech.com) as its basis of ethical corporate management.	(I) No significant difference.
V. If the Company has established its ethical corporate management best practice principles according to “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”, please describe the differences of the implementation status: Although the Company has not yet established a formal “Ethical Corporate Management Code”, we strictly adhere to the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, and other relevant government regulations to ensure ethical business practices. The Company will consider establishing related policies in the future as appropriate.				
VI. Other important information to facilitate better understanding of the Company’s implementation of ethical corporate management (e.g., the Company invites the companies' commercial transaction counterparties attending the training, reviewing and revising its ethical management guidelines to emphasize on the resolution to implement ethical corporate management): Please refer to the Company’s 2025 Sustainability Report.				

2.3.5 Other significant information that will provide a better understanding of the state of The Company's implementation of corporate governance: None

2.3.6 Major Resolutions of Shareholders' Meeting and Board Meetings

(1) Major Resolutions of Shareholders' Meeting and Board Meetings and Implementation Status:

Meetings	Date (Taiwan Time)	Major Resolutions	State of Implementation
Annual General Meeting of Members	06/11/2025	<ol style="list-style-type: none"> 1. To ratify the 2024 Business Report 2. To adopt the Company's 2024 audited consolidated financial statements 3. To approve the 2024 profit distribution plan 4. To approve the amendment of the Company's Amended and Restated Memorandum of Association and Articles of Association 5. To approve the amendment of the Company's Procedures for Lending Funds to Other Parties 6. To re-elect the Directors (Independent Directors inclusive) of the Company's Board of Directors 	<ol style="list-style-type: none"> 1. Approved 2. Approved 3. Approved (the Board of Directors is authorized to approve the cash dividends): for the first half year of 2024, the record date for dividends distribution was March 10, 2025, and have paid the cash dividend on March 31, 2025. (cash dividend per share of NT\$7.18806219); for the second half year of 2024, the record date for dividends distribution was August 27, 2025, and have paid the cash dividend on September 19, 2025. (cash dividend per share of NT\$9.28287444) 4. Have implemented in accordance with the resolutions 5. Have implemented in accordance with the resolutions 6. List of Directors (Independent Directors inclusive) are Ji Zhao, Ming Qu, Jackie Yang, Darren Huang, Dennis Lynn Segers (Independent Directors), Huei-Chu (Laura) Huang (Independent Directors), Shu-Yu (Sherry) Lee (Independent Directors)

(2) Major Resolutions of Board Meetings

Meetings	Date (Taiwan Time)	Major Resolutions
Board Meeting	02/05/2025	<ol style="list-style-type: none"> 1. Approval of the distribution of 2024 management bonus 2. Approval of transfer of treasury shares to executives 3. Approval of transfer of treasury shares to non-executive employees under 2021 Equity Plan 4. Approval of transfer of treasury shares to non-executive employees under 2022 Equity Plan 5. Approval of transfer of treasury shares to non-executive employees under 2023 Equity Plan 6. Approval of transfer of treasury shares to non-executive employees under 2024 Equity Plan 7. Approval of the 2025 share buyback plan 8. Approval of the 2025 share repurchase and share retirement plan 9. Approval of repurchase and cancellation of restricted stock awards
Board Meeting	03/05/2025	<ol style="list-style-type: none"> 1. Approval 2024 Draft Taiwan Branch Office Financial Reports 2. Approval of 2024 Draft Consolidated Financial Reports 3. Re-election of Directors (Independent Directors inclusive) at Company's 2025 Annual General Meeting

Meetings	Date (Taiwan Time)	Major Resolutions
Board Meeting	03/05/2025	<ol style="list-style-type: none"> 4. Approval of nomination period of Directors (Independent Directors inclusive) 5. Approval of Statements of Internal Control System and Self Assessment Report of Internal Control of Year 2024 6. Approval of proposed date, location, and agenda of 2025 Annual General Meeting of Members 7. Approval of shareholder's proposal right in connection with 2025 Annual General Meeting 8. Approval of Profit Distribution Proposal of 2024 9. Approval of Definitive Agreement of Project 7 (subject to DA negotiation progress) 10. Approval of Bridge Loan to Seller of Project 7 11. Approval of certain changes of the Company's amended and restated memorandum of association and articles of association
Board Meeting	04/23/2025	<ol style="list-style-type: none"> 1. Approval of reviewed Consolidated Financial Report for the first quarter ended 3/31/2025 2. Approval of transfer of Treasury Shares to executives under 2025 Equity Plan 3. Approval of transfer of Treasury Shares to executives under 2022, 2023 and 2024 Equity Plans 4. Approval of transfer of Treasury Shares to non-executive employees under 2024 Equity Plan 5. Approval of buyback and cancellation of restricted stock awards 6. Approval of cancellation of repurchased treasury shares 7. Approval of allocation of 2024 employees' bonuses and Directors' remuneration 8. Review and approval of the shareholder's proposal 9. Approval of 2024 business report 10. Approval of cash dividend declaration and distribution for 2nd half of 2024 11. Nomination of Independent Directors nominees for election or re-election at Company's 2025 Annual General Meeting 12. Nomination of non-Independent Directors nominees for election or re-election at Company's 2025 Annual General Meeting 13. Approval of certain changes to Company's Procedures for Lending Funds to Other Parties 14. Additions and changes in agenda to be discussed in 2025 Annual General Meeting
Board Meeting	08/06/2025	<ol style="list-style-type: none"> 1. Approval of draft consolidated financial reports for the first half year of FY2025 2. Approval of 2024 Director remuneration allocation and distribution 3. Approval of 2024 employee bonus distribution 4. Approval of buyback and cancellation of restricted stock awards 5. Approval of transfer of Treasury Shares to non-executive employees under 2024 Equity Plan
Board Meeting	10/29/2025	<ol style="list-style-type: none"> 1. Approval of waiver of seven-day prior notice 2. Election of Chairman 3. Election of Vice Chairman 4. Appointment of members of Compensation
Board Meeting	10/29/2025	<ol style="list-style-type: none"> 1. Approval of waiver of seven-day prior notice 2. Approval of reviewed consolidated financial reports of the Company for the third quarter ended September 30, 2025 3. Approval of Profit Distribution Proposal of 1st half of 2025 4. Approval of business report of 1st half of 2025 5. Approval of cash dividend declaration and distribution for 1st half of 2025 6. Approval of the internal audit plan for FY2026

Meetings	Date (Taiwan Time)	Major Resolutions
Board Meeting Board Meeting	12/11/2025	<ol style="list-style-type: none"> 1. Approval and ratification of compensation committee actions 2. Approval of Company budget for fiscal year 2026 3. Approval of terms of audit engagement with PricewaterhouseCoopers LLC (Taipei) for FY 2026 financial audit and FY 2026 internal control audit 4. Approval of terms of audit engagement with PricewaterhouseCoopers LLC (Taipei) for FY 2026 financial audit and tax compliance, of Taiwan office 5. Approval of terms of tax compliance services engagement with PricewaterhouseCoopers LLC (US and Hong Kong) for FY 2026 6. Approval of the evaluation report of the external auditor's independence and suitability 7. Approval of the "Procedures for Managing Sustainability Information" and "Audit Procedures for Managing Sustainability Information" of US and SH subsidiaries
Board Meeting	02/10/2026	<ol style="list-style-type: none"> 1. Approval of the distribution of 2025 management bonus 2. Approval of transfer of treasury shares to executives 3. Approval of transfer of treasury shares to non-executive employees under 2022 Equity Plan 4. Approval of transfer of treasury shares to non-executive employees under 2023 Equity Plan 5. Approval of transfer of treasury shares to non-executive employees under 2024 Equity Plan 6. Approval of transfer of treasury shares to non-executive employees under 2025 Equity Plan 7. Approval of the 2026 share buyback plan 8. Approval of the 2026 share buyback and share retirement plan
Board Meeting	03/04/2026	<ol style="list-style-type: none"> 1. Approval 2025 Draft Taiwan Branch Office Financial Reports 2. Approval of 2025 Draft Consolidated Financial Reports 3. Approval of Statements of Internal Control System and Self Assessment Report of Internal Control of Year 2025 4. Approval of proposed date, location, and agenda of 2026 Annual General Meeting of Members 5. Approval of shareholder's proposal right in connection with 2026 Annual General Meeting 6. Approval of Profit Distribution Proposal of 2025
Board Meeting	04/22/2026	<ol style="list-style-type: none"> 1. Approval of changing of auditing and certifying CPA 2. Approval of reviewed Consolidated Financial Report for the first quarter ended 3/31/2026 3. Approval of transfer of Treasury Shares to executives under 2026 Equity Plan 4. Approval of transfer of Treasury Shares to executives under 2023, 2024 and 2025 Equity Plans 5. Approval of cancellation of repurchased treasury shares 6. Approval of allocation of 2025 employees' bonuses and Directors' remuneration 7. Review and approval of the shareholder's proposal 8. Approval of 2025 business report 9. Approval of cash dividend declaration and distribution for 2nd half of 2025 10. Approval of certain changes of the Company's amended and restated memorandum of association and articles of association

- (3) The major content of any dissenting opinion of any Director or supervisor regarding any material resolution passed by the Board of Directors, where there is a record or written statement of such opinion, for the most recent fiscal year and up to the printing date of this annual report: None

2.3.7 Summary of the internal control system

- (1) Internal Control Statement: Please refer to MOPS (new version) > Single Company > Corporate Governance > Company Rules/Internal Control > Internal Control Declaration Announcement, <https://mops.twse.com.tw/mops/#/web/t06sg20>.
- (2) The certified public accountants' review report on the Company's internal control systems: Please refer to MOPS (new version) > Single Company > Corporate Governance > Company Rules/Internal Control > Independent Assurance Report of Internal Controls, <https://mops.twse.com.tw/mops/#/web/t06hsg20>.

2.4 Information Regarding Independent Auditors

2.4.1 Auditors information and audit fees

Unit: NTD in Thousands

Audit firm	CPA	Service period	Audit fees	Non-Audit fees	Total	Note
Pricewaterhouse Coopers, Taiwan	Kuan-Hung, Lin	01/01/2025~ 12/31/2025	7,694	8,209	15,903	Non-audit fee – Others refer to Tax service 4,422 thousands; Internal control audit 1,528 thousands; TP consulting 1,079 thousands; and Other consulting 1,180 thousands.
	Hsiao-Tzu Chou					

2.4.2 Replaced the audit firm and the audit fees paid to the new audit firm was less than the payment of previous year: None

2.4.3 Audit fees reduced more than 10% year over year: None

2.4.4 Information on replacement of certified public accountant: None (Due to the internal rotation and adjustment of PwC, Mr. Chia-Hung Lin substituted for Ms. Hsiao-Tzu Chou in 2026).

2.5 The Company's Chairman, President, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated companies of such accounting firm, the name and position of the person, and the period during which the position was held.

None

2.6 Changes in shareholding of Directors, supervisors, officers and major shareholders holding more than 10% shares for the most recent year to the date of the annual report printed.

2.6.1 Net Change in Shareholding and Net Change in Shares Pledged by Directors, Management and Shareholders with 10% Shareholdings or More

Unit: Shares

Title	Name	Year 2025		April 19, 2026	
		Shareholding Increase (Decrease)	Pledged Shareholding Increase (Decrease)	Shareholding Increase (Decrease)	Pledged Shareholding Increase (Decrease)
Chairman	Ji Zhao (Note 2)	16,000	0	0	0
Vice Chairman and President	Ming Qu	(189,000)	0	0	0
Director	Jackie Yang	0	70,000	0	0
Director	Darren Huang	32,000	250,000	15,000	0
Independent Director	Dennis Lynn Segers	0	0	0	0
Independent Director	Jen-Lin (Norman) Shen (Note 3)	0	0	0	0
Independent Director	Huei-Chu (Laura) Huang	0	0	0	0
Independent Director	Shu-Yu (Sherry) Lee (Note 4)	0	0	0	0
Vice President of Finance and Accounting	Kuowei Wu	6,225	0	(2,000)	0
Sr. Vice President of Worldwide Sales	Peter Oaklander	17,000	0	(6,000)	0
Executive Vice President of Marketing	Jingwu Jimmy Chiu	5,875	0	0	0
Executive Vice President of Product Development	Ding Lu	(110,125)	0	0	0
Sr. Vice President of TrueTouch Business	Joseph D. Montalbo	(13,875)	0	0	0
Sr. Vice President of Operations	Randy D. Baker (Note 5)	(7,750)	0	0	0
Vice President of Legal	Dale Edmondson	9,000	0	0	0
Vice President of Operation & General Manager of Parade (TW)	KP Yang	19,000	0	0	0
Head of Corporate Governance	Yo-Ming Chang	0	0	0	0

Note 1: The above table includes all managers of the Company and its affiliates.

Note 2: Exclusive of the changes of the shares in trust account.

Note 3: Mr. Jen-Lin (Norman) Shen was removed on October 28, 2025.

Note 4: Ms. Shu-Yu (Sherry) Lee was assumed on October 28, 2025.

Note 5: Mr. Randy D. Baker was removed on June 30, 2025.

2.6.2 Shares Trading with Related Parties: None.

2.6.3 Shares Pledging with Related Parties: None.

2.7 Information on the relationship between the Company's top 10 shareholders and their spouse or relatives within two degrees of consanguinity.

4/19/2026; Unit: Shares; %

Name	Current Shareholding		Spouse and minor Shareholding		Shareholding by nominee arrangement		Title, name, or relationship between the top 10 shareholders and their spouse or relatives within two degrees of consanguinity		Note
	Shares	%	Shares	%	Shares	%	Title (or Name)	Relationship	
Taipei Fubon Commercial Bank Co., Ltd. in custody for Fuh Hwa Taiwan Technology Dividend Highlight ETF Securities Investment Trust Fund Account	3,484,000	4.35%	0	0.00%	0	0.00%	None	None	None
Fubon Life Insurance	3,276,000	4.09%	0	0.00%	0	0.00%	None	None	None
Fubon Life Insurance (Representative: Howard Lin)	0	0.00%	0	0.00%	0	0.00%	None	None	None
Nan Shan Life Insurance Co., Ltd.	2,905,000	3.63%	0	0.00%	0	0.00%	None	None	None
Nan Shan Life Insurance Co., Ltd. (Representative: Chung-Yao Yin)	0	0.00%	0	0.00%	0	0.00%	None	None	None
Ji Zhao	1,821,680	2.28%	0	0.00%	0	0.00%	None	None	Inclusive of shares in trust account of 704,972 shares
Ming Qu	1,627,985	2.03%	0	0.00%	0	0.00%	None	None	None
Collective Investment Account of CTBC Custody Bank for Foreign Employees of Parade Technologies, Ltd.	1,465,216	1.83%	0	0.00%	0	0.00%	None	None	None
Fidelity Funds	1,391,000	1.74%	0	0.00%	0	0.00%	None	None	None
Columbia Variable Portfolio - Overseas Core Fund	1,225,000	1.53%	0	0.00%	0	0.00%	None	None	None
CTBC Bank Co., Ltd.	1,142,000	1.43%	0	0.00%	0	0.00%	None	None	None
CTBC Bank Co., Ltd. (Representative: James Chen)	0	0.00%	0	0.00%	0	0.00%	None	None	None
TransGlobe Life Insurance Inc.	1,123,000	1.40%	0	0.00%	0	0.00%	None	None	None
TransGlobe Life Insurance Inc. (Representative: Wen-Hui Lin)	0	0.00%	0	0.00%	0	0.00%	None	None	None

2.8 The total number of shares and total equity stake held in any single enterprise by the Company, its Directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the Company

3/31/2026; Unit: Shares; %

Investment	Ownership by Parade		Direct/Indirect Ownership by Directors and Management		Total Ownership	
	Shares	%	Shares	%	Shares	%
Parade (US)	10,000	100%	-	-	10,000	100%
Parade (Korea)	10,000	100%	-	-	10,000	100%
Parade (SH)	-	100%	-	-	-	100%
Parade (NJ)	-	100%	-	-	-	100%
Pinchot	1,000	100%	-	-	1,000	100%
Parade (Chongqing)	-	100%	-	-	-	100%

III. Capital and Shares

3.1 Capital and Shares

3.1.1 Types of Shares

4/19/2026; Unit: Shares

Types of Shares	Authorized Share Amount				Remarks
	Outstanding Shares	Unissued Shares	Treasury Shares	Total	
Common Stock	76,364,596	69,942,212	3,693,192	150,000,000	None

3.1.2 Issued Shares

(1) Share capital formation:

Unit: Shares; Dollar

Date	Par Value	Authorized Shares		Actual Share Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Using assets other than cash as collateral for the payment of Shares	Others
2025/03/25	NTD 10	150,000,000	1,500,000,000	81,159,963	811,599,630	Cancellation of RSAs 125 common shares	None	None
2025/04/29	NTD 10	150,000,000	1,500,000,000	80,059,963	800,599,630	Cancellation of 1,100,000 Treasury Shares	None	None
2025/05/19	NTD 10	150,000,000	1,500,000,000	80,058,063	800,580,630	Cancellation of RSAs 1,900 common shares	None	None
2025/09/11	NTD 10	150,000,000	1,500,000,000	80,057,788	800,577,880	Cancellation of RSAs 275 common shares	None	None
2026/04/30	NTD 10	150,000,000	1,500,000,000	78,957,788	789,577,880	Cancellation of 1,100,000 Treasury Shares	None	None

Note 1: Until the date of the annual report printed, the Company has repurchased 2,593,192 shares of treasury stocks, which have not yet been transferred to employees.

(2) From the most recent year until the printing date of the annual report, the private placement of common stock: Not applicable.

3.1.3 Major Shareholders

The names, shares held, and shareholding percentage of shareholders with shares exceeding 5% of total shares outstanding or ranked in the top 10 in terms of shares held:

4/19/2026

Name of Shareholders	Shares	Shares Held	Percentage of Shareholding
Taipei Fubon Commercial Bank Co., Ltd. in custody for Fuh Hwa Taiwan Technology Dividend Highlight ETF Securities Investment Trust Fund Account		3,484,000	4.35%
Fubon Life Insurance		3,276,000	4.09%
Nan Shan Life Insurance Co., Ltd.		2,905,000	3.63%
Ji Zhao (Note)		1,821,680	2.28%
Ming Qu		1,627,985	2.03%
Collective Investment Account of CTBC Custody Bank for Foreign Employees of Parade Technologies, Ltd.		1,465,216	1.83%
Fidelity Funds		1,391,000	1.74%
Columbia Variable Portfolio - Overseas Core Fund		1,225,000	1.53%
CTBC Bank Co., Ltd.		1,142,000	1.43%
TransGlobe Life Insurance Inc.		1,123,000	1.40%

Note: 704,972 of shares are included in trust account

Directors' shares in trust account:

Title	Name	Trustee	Shares in Trust	% of outstanding shares
Chairman	Ji Zhao	The ZG Grantor Retain Annuity Trust	704,972	0.88

3.1.4 Company dividend policy and implementation status

(1) Company dividend policy

In accordance with the Article 113, the Board shall provide the distribution plan according to the following requirements: If there are profits after the final settlement of account of a year (the “Annual Profits”), the Company (i) after its losses have been offset and at the time of allocating surplus profits, may first set aside 10% of the Annual Profits as statutory reserve until the statutory reserve amounts to the authorized capital, and (ii) may appropriate a portion of the Annual Profits as special reserve required by Applicable Public Company Rules or government authorities. Thereafter, having considered the financial, business and operational factors, the Board may propose and specify no less than 10% of any remaining of Annual Profits after the above (i) to (ii) plus, at the Board’s sole discretion, a certain percent of accumulated retained earnings to be distributed as dividends by cash or by applying such sum in paying up in full unissued Shares for allotment and distribution credited as fully paid-up pro rata to the Members or any combination of both, or bonuses according to the Statute and Applicable Public Company Rules, among them, cash dividend shall not less than 10% of the total Dividend declared. The Company may distribute to the Members, in the form of cash, all or a portion of its Dividend and/or statutory reserve by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, and shall subsequently report such distribution to the Members at the general meeting. In accordance with the Article 113, at the close of each of the half fiscal year, the Board may resolve to distribute profits or allocate losses; provided, however, that any distribution of profits by way of capitalization of distributable dividends shall be subject to the Supermajority Resolution. The foregoing proposal, together with the business report and the financial statements, which shall be audited or reviewed by the certified public accountant, shall be submitted to the Audit Committee for audit first and afterwards be submitted to the Board for approval. In the case of profits distribution under this Article 113-1, the Company shall estimate and reserve the taxes and dues to be paid, the losses to be covered and the statutory reserve to be set aside; provided, however, that if the statutory reserve has amounted to the total paid-in capitals, this requirement does not apply.

(2) Current year proposal (approved) on dividend distribution:

Unit: NTD

Period	Approved Date	NT\$ per share	Total amount of Cash Dividends
The 1st half year of 2024	10/30/2024 Board Meeting	7.18806219	570,088,023
The 2nd half year of 2024	04/23/2025 Board Meeting	9.28287444	724,609,492
The 1st half year of 2025	10/29/2025 Board Meeting	8.90938510	684,620,280
The 2nd half year of 2025	04/22/2026 Board Meeting	8.75 (Note)	682,836,010

Note: The Chairman of the Board of Directors of the Company is authorized to adjust the ultimate cash dividend per share based on the total amount of profits resolved to be distributed. The total amount of fractional cash dividends, which are less than NT\$1, should be calculated into equity of the Company.

3.1.5 The impact of stock dividend distributions contemplated for the current fiscal year on company operating performance and earnings per share: N/A

3.1.6 Compensation of employees, Directors, and supervisors: (the Company has no supervisor)

(1) The percentages or ranges with respect to employee, Director, and supervisor compensation, as set forth in the company's articles of incorporation (The Company is a primary TPEx-listed foreign company and is therefore not subject to Article 14, Paragraph 6 of the Securities and Exchange Act. Nevertheless, the employees referred to in the Company's Articles of Incorporation include all grassroots employees as required under the Securities and Exchange Act.):

Unless otherwise provided in the Applicable Public Company Rules, where the Company makes profits before tax for the annual financial year, the Company shall appropriate (i) no less than 3% and up to 7.5% of such annual profits before tax as employee bonus (the "Employee Bonus"), which shall be distributed in accordance with the incentive programme approved pursuant to Article 9 and may be distributed to employees of the Company and/or the employees of its Subsidiaries and (ii) a maximum of 2% additional Directors' remunerations. Notwithstanding the foregoing paragraph, if the Company has accumulated losses of the previous years, the Company shall set aside the amount of such accumulated losses prior to the allocation of the Employee Bonus and the above additional Directors' remunerations. Subject always to the laws of Cayman Islands, the Employee Bonus may be distributed in the form of cash and/or shares, upon resolution by a majority

votes at a meeting of the Board of Directors attended by two-thirds (2/3) or more of the Directors. For the avoidance of doubt, for the purpose of calculation of the above Employee Bonus and the additional Directors' remunerations, such "annual profits before tax" shall be without giving effect of the deduction and distribution of such Employee Bonus and the additional Directors' remunerations. The resolutions of Board of Directors regarding the distribution of the Employee Bonus in the preceding sentence shall be reported to the Members at the general meeting after such Board resolutions are passed.

- (2) The basis for estimating the amount of employee, Director, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

The company estimates the amounts of employees' compensation and Directors' remuneration based on the distributable profit of current year for the year ended December 31, 2025, and the percentage of previous year payment. If the amount approved by Annual General Meeting of Members differs from the original estimation, the adjustment will be regarded as a change in accounting estimation and will be reflected in the statement of income in the year that the shareholder's Annual General Meeting is held.

- (3) Information on any approval by the Board of Directors of distribution of compensation:

1. The amount of any employee compensation distributed in cash or stocks and compensation for Directors and supervisors. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed:

Unit: NTD

Items	Proposed by the Board of Directors		% of employees' stock bonus to net income	Diluted earning per share after estimating the employees' compensation and Directors' remuneration
	Cash	Shares		
Employees' compensation	197,015,476	-	-	34.31
Directors' remuneration	49,888,000	-	-	

The accrued employees' compensation and Directors' remuneration of 2025 are NT\$188,314,012 and NT\$56,124,000, respectively. The difference of NT\$8,701,464 and (NT\$6,236,000) between the accrued and the proposed amount were caused by the estimated difference. The Company will adjust the profit and loss in 2026.

2. The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation: Not applicable because the Company does not

distribute any employee compensation in stocks.

- (4) The actual distribution of employee, Director, and supervisor compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, Director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated:

The difference of (NT\$6,794,765) and (NT\$1,069,798) between the distribution amount of the employees' compensation and Directors' remuneration resolved at the meeting of Board of Directors on April 23, 2025 of NT\$171,419,363 and NT\$51,376,000 and the amount recognized in 2024 financial statements, respectively, mainly caused by the estimated difference, had been adjusted in the profit or loss of 2025. The employees' compensation is distributed in the form of cash.

3.1.7 Status of company buyback of corporate stocks:

The results of the Share Buyback, Incentive Plan, and Share Retirement Plan in 2025 and 2026 are as below:

5/1/2026

Series	the first repurchase in year 2025	the second repurchase in year 2025	the first repurchase in year 2026	the second repurchase in year 2026
Board resolution date	02/05/2025 (Taiwan Time)	02/05/2025 (Taiwan Time)	02/10/2026 (Taiwan Time)	02/10/2026 (Taiwan Time)
Purpose of repurchase	Transferring to the employees	Maintaining the Company's credit rating and the shareholder's equity	Transferring to the employees	Maintaining the Company's credit rating and the shareholder's equity
The set repurchase period	Between 02/06/2025 and 03/14/2025	Between 03/17/2025 and 04/02/2025	Between 02/11/2026 and 03/09/2026	Between 03/10/2026 and 04/10/2026
The set repurchase price range (Share)	NT\$495 to NT\$1,110	NT\$495 to NT\$1,110	NT\$360.5 to NT\$857	NT\$360.5 to NT\$857
The set maximum repurchase shares	1,100,000 common stocks	1,100,000 common stocks	1,100,000 common stocks	1,100,000 common stocks
Accumulated number of shares already repurchased	1,100,000 common stocks	1,100,000 common stocks	1,100,000 common stocks	1,100,000 common stocks
Value spent on the repurchase	NT\$760,343,903	NT\$737,299,114	NT\$573,906,736	NT\$562,226,701
Accumulated number of shares already repurchased to the set maximum repurchase shares (%)	100	100	100	100
Number of shares transferred and cancelled	210,673 shares	1,100,000 shares	0 share	1,100,000 shares

Series	the first repurchase in year 2025	the second repurchase in year 2025	the first repurchase in year 2026	the second repurchase in year 2026
Accumulated number of shares already repurchased	2,593,192 common stocks			
Accumulated percentage of repurchased shares to total number of shares issued (%)	3.28			

3.2 Status of issue and private placement of "corporate bonds" (including overseas corporate bonds)

None

3.3 Status of issue and private placement of "preferred shares"

None

3.4 Status of participation in the issue and private placement of "overseas depository receipts"

Items		Description	
Issuing Date		7/24/2012	
Issuance & Listing		Luxembourg Stock Exchange	
Total Amount (US\$)		58,620,160	
Offering Price Per GDR (US\$)		11.17	
Units Issued		5,252,000 units (Note)	
Underlying Securities		Outstanding Common Shares from Selling Shareholders	
Common Shares Represented		5,252,000 common stocks (Note)	
Rights & Obligations of GDR Holders		Follow the Prospectus	
Trustee		Not Applicable	
Depository Bank		The Bank of New York Mellon	
Custodian Bank		Mega International Commercial Bank	
GDRs Outstanding		0 units	
Apportionment of Expenses for Issuance & Maintenance		Follow the agreement of Depository Bank and Custodian Bank.	
Terms and Conditions in the Deposit Agreement & Custody Agreement		According to the agreement, the Company will provide the necessary public information to Depository Bank, and Depository Bank will inform the GDR Holders.	
Closing Price Per GDR (US\$)	2025	High	28.60
		Low	13.70
		Average	21.11
	1/1/2026~4/30/2026	High	20.62
		Low	14.49
		Average	17.01

Note: Including 4,000 common shares issued by stock dividend on October 9, 2013.

3.5 Status of issue and private placement of employee stock options and employee restricted stock awards

3.5.1 Employee Stock Options:

As of the date of printing of the annual report, there are no unexpired employee stock option.

3.5.2 Accumulated till the printing date of the annual report, the name of executives and employees who has obtained employee stock options, and whose exercise of options is in the top 10:

None

3.5.3 From the most recent three years and up to the date of annual report printed, the exercise of private placement of employee stock options:

None

3.5.4 Employee Restricted Stock Awards Plan:

5/1/2026

Types of Employee Restricted Stock Awards Plan	2020 Employee Restricted Stock Awards Plan			
Approval Date by The Securities and Futures Bureau	7/15/2020			
Grant Date	7/29/2020	10/28/2020	2/3/2021	4/28/2021
New Shares Issuance Date	8/19/2020	11/18/2020	2/23/2021	5/18/2021
Issued Shares of Employee Restricted Stock Awards	709,350 shares	4,700 shares	8,200 shares	77,750 shares
Issue Price (NTD)	0	0	0	0
Percentage of Issued Shares to Outstanding Common Shares	0.90%	0.01%	0.01%	0.10%
Regulations for setting the terms and conditions of restricted stocks for employees	<p>The RSAs granted hereunder will be vested at the equal rate of 25% per year over four (4) years from the RSA vesting commencement date. Each 25% will be vested on the anniversary of the RSA vesting commencement date provided that such grantee employee continuously serves the Company or the subsidiary wholly owned by the Company to each corresponding anniversary.</p> <p>The chairman shall propose and submit the respective RSA vesting commencement date to the Board of Directors of the Company for the approval. The RSA vesting commencement date is not required to be the date when the RSA is granted, the date when the Board of Directors approves such grant, or the date when the grantee employee was on board.</p>			
Restrictions before the vesting conditions are fully satisfied	<p>(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.</p> <p>(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).</p>			
Custody of RSA Shares	<p>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.</p>			
Effect in the event of any non-satisfaction of vesting conditions	<p>If the vesting conditions are not fully satisfied, or 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 RSAs at no consideration, and then shall cancel such RSAs.</p>			
Cancellation RSA Shares	51,088 shares	800 shares	1,475 shares	12,425 shares
Vested RSA Shares	658,262 shares	3,900 shares	6,725 shares	65,325 shares
Unvested RSA Shares	0 share	0 share	0 share	0 share
Percentage of Unvested RSA Shares to Outstanding Common Shares	0.00%	0.00%	0.00%	0.00%

Types of Employee Restricted Stock Awards Plan	2020 Employee Restricted Stock Awards Plan			
Impact to Shareholders' Equity	Numbers of granted shares are only 0.90% of total issued shares of outstanding common shares. The impact to shareholders' equity will be gradually diluted.	Numbers of granted shares are only 0.01% of total issued shares of outstanding common shares. The impact to shareholders' equity will be gradually diluted.	Numbers of granted shares are only 0.01% of total issued shares of outstanding common shares. The impact to shareholders' equity will be gradually diluted.	Numbers of granted shares are only 0.10% of total issued shares of outstanding common shares. The impact to shareholders' equity will be gradually diluted.

3.5.5 Accumulated till the printing date of the annual report, the name of executives and employees who has obtained Employee Restricted Stock Awards, and whose exercise of options is in the top 10:

5/1/2026; Unit: shares; NTD Thousands

	Title	Name	Shares obtained	% of obtained shares to total issued shares	Shares Vested				Unvested Shares			
					Shares	Issued price per share (NTD)	Total issued amount	% of shares vested to total issued shares	Shares	Issued price per share (NTD)	Total issued amount	% of unvested shares to total issued shares
Managements	Chief Executive Officer	Ji Zhao	1,819,100	2.30%	1,819,100	0	0	2.30%	0	0	0	0.00%
	President	Ming Qu										
	Vice President of Finance and Accounting	Kuowei Wu										
	Executive Vice President of Marketing	Jingwu Jimmy Chiu										
	Executive Vice President of Product Development	Ding Lu										
	Sr. Vice President of Worldwide Sales	Peter Oaklander										
	Sr. Vice President of TrueTouch Business	Joseph D. Montalbo										
	Sr. Vice President of Operations	Randy D. Baker (Note 1)										
	Vice President of Legal	Dale Edmondson										
	Vice President of Operation & General Manager of Parade (TW)	KP Yang										
	Head of Corporate Governance	Yo-Ming Chang										
Employees	Employee	Yong-Nien Rao	263,100	0.33%	263,100	0	0	0.33%	0	0	0	0.00%
	Employee	Ney Christensen										
	Employee	Kany-Jen Liu										
	Employee	Yung-Hsiang Yen										
	Employee	Yi-Hang Wang										
	Employee	Guo-Chen Huang										
	Employee	Xiang Chen										
	Employee	Kwong Yuen Chung										
	Employee	You-Ben Yin										
	Employee	Jian Wang										

Note 1: Mr. Randy D. Baker was removed on June 30, 2025.

3.6 Status of issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies:

None.

3.7 Status of implementation of fund utilization plan

The solicitation of funds through stock offering or private placements of stock or plans have been accomplished for the preceding quarter to the date of the 2025 annual report printed.

IV. Operational Highlights

4.1 Business Activities

4.1.1 Business Scope

(1) Main Content of Business

Parade is a high-speed mixed-signal fabless semiconductor company that designs, develops and sells next generation high-speed interface, display and touch solutions for computing, consumer and automotive markets.

(2) Summary of product revenue and percentage of sales

Unit: NTD in Thousands; %

Products	2025	
	Amount	Percentage (%)
High-Speed Interface Solutions	8,059,043	48.75
DisplayPort Timing Controller Series	6,298,526	38.10
Source Drivers	1,353,992	8.19
TrueTouch Controllers	819,487	4.96
Total	16,531,048	100.00

(3) Current Main Product Lines

1. Display Solutions

A. Embedded DisplayPort (eDP) Timing Controllers

- a. eDP 1.2 Timing Controllers
- b. eDP 1.3 Timing Controllers support Panel Self Refresh (PSR)
- c. eDP 1.4b Timing Controllers support Partial Panel Self Refresh (PSR2)
- d. Advanced eDP 1.4b timing controllers for higher resolutions, refresh rates & HDR
- e. Advanced eDP timing controllers for OLED notebook panels
- f. Advanced eDP 1.5 timing controllers with integrated in-cell touch/stylus controller
- g. Advanced eDP 1.5 timing controllers for gaming notebooks

B. DisplayPort LCD Timing Controllers

C. eDP Timing controller with Embedded source Driver (TED) for Notebooks

D. eDP Timing controller with Embedded Touch Tcon & source Driver (TTED) for Chromebooks & Notebooks

E. Advanced eDP timing controllers for OLED notebook panels

F. DisplayPort Format Converters

- a. DisplayPort (DP) / Embedded DisplayPort (eDP) to LVDS Converters

- b. DisplayPort to HDMI 1.4b Converters
- c. DisplayPort to HDMI 2.0 Converters with optional HDR function
- d. DisplayPort to HDMI 2.1 Converters with optional HDR function
- e. DisplayPort to VGA Converters
- f. MIPI DSI to eDP Converters
- g. DisplayPort (DP)/ Embedded DisplayPort (eDP) hub controllers
- G. DisplayPort Transmitters and Receivers
- 2. High-Speed Interface Solutions
 - A. DisplayPort
 - a. DisplayPort 1.4a, 2.0, & 2.1 Repeater, Retimer & Switch Products
 - b. DisplayPort to HDMI/DVI Level Translator
 - B. SATA
 - a. SATA Gen 3.0 Repeaters
 - C. PCIe/SATA/Ethernet
 - a. PCIe/SATA Gen 3.0 combo Repeaters
 - b. PCIe Gen 3.0 Repeaters
 - c. PCIe Gen 4.0 Redrivers
 - d. PCIe Gen 4.0 Retimers
 - e. PCIe Gen 4.0 Redrivers
 - f. PCIe Gen 5.0 Retimers
 - g. PCIe Gen 6.0 Redrivers
 - h. Active Copper Cable Redrivers up to 224G
 - D. HDMI
 - a. HDMI Switch Products
 - b. HDMI 2.0 & 2.1 Jitter Cleaning Products
 - E. USB
 - a. USB 3.0 5G Repeaters/Redrivers
 - b. USB 3.1 10G Retimers
 - c. USB 3.2 Jitter clean repeaters
 - d. USB Host Controllers
 - e. USB Hub Controllers
 - f. Integrated PD 3.1, USB Hub & DisplayPort to HDMI 2.0 Converter
 - F. USB Type-C
 - a. USB 3.0 Type-C mux with DP alternate mode redriver
 - b. USB 3.1 Type-C retimer with DP alternate mode redriver
 - c. USB 3.1 Type-C retimer with DP alternate mode
 - d. USB 3.2 Type-C linear redriver with DP alternate mode
 - e. Power Delivery 3.0 & 3.1 Controllers
 - f. USB4 20G retimers & switches

- g. USB4 20G linear redriver
 - h. USB4 40G linear redriver
3. Source Drivers
 - A. Scalable Intra Panel Interface (SIPI™) Source Drivers with features such as
 - a. 1026, 1152, 1446, 1452, or 1926 channels
 - b. 18/24-bit per pixel, 1/2/4-lane, data rate up to 2.45 Gbps, COG or COF
 - c. 6/8-bit per color, plus Programming Gamma
 - d. Full, half AVDD (Analog VDD), positive/negative AVDD up to +/- 7V
 - e. Supports 1:1 mux for a-Si panel and 1:2 or 1:3 mux for LTPS/Oxide panel
 - B. Integrated-Stream Protocol (iSP) Source Driver
 - C. Touch Source Drivers with integrated display source drivers and touch channels
 4. TrueTouch Controllers
 - A. Single touch, two-finger touch and multi-touch for screen size from 1.5~10.1”
 - B. Passive stylus, wet finger tracking, water proofing
 - C. Charger noise immunity
 - D. Supports rigid and flexible OLED panels
 5. Automotive Solutions
 - A. USB-C Sink Switch with USB 3.1 Gen 1 / DP alternate mode redriver
 - B. USB-C Host Switch with PD 2.0, USB 3.1 Gen 1 / DP alternate mode redriver
 - C. PCIe Gen 3 & Gen4 redrivers
 - D. HDMI 2.0 retimers
 - E. HDMI 2.0 redrivers
 - F. DisplayPort 1.4a to HDMI 2.1 Converter
 - G. DisplayPort to LVDS Converters
 - H. DisplayPort/Embedded DisplayPort hub controllers
 - I. DisplayPort 1.4a & 2.1 Retimer with 2:1 input Mux
 - J. Automotive TrueTouch Controllers
- (4) Prospective New Products Development
1. DisplayPort Based Solutions
 - A. Next Generation eDP 1.5 timing controllers for OLED panels
 - B. DisplayPort Hub Controllers
 - C. DisplayPort to LVDS controller with integrated LCD local dimming Controller
 - D. Next Generation DisplayPort to HDMI 2.2 Format Controller
 2. High-Speed Interface Solutions
 - A. USB
 - a. Next Generation USB2 level shifters
 - b. Next Generation USB Type-C Switches
 - c. Next Generation USB4 Dock Controller

- d. Next Generation USB4 retimers
- B. DisplayPort
 - a. Next Generation DisplayPort repeaters
 - b. Next Generation DisplayPort switches
 - c. Next Generation DisplayPort hub controllers
- C. HDMI
 - a. HDMI 2.2 retimers & redrivers
- D. PCIe/Ethernet
 - a. Next Generation PCIe Retimers & Redrivers
 - b. Next Generation Ethernet Redrivers
- 3. Source Drivers
 - A. Source drivers with SIPI 2.0 (Scalable Intra Panel Interface) protocol and integrated with touch AFE channels
 - B. Next Generation eDP Tcon with Embedded source Driver (TED)
 - C. Next Generation Touch and Tcon Embedded source Driver (tTED) for notebook or automotive panels
 - D. Next Generation Touch and Tcon Embedded source Driver for automotive panels
 - E. Touch and Tcon Embedded source Driver with local dimmer for automotive panels
- 4. TrueTouch Controllers
 - A. Next Generation TrueTouch Controllers
 - B. Next Generation Source drivers with SIPI 2.0 protocol and integrated touch AFE channels
 - C. Next Generation Touch and Tcon Embedded source Driver (tTED) for tablet or notebook panels
- 5. Automotive Solutions
 - A. DisplayPort to LVDS converter with integrated LCD local dimming controller
 - B. DisplayPort hub controllers
 - C. Next Generation DisplayPort redrivers
 - D. Next Generation Touch and Tcon Embedded source Driver (tTED)

4.1.2 Industry Overview

(1) Current Markets

Parade is focusing on the mobile computing market, which includes notebooks, personal computers, tablets, and smartphones. Parade is also entering the server & datacenter markets with PCIe repeater & retimer products plus automotive markets with selective high speed interfaces, touch and display products. There are four major market trends presenting significant challenges to many existing system and component suppliers. First, demand for ever-increasing bandwidth across digital interfaces used for video and/or

data connectivity is placing new challenges on interface chip designs and driving the requirement for signal repeaters. Second, demand for higher display resolution and higher display refresh rate drives requirements for higher performance and better functionality in display controller and source driver chips used in display panels, which, in turn, drives a need for new architectures, higher integration, and new process technology into the display silicon chip market. The third challenge is the demand for increasing system computation performance and greatly reduced power consumption, while still addressing the design requirements listed above, driven by sleeker/lighter system design with longer battery life. The fourth one is the integration of touch solutions with display chips to significantly reduce panel module form factor and the complexity of the total panel module manufacturing process and therefore to reduce the total display module BOM cost.

These trends are imposing disruptive changes on silicon architecture and component design requirements which are underpinning the growth of high-speed interface ICs, in particular high speed interfaces, display drivers, DisplayPort timing controllers and touch and display driver integration products for smartphone, tablet, notebook, data center, and automotive markets.

High-Speed Interface Devices

High-speed digital interfaces operating at multi-gigabit rates are now the norm for external connectivity between two devices and for internal connectivity between two embedded functional components. Examples of popular external interfaces include DisplayPort, HDMI (High Definition Multimedia Interface), USB (Universal Serial Bus), USB Type-C, Thunderbolt and USB4. For embedded applications, high-speed digital interfaces include PCI Express (PCIe), Ethernet, eDP (Embedded DisplayPort), as well as SATA and USB. Virtually all these interface standards have doubled their data rate over the last five years, and the demand for increased bandwidth will continue in the similar trend.

PCIe was recently updated from a maximum interface data rate of 5Gbit/sec (Gen 2), 8Gbit/sec (Gen 3), 16Gbit/sec (Gen 4), 32Gbit/sec (Gen 5), 64Gbit/sec (Gen 6), & 128Gbit/sec (Gen 7). The USB Promotor Group released the next generation interface USB 3.1 which increases data rate from 5Gbit/sec to 10Gbit/sec, USB 3.2 doubles the data transfer rate with 2 ports of 10Gbit/sec per lane or 20Gbit/sec per connector, USB4 increase the data transfer rate to 20Gbit/sec per lane or 40Gbit/sec per connector, USB4 Version 2.0 enables data rate at 40Gbit/sec per lane or 80/120 Gbit/sec per connector. DisplayPort is also increasing from 5.4Gbit/sec, 8.1Gbit/sec to 10Gbit/sec, 13.5Gbit/sec and 20Gbit/sec in DisplayPort 2.1 specification. HDMI 2.2 increases transfer speed from 12Gbit/sec to 24Gbit/sec. Moreover, Thunderbolt can reach 20Gbit/sec per lane with Thunderbolt 3 & Thunderbolt 4 utilizing two lanes to achieve 40Gbit/sec. USB4 V1 can also support

DisplayPort 2.0 and Thunderbolt 3 as legacy interfaces. USB4 V2 and Thunderbolt 5 support bandwidth up to 40 Gbps per lane, total up to 80 Gbps for transmitter and up to 80 Gbps for receiver. It also includes a flexible Bandwidth Boost mode which provide up to 120 Gbps transmit bandwidth and up to 40 Gbps receive bandwidth for video intensive applications.

Challenges imposed by the increasing data rates include signal distortion across the PCB (Printed Circuit Board) traces and interconnect cables, primarily due to bandwidth limitations through the transmission medium. Such signal distortion, along with signal noise caused by other increasingly fast adjacent signals, can result in data errors or display corruption. Designing robust high-speed digital transmitters & receivers that operate under these conditions is challenging, especially while consuming less power as demanded by smaller, lighter systems with longer battery life.

Another challenge of high-speed digital data transmission is RFI (Radio Frequency Interference) that causes interference with the wireless services within the same device. This problem has become a key focus as the number of wireless services increases, devices get smaller, and data rates increase. These further challenges circuit design of both the data interface transmitter and receiver.

Most of the digital interfaces introduced within the past decade, including USB, USB-C, USB4, PCIe, Ethernet, SATA, HDMI, DisplayPort and eDP, use low voltage signaling that allows direct integration of the interface into system, display and peripheral chips. However, because of the very high data rates, a signal repeater device is often needed somewhere along the signal path, particularly for implementations using long PCB traces, long interconnect cables, or more complex routing topologies, such as the use of a docking station. Some older interfaces, including LVDS, DVI, HDMI 1.4b often require dedicated interface devices to handle high voltage signaling, and repeaters are commonly required here as well.

Hence, while interface standards are increasing their data rates, CPU and GPU vendors, as well as contract manufacturers, will increasingly rely on high-speed interface ICs to ensure that their devices function reliably, consuming less power at reasonable cost. Recently, USB Type-C which merges USB3.1 traffic and DisplayPort display data as well as Thunderbolt on the single connector with power delivery capability dramatically improves high-speed communication efficiency and user experience. USB4, leverage the same USB Type-C connector merge DisplayPort, Thunderbolt and native 20Gbit/sec or 40Gbit/sec data and video packets, will be next generation mainstream external interface for all desktop and portable computing devices. As such, industry demand for high-speed interface ICs can be expected to grow faster than the overall computing market.

The emerging high speed links in AI datacenter that leverage PCIe, PCIe-like, Ethernet or Ethernet-like interface standards such as NVlink, UAlink, ... between GPU and GPU, CPU and CPU, DPU and DPU, or accelerators and switches, generate tremendous demand of PCIe/Ethernet retimer and redriver on system boards and high speed ACC/AEC cables. By leverage of high speed and very low power nature of linear driver technologies versus retiming based technologies, the market demands of AI datacenter with high speed linear driver should continue to grow in the upcoming years.

Display Driver and Timing Controller requirements

DisplayPort, USB-C, & USB4 continues to gain market share as the external computer video interface over VGA, DVI and HDMI. eDP, which uses the same electrical interface on the GPU or CPU, dominates over LVDS (Low Voltage Differential Signaling) as the embedded display interface between the motherboard and display panel in notebooks, tablets, and all-in-one computers.

LCD panels used in these embedded display systems include a display driver function known as a Timing Controller (Tcon) chip. The Tcon receives digital video from the system GPU, then controls the LCD panel timing, and outputs pixel data to another set of chips known as source drivers. Over the last decade or so, Tcons have been low complexity devices, in general, produced on inexpensive, large geometry processes by low-margin, high volume chip vendors in Asia. However, changes in system requirements are now disrupting this established supply chain. Single chip eDP Tcon with Embedded Driver (TED) is a new market trend for mainstream and high end notebook with very slim bottom bezel that leverage LCD panels with Low Temperature Polycrystalline Silicon (LTPS), Oxide, or a-Si Thin Film Transistor (TFT) technology. Furthermore, market continue to demand thinner portable devices which driver to reduce thickness of LCD panel that create a new category of touch and Tcon Embedded Driver (tTED) which leverage the in-cell touch technology integrated with display panel and eliminate an extra touch sensor layer to make the overall panel thickness and formfactor smaller. For the main-stream a-Si and Oxide LCD panels, in-cell touch technology can also be achieved by multiple components like existing architecture with touch AFE integrated into source drivers plus touch controller and MCU integrated into or separated from eDP Tcon controller.

The migration from LVDS to eDP has been one major disruption in the Tcon market. LVDS has served as the embedded display interface for over 10 years. The primary driver for the change to eDP is the shrinking process geometries of the motherboard video source chips, such as GPUs, or CPUs with integrated GPU. With the deep-submicron geometries used in such devices, supporting the higher voltage level of LVDS is difficult. Utilizing a higher data rate, eDP also requires fewer wires and device pins, and through the use of data scrambling it generates less EMI (Electromagnetic Interference) and RFI, thereby

reducing the requirement for bulky shielding. Being packet-based, similar to data communications protocols, eDP also enables newer features not previously implemented in a display interface.

The higher eDP data rates also support the trend to higher display resolutions, higher refresh rates mainly for gaming applications, and greater pixel depth for High Dynamic Range (HDR) video, meaning more bits per pixel. Without eDP this higher performance would be difficult, as the use of LVDS would result in unacceptably higher wire & pin counts, as well as high power dissipation.

The biggest hurdle facing eDP for most of the existing Tcon vendors is the increased level of complexity. Unlike LVDS, which uses a very simple pixel transport protocol, eDP is much more complex, using a packet-based protocol, carrying both pixel and control data, similar to that used in data communications. eDP also operates over fewer wires at a higher data rate, which requires high calibered high-speed data receiver and equalizer expertise compare to legacy interfaces such as LVDS, & DVI.

Changes have also occurred in the data buses on the backside of the Tcon, on the pixel data buses between the Tcon and LCD source drivers, also known as the intra panel interface. Over the past, the mini-LVDS and RSDS buses have been replaced with higher speed serial point-to-point buses such as SIPI® that have reduced the number of device pins and signal traces, and reduced power. SIPI 2.0 further enhanced the function with embedded touch raw data return channel from touch source driver back to either eDP Tcon or embedded MCU for touch data processing reporting.

Demands for even further reduction in system power add to the functional requirements of the Tcon. This includes Variable Refresh Rate (VRR), a full frame “Panel Self Refresh” (PSR) or partial “Panel Self Refresh” (PSR2) function that includes the use of a video frame buffer for an entire frame of the image or partial frame of the image within the eDP Tcon, enabling the GPU to shut down and save power during dynamic and static (not changing) images. Image compression is also being added to the video interface, which means decompression is needed in the display. And there are other functions, including automatic backlight control and various video processing algorithms, such as contrast improvement, High Dynamic Range (HDR), and local dimming control to both reduce power, improve display color accuracy.

With eDP Tcon Embedded Driver (TED) technology, panel makers are able to reduce bottom bezel space by mounting the TED directly on the TFT glass. This simplifies the flexible PCB connection between the TFT glass and the traditional “Tcon Board” and reduces the “Tcon Board” PCB space, leaving only the LCD backlight driver & miscellaneous power circuitry. Due to the very challenging high-speed signal transmission loss on COG, there are significant challenges in high speed signaling for the eDP interface

on the TED. Successful eDP TED development requires deep knowledge of high-speed interface technologies. An additional advantage of TED Chip On Glass (COG) is that it is capable of driving a Full HD, Quad HD, or WUXGA LTPS/Oxide display in landscape format with a single chip versus five or three, (depending on the TFT configuration) chips with the traditional discrete solutions. The new touch and Tcon Embedded Driver (tTED) further reduce the complexity by eliminate the “Touch Controller Board” to reduce PCB space and eliminate the extra touch sensor layer to reduce the overall thickness of touch and display panels.

(2) The upstream and downstream parts of the industry

Parade is a fabless IC design house, and as a result, we rely on 3rd party manufacturing partners to manufacture, package and test our products. After testing, we sell our finished goods, directly or through distributors, to original equipment manufacturers (OEMs), original design manufacturers (ODMs) and system design houses that use our products in their systems.

(3) Development trends and competition for the company’s products

(1) Display driver and DisplayPort Timing Controller

Parade was the first company to have eDP-enabled Tcon products in production, and all of our Tcon products today use the eDP or the DisplayPort interface. Our eDP- and DisplayPort-based display solutions are sold primarily into notebooks, tablets, all-in-one PCs, and LCD Monitors. We offer both standard and custom Tcon products, built to system OEM or panel OEM specifications. For embedded display applications, our primary eDP Tcon competitors include Analogix, Novatek, Mediatek, Fiti Power, Raydium, and Himax. Our eDP receiver performance and error-free robustness remains the highest.

Parade continues to lead the eDP Tcon market in unit volume and number of panel customers. In addition, we have introduced a few of generations of eDP version 1.4b & 1.5 devices, which include frame buffer memory for the PSR function. Most of those devices are in mass volume production and have been increasing the penetration in the traditional Notebook & 2-in-1 Tablet market.

Leveraging our leading technology of SERDES and DisplayPort, Parade has developed a point-to-point intra panel interface for use between the Tcon and LCD source drivers. Known as SIPI (Scalable Intra Panel Interface), it represents the industry’s first point-to-point intra panel interface with embedded clocking. SIPI leverages Parade’s SERDES and DisplayPort expertise. Parade now offers SIPI

interface on most Tcon products, and has also introduced SIPI-based LCD source driver products. Used together, these new eDP Tcon and SIPI source driver products offer a competitive solution for thin and light high-resolution notebook or tablet LCD panels. The next generation of SIPI 2.0 interface has introduced a fast return channel from source driver back to eDP Tcon or external MCU. SIPI 2.0 will enable next generation high resolution LCD panels with integrated in-cell touch and stylus functions.

Future eDP Tcon products will address ever-higher levels of integration and panel resolution using finer process geometries. Such performance demands are being made by our committed reference design partners, system OEM customers, and panel OEM customers, particularly for the fast growing thin-and-light notebook and handheld device markets.

Through the introduction of TED (Tcon Embedded Driver) products line, Parade became the leading supplier of highly integrated display solutions for extreme low power, thin and light notebook LCD panels. Leverage our success of TED products line, the tTED (touch and Tcon Embedded Driver) will pave our leading position on highly integrated display solutions for ultra-portable and mainstream notebook markets with finger touch and stylus functions.

(2) High-Speed Interface Devices

Utilizing our experience in the area of SERDES (Serializer/Deserializer) design, Parade has played an important role in enabling these new high-speed data interfaces into the personal computer, tablet, and server markets. In particular this applies to DisplayPort, USB, SATA, HDMI, USB Type-C, USB4 PCI Express and Ethernet with interface solutions that include signal repeaters, retimers, format converters, muxes, switches and splitters. All of our devices in this category utilize proprietary embedding signal equalizer technology in the data receiver that removes signal distortion and further enhances the ability to achieve error-free signal recovery. The primary competitors in this market include Texas Instruments (TI), NXP, AS Media, Analogix, Diodes, Nuvoton, Phison, Astera Labs, VIA Labs, Genesys Logic, Macom, & Semtech. Parade has sustained a large market share in this area by maintaining competitiveness in regards to time to market, signaling and EMI performance, power consumption, package size, quality, reliability, and pricing.

Parade has introduced new unique signal repeaters that, in addition to equalization, remove signal timing jitter introduced by adjacent signals or other digital functions within the video source. These “Jitter Cleaner” products target HDMI interconnect applications, which are particularly sensitive to timing jitter at the higher data rates specified by HDMI version 1.4, 2.0 and 2.1. The jitter cleaner products have enabled

personal computer vendors to offer HDMI 1.4 at the full 3Gbit/sec interface rate to support Ultra HD (4K x 2K) displays at 24-bit RGB color format and 30Hz refresh rate, and 1080p 3D displays. We are now extending this unique technology further to the more advanced HDMI 2.0 market at the full 6Gbit/sec interface rate for UHD displays with up to 60Hz refresh rate. The new HDMI 2.1 repeater product cover 4K at 120Hz refresh rate for gaming application or 8K TVs. We also have a jitter cleaning level shifter, which is required for the Type 2 Dual-Mode DisplayPort cable adaptor, as defined by the new VESA (Video Electronics Standards Association) Dual-Mode DisplayPort standard that Parade helped to develop. Parade dominates in the area of cost effective HDMI jitter cleaning products for the computer or CE markets.

We continue to expand out DisplayPort interface devices, including repeaters, jitter cleaning repeaters, muxes, demuxes, and hub that are widely used in Desktop computers, Monitors, all-in-one PCs, notebooks, tablets, and computer peripherals. Our offering of HDMI interface devices has grown with the addition of new repeaters, including those with jitter cleaning and ultra-low power consumption targeting notebooks and tables, as well as demuxes and switches. We have expanded our SATA/PCIe repeater product line to serve embedded hard disk drive and SSD (Solid State Drive) applications in the server, workstation, desktop and notebook markets. We also have expanded our USB, USB Type-C & USB4 solutions with new USB4 retimers, USB4 redriver, USB4 dock controller, new USB 3.2 retimer IC, and USB Type-C retimer based switch ICs that are optimized for next generation desktop, smart phones, tablets and ultra mobile devices. The PCIe Gen4 & Gen5 create new opportunities for high speed retimers within the server platforms. We are offering x4 and x16 PCIe Gen 4 retimers 4-channel PCIe Gen 4 & Gen 5 redriver plus x16 PCIe Gen 5/6 retimer, x16/x8/x4 PCIe Gen 5/6 redriver products for server and datacenter applications.

We offer a full spectrum protocol converter product line. This includes new highly integrated PD controller, USB hub and DP-to-HDMI 2.0 adapters, USB-C-to-HDMI 2.0/2.1 with HDR, DisplayPort-to-HDMI 2.0/2.1 with HDR and DisplayPort-to-VGA converters for cable adaptors, motherboards, and graphics cards; and DP/eDP-to-LVDS converters for embedded or automotive display applications. These devices serve the growing number of GPUs and CPUs that no longer support VGA, LVDS and HDMI outputs, due to smaller process geometries, but instead support DisplayPort/eDP as the universal display interface. We also developed a MIPI DSI-to-eDP converter to serve the conversion demand for high resolution panels. ITE Tech., Synaptics, Kinetic, Capstone, and Realtek are major competitors for this device.

(3) TrueTouch Controllers

Parade acquired the TrueTouch business from Cypress Semiconductor in August, 2015. We currently offer TrueTouch IC products to customers in the mobile, consumer, industrial, and automotive markets. TrueTouch controllers can often be found in smartphones, tablets, smart watches, and digital cameras as well as printers, POS machines and mobile hot spots, etc. The competitors are Synaptics, Focaltech and Goodix etc. The touch technology has been evolving rapidly. We continue developing new touch technologies including touch and Tcon Embedded Driver (tTED), integrated Touch and Source Driver (TSD), Touch MCU, and integrated Touch MCU and eDP TCON (TTCON) product lines.

4.1.3 Technology and R&D profile

(1) Parade's R&D spending from the recent year up to the print date of annual report

Unit: NTD in Thousands; %

Item	2025	2026 Q1
R&D expenses (A)	2,909,870	728,164
Net revenue (B)	16,531,048	3,989,734
(A) / (B)	17.60%	18.25%

(2) Successfully developed technologies or products in the recent year to the print date of annual report

Year	R&D Achievements
2025	DP 2.1 Multi-Stream Transport (MST) hub controller for automotive
	USB4/TBT5 linear redrivers
	PCIe Gen6 linear redrivers
	USB4 40 Gbps linear redriver
	New DP 2.1 & HDMI 2.1 retimer/mux
	New integrated Tcon with Embedded Driver for notebook
	New in-cell touch, Tcon with Embedded Driver w/o frame buffer
	New in-cell touch Tcon with Embedded Driver with frame buffer
	New in-cell touch Tcon with Embedded Driver for automotive
	New SIPI sources drivers to minimized bottom bezel
	New SIPI sources drivers with embedded touch AFE for in-cell panels

4.1.4 Long- and Short-Term Business Development Plans

(1) Short-term business development plans

i. R&D strategies and plans

Within the Display Solutions segment, we plan to introduce next generation embedded DisplayPort 1.5 timing controllers, source drivers with the SIPI interface, that supports high-resolution and/or high refresh rate display and Single Chip eDP Tcon Embedded Driver, and touch eDP Tcon with Embedded Driver with Multi-Stream Operation capability for high end notebook, proliferate SIPI 2.0 solutions for touch and display integrated LCD panels. Within the High-Speed Interface segment, we plan to introduce next generation PCIe Gen7 linear redriver, PCIe Gen6 retimer, and next generation DisplayPort 2.1 and USB4 V2 retimer devices. Leverage IP acquired from Fresco Logic to introduce USB4 and highly integrated accessories products. We are also continue developing the next generation integrated products with display driver and TrueTouch technologies for the notebook and tablet market. Developing high speed interface and highly integrated display solutions with companion local dimming functions for automotive market. We will continue leverage in-house high speed IPs on advanced process nodes to expand customized ASIC on high speed interfaces and display related opportunities.

ii. Marketing strategies and plans

Our marketing strategy is to collaborate with top SOC vendors, major automotive, computer, tablet and smartphone OEMs and ODMs as well as LCD/OLED panel manufacturers by providing solutions that support high speed, advanced display and advanced touch technologies. We are actively participating and leading VESA DisplayPort and embedded DisplayPort standard development. Our marketing strategy also requires close collaboration with leading system vendors to provide standard-plus products. We also collaborate with leading CPU vendors to support next generation platform requirements on DisplayPort, PCIe, Ethernet, USB, USB-C, USB4, & HDMI interfaces and to provide leading LCD and OLED panel vendors with eDP Timing Controllers, SIPI Source Drivers, TED, tTED, TSD, & TCON devices, discrete TrueTouch controllers, USB PD, USB hub controllers and USB4 dock controller that enhance system performance and optimize overall system and panel electronics power.

iii. Production strategies and plans

We plan to continue to work closely with our 3rd party manufacturing partners globally to develop advanced package and silicon process technology and secure diversified capacity around the globe to support our future growth.

iv. Operation and financing strategies and plans

We intend to enhance global operation efficiency and cost reduction in order to be

more competitive, to gain more profitable, and to get more financial resources and also to enhance our cash balance.

(2) Long-term business development plans

i. R&D Strategies

The demand for high bandwidth, advanced display and touch technologies in mobile and server-related applications will continue to grow, therefore, our long-term strategy is to focus on developing high performance & low power SERDES, for high speed data and advanced display and touch technologies. We plan to invest in next generation SerDes, advanced timing controllers and display drivers and in integrating display and touch technologies for servers, smartphones, tablets, notebooks, automotive, and AI datacenter applications.

ii. Marketing Strategies

As we grow, we plan to continue to invest in our sales and marketing channel and our brand. We have significant relationships with leading LCD/OLED panel vendors, computer OEMs and CPU/GPU/DPU vendors and to continue to invest in those long-term relationships. We also plan to expand roadmap related to server applications and to continue to invest in and collaborate with major server and AI datacenter CPU/GPU/DPU vendors and OEMs. In parallel, we plan to qualify existing products and to develop new automotive specific products to serve automotive high speed, discrete touch, display, and highly integrated display applications. We also plan to expand our customer base by investing in sales and product support, including sales and support in Korea, Japan, Taiwan, China, EU and US.

iii. Production Strategies

We plan to maintain strong relationships with our manufacturing partners to support our long-term growth.

iv. Operations Strategies

We plan to use cash generated from our operations to invest in new technology and product development, as well as expand our sales, marketing and operations capabilities. Through a combination of marketing, production and product strategies, the company can significantly increase its overall operational efficiency, rapidly expand its business scale, and become a world-renowned IC design company. We will enhance the risk control, and fulfill the operating goals of stability, high-efficiency and flexibility, in order to build up the sound financial structure. In addition, we will also develop our international vision and administration skills, training international professionals, to further enhance our position as a world-class company.

4.2 Market, Production and Sales Overviews

4.2.1 Market Analysis

(1) Revenue by Geographic Region

Unit: NTD in Thousands; %

Countries	2024		2025	
	Revenue	%	Revenue	%
Taiwan	7,251,629	44.64	7,362,995	44.54
China	6,645,997	40.91	6,909,452	41.80
Korea	1,934,313	11.91	1,557,299	9.42
Japan	343,012	2.11	597,528	3.61
Others	70,694	0.43	103,774	0.63
Total	16,245,645	100.00	16,531,048	100.00

(2) Market Share of Main Products and Services

Based on product applications, our ICs are classified into three segments: display solutions, high-speed interface devices included high speed converters & USB hub, and TrueTouch controllers. Products relating to display solutions are timing controllers, or eDP Tcon, Touch and Timing Controller (TTCON), source drivers, Touch and Source Drivers (TSD), TED, tTED. Products relating to the high-speed interface are repeaters, redrivers, retimers, MUX, DeMUX, switches, level shifters, USB host controllers, USB4 dock controllers, USB hubs and PD controllers. High speed converters are DisplayPort hub controllers and the converters for DisplayPort to HDMI1.4 DisplayPort to HDMI2.0 or HDMI 2.1, etc. TrueTouch products include Gen4, Gen5 and Gen6 devices. While there was no official 3rd party market data describing market size and shares for the segments that we serve, we tried to make reasonable assessment based on collective industry data related to our product applications compared to our own sales. In 2025, we believe our sales of eDP T-CON and in-cell solutions still maintain the leading position in global market share; our sales of high-speed interface products also represent a strong leading position in the notebook and desktop market. We remain very focused on gaining & expanding TrueTouch and USB host and hub controllers market share.

(3) End Market Dynamics and Growth Potential

Parade's DisplayPort-based ICs, high-speed interface ICs and touch controller ICs, including DP/eDP Timing Controller, Hub, Converter, Repeater, Retimer, Source Driver, MUX, DeMUX, Level Shifter, etc., are primarily used in portable computing applications such as desktops, LCD monitors, all-in-one computers, laptops, servers, automobiles, tablet computers and smartphones.

The DisplayPort standard is compatible with a variety of industry standards. It is capable of replacing multiple adaptors and cables with a single connector and smaller form

factor, providing better coding and data protection, and delivering a high-speed channel, supporting high definition video and providing total system power savings. Given all the benefits mentioned above, DisplayPort has quickly gained market traction since its introduction. Currently Intel, AMD, Qualcomm and NVIDIA all have integrated DisplayPort into their Graphics ICs and DisplayPort already replace DVI and VGA and eDP replace LVDS. Large OEMs like HP, Dell, Apple, Lenovo, Asus, & Acer also fully embrace DisplayPort and/or eDP. Due to its special characteristics, such as low-voltage signaling and AC coupling, DisplayPort is ideal for shrinking process geometries. Currently, besides Parade, companies that support DisplayPort also include Intel, Mediatek, AMD, TI, NXP, Nvidia, Realtek, Samsung, Analogix, Qualcomm, Tyco Electronics, Keysights, and Unigraf. With broad supports from upstream manufactures to downstream OEM customers, DisplayPort & its derivative such as USB-C & USB4 are become the primary interface standard for computing, monitoring, and smartphone devices.

According to Parade's estimates, the eDP Tcon penetration rate in Notebooks was over 95% in 2019. eDP Tcon penetration rate in Notebook should already reach near 100% in 2025. We also observed the adoption of DP/eDP in automotive market is gaining traction at major OEMs. New advanced automotive-grade SOC for infotainment systems only support DP/eDP outputs. ODM/OEMs in automotive start to use DP/eDP to HDMI/LVDS converters to connect to legacy HDMI/LVDS display devices. Gradually, we believe automotive OEMs should start to adoption of DP/eDP based automotive displays.

(4) Competitive Niche

i. Engineering Expertise

Our engineering team has a long history of success in developing high-speed SERDES technology and display processing technologies and touch technologies for communications, display, touch, and TV applications. As the PC, tablet, smartphone, and automotive markets rapidly adopt high-speed interface standards like DisplayPort, SATA, PCIe, USB, USB-C and HDMI, and aggressively use advanced display and touch solutions, our ability to leverage our engineering expertise to develop high performance, low power, and integrated solutions would be a significant competitive advantage.

ii. Proprietary Technologies in High Speed Equalizer, Clock/Data Recovery and SIPI

We have developed a proprietary equalizer and clock/data recovery technology that utilizes an adaptive approach to amplify and recover high-speed signals in a cost-effective manner while still maintaining low power. Because computers use standard FR4 PCBs, CPUs need to rely on equalizer and clock/data recovery based solutions to maintain signal integrity for high-speed connectivity, which includes DisplayPort, SATA, PCIe, Ethernet, USB, USB4, and HDMI. Our ability to integrate our proprietary

technology into our DisplayPort as well as high-speed interface solutions is a significant competitive advantage.

We also developed a proprietary high-speed interface technology, SIPI, for intra-panel data transmission. The high-speed characteristics of SIPI demonstrate a unique capability to achieve speed performance on panel glass. Our source driver products based on the SIPI interface have gained market traction and are in mass production for worldwide top LCD panel makers. SIPI related high speed technologies for display and touch plus leading position in eDP Tcon products provides us great competitive advantage in the notebook and tablet display only and in-cell touch and display markets.

iii. Customer and Partner Relationships

Leveraging our proprietary technology and offering a unique level of quality and reliability, we have earned the trust of leading computer and smartphone OEMs and CPU vendors and have thus developed close relationships with them. Our strong reputation with customers and partners is a significant competitive advantage.

iv. DisplayPort Standard Leader

We are an active participant and leader in industry standard-setting organizations. As a member of VESA (Video Electronics Standard Association), Parade has made key contributions to the development of VESA's DisplayPort standard. We were one of the few companies to first develop DisplayPort-based solutions and we have successfully maintained our market leading position. The adoption rate of the DisplayPort standard is increasing rapidly within the embedded Display market. As a leader, we believe we have a unique ability to take advantage of the growth in the DisplayPort market by providing market proven eDP solutions with our "standard plus" strategy.

(5) Favorable and Unfavorable Factors to long-term development and the Solutions

i. Advantageous factors

- A. Broad and Deep High-Speed Product Portfolio
- B. High Barriers to Enter High-Speed Interface Markets
- C. Leading Customer Base
- D. Growing Market for High-Speed Solutions including DisplayPort
- E. Standard-plus development strategy for both generic and ASIC business
- F. TrueTouch, USB hub and PD IPs

ii. Disadvantageous factors and countermeasures

- A. Significant Competition – The semiconductor market is highly competitive and we expect significant competition for our Display and High-Speed Interface solutions in the future. Our strategy is to leverage our proprietary equalizer and clock and data recovery technology to develop higher performance, more highly integrated and

lower cost products in the future to maintain our competitive advantage.

- B. Customer Concentration – The majority of our revenue is currently driven by the top computer OEMs who have been early adopters of the DisplayPort standard. However, as the DisplayPort market proliferates, we expect more and more non-computing OEMs and ODMs will adopt DisplayPort, and, as a result, our customer concentration will be reduced.

4.2.2 Key Product Applications and Manufacturing Processes

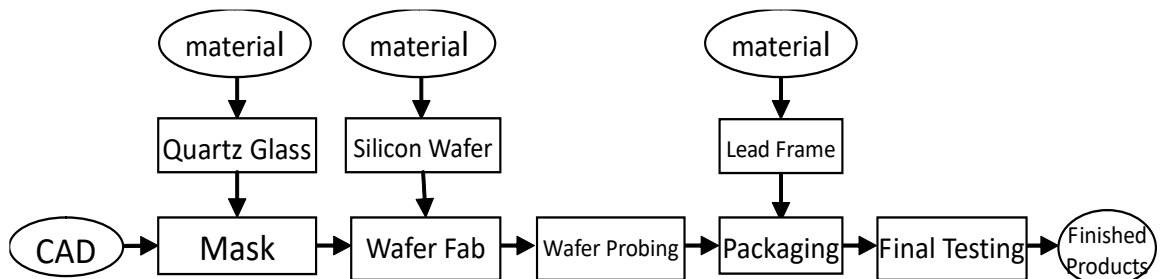
(1) Key Product applications

Product	Important Uses
DisplayPort Series	Provide high quality video signals to Source Driver and control signals to Gate Driver on LCD/OLED Panel based on DisplayPort standard
High-Speed Interface Solutions	Transmit error-free data for different high-speed interfaces, such as DisplayPort, USB, USB4, SATA, HDMI, PCI Express, and Ethernet, for personal computer, tablet, smartphone, automobile, server, and AI datacenter applications. The interface solutions include signal redrivers, retimers, protocol converters, hub, dock controller, muxes, and switches
Source Drivers	Convert digital data to analog voltage to charge each RGB sub-pixel to the correct gray level
TrueTouch Controllers	Reliable capacitive touch sensing with high noise immunity for consumer and automotive applications. Our products address discrete touchscreens sensors as well as displays with touch and display drivers integration

(2) Production Processes

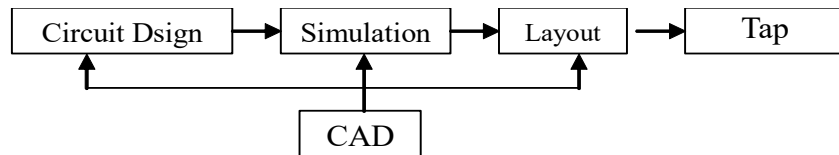
i. Manufacturing process flow chart

Since we are a fabless IC design company, we outsource both front end and backend manufacturing to 3rd party manufacturers. Chips that are produced by the wafer foundry need to pass a preliminary test to be moved on to packaging, and then be further delivered to subcontractors for a complete functional test. The Product manufacturing process flow chart is as below:



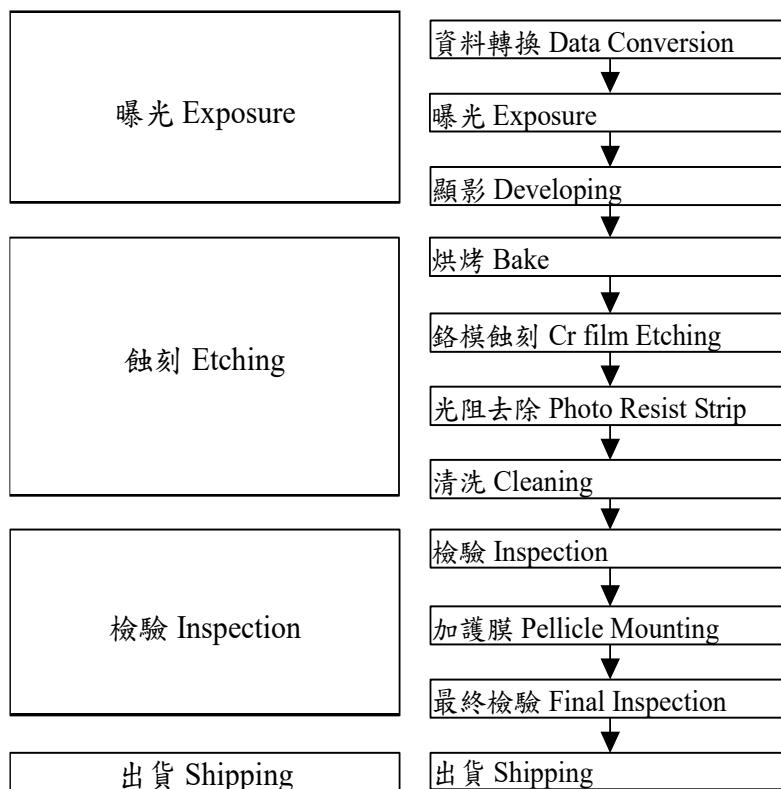
ii. Design process

IC products come from IC design. Designers design a simple, efficient layout through design aids such as CAD in order to satisfy the specification and functional needs of our customers.



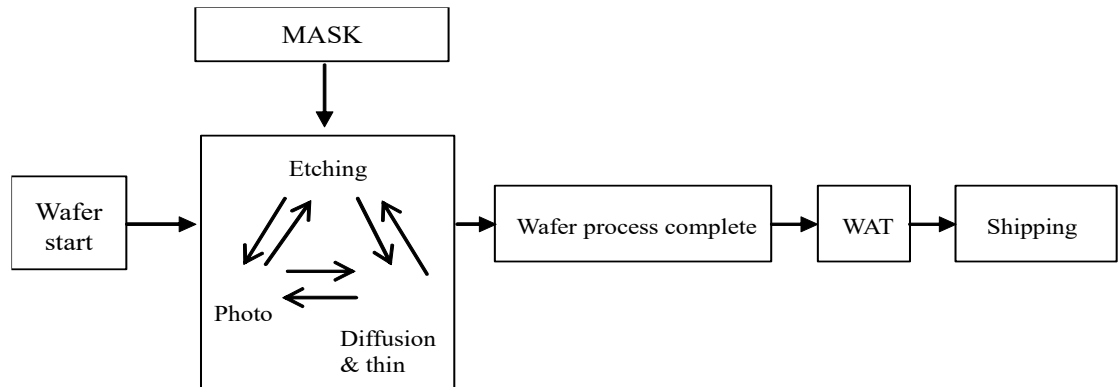
iii. Mask process

Circuit geometries that are designed will be stored in a database, and will be given to the mask company for mask manufacturing. The manufacturing process can be divided into four sections: exposure, etching, inspection, and shipping. Finished masks then will be delivered to wafer foundry for wafer fabrication.



iv. Wafer Process

Wafer fabrication is a fairly complicated process, but the process is still accomplished within the fab. Once IC design enters the tape-out stage, and masks are delivered, it goes through each process area of etching, photo, implant and diffusion using these masks to complete wafer fabrication. Finished wafers will then go through an electrical test; ones that pass the test will be shipped.



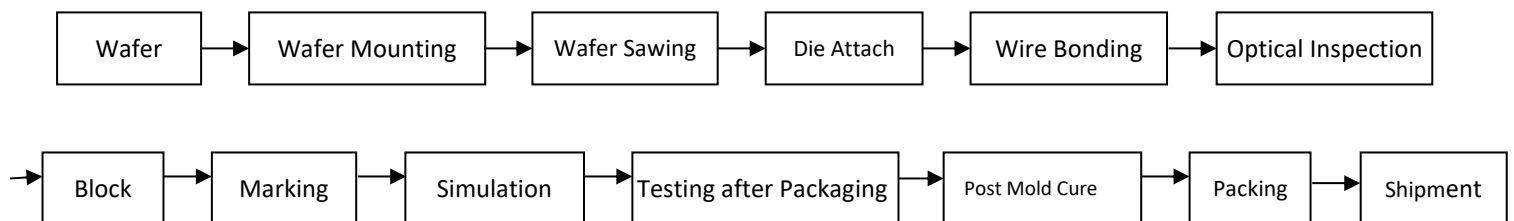
v. Testing process

Finished fabricated wafers will be sent to an outside wafer testing factory to distinguish good die and failed die.

vi. Packaging process

Good dice are packaged according to actual demands. The packaging process is shown below:

Packaging Process



4.2.3 Major Raw Material Supply Situation

- (1) Major raw material: wafer
- (2) Major supplier: B Corporation
- (3) Market condition: B Corporation is a global semiconductor foundry company that provides advanced manufacturing services and fine quality. The output quantity and production coordination are in line with the expectations and development of the Company.
- (4) Purchasing strategy:
 - i. Stable manufacturing process and higher yield can help the Company to effectively reduce cost, thus select suppliers with better product quality to benefit the Company.
 - ii. Select the wafer foundry that has the best combination of quality, cost and production efficiency to invest, in accordance with the Company's manufacturing process demand.
 - iii. Regularly review on market supply and demand to discuss products market prices and review product quality and services with suppliers.

4.2.4 Major suppliers and customers

- (1) Major supplier information of the suppliers that have accounted more than 10% of the total annual purchase in any given year over the past 2 years

Unit: NTD in Thousands; %

Item	2024				2025				2026 Q1			
	Supplier	Amount Purchased	Ratio of Total Net Purchases (%)	Relationship with the Company	Supplier	Amount Purchased	Ratio of Total Net Purchases (%)	Relationship with the Company	Supplier	Amount Purchased	Ratio of Total Net Purchases (%)	Relationship with the Company
1	B Company	4,987,290	79	None	B Company	4,600,942	78	None	B Company	1,074,318	81	None
2	Others	1,358,507	21	—	Others	1,328,095	22	—	Others	249,814	19	—
	Net Purchases	6,345,797	100	—	Net Purchases	5,929,037	100	—	Net Purchases	1,324,132	100	—

Explanation on the changes of purchase amount and percentage:

The main raw material that the Company purchases are wafers. For the past two years and as of the first quarter of year 2026, the proportion of purchases from Company B was approximately 70% and the purchase amount from Company B is growing as Company sales growth. There is no change to the established long-term and stable purchase relationship with Company B as it is one of the largest wafer foundries in the world and possesses an advanced manufacturing technology and a favorable lead time schedule. To obtain extra wafer capacity, our engineering teams worked hard to re-design and re-qualify

high volume products for different FABs. As a result, many important products are capable of being manufactured in multiple FABs.

(2) Major customer information of the customers that have accounted more than 10% of the total annual sales in any given year over the past 2 years

Unit: NTD in Thousands; %

Item	2024				2025				2026 Q1			
	Customer	Sales Amount	Ratio to Net Sales (%)	Relationship with The Company	Customer	Sales Amount	Ratio to Net Sales (%)	Relationship with The Company	Customer	Sales Amount	Ratio to Net Sales (%)	Relationship with The Company
1	A	5,755,244	35	None	A	6,723,371	41	None	A	1,648,637	41	None
2	K	5,107,461	31	None	K	4,012,781	24	None	K	866,683	22	None
3	D	2,077,486	13	None	D	2,384,441	14	None	D	743,743	19	None
4	B	1,596,517	10	None	B	1,206,505	7	None				
5	Others	1,708,937	11	-	Others	2,203,950	14	-	Others	730,671	18	-
	Net Sales	16,245,645	100	-	Net Sales	16,531,048	100	-	Net Sales	3,989,734	100	-

Explanation on the changes in customers:

In 2025, the Company's top three customers accounted for approximately 70% of our net operating revenues. These top three customers primarily consist of the distributors with who work to service the contract manufacturers for global brand end-customers as well as TFT-LCD panel producers who incorporate our chips as part of their display modules procured by the global brand end-customers. Since many of the global brand end-customers procure their panels from, and outsource the manufacturing of their products to, more than one panel producer and contract manufacturer, many different panel producers or contract manufacturers may purchase our chips either directly or via our distributors to meet the demand of the same global brand end-customer. As a result, the actual end-customers of our products (i.e. global brand end-customers) may account for an even greater percentage of our operating revenues, which would make our actual concentration of sales even higher. Utilizing our leading technology in display and high-speed interface, we directly work with a global brand system company to design in our products. This global brand system company has adopted our products. As high-speed interface and DP/eDP timing controllers are pretty new technology, it represents a major application shift in high-end electronic devices and consumer products. Due to the fact that the products introduced by the global brand system company were always leading the industry, our company has decided to have a close relationship with this global brand system company to develop our products and have a high proportion of sales with it. The changes of sales amount and percentage were mainly due to customer product demand change.

4.3 Employees

5/1/2026

Year		2024	2025	2026 (As of 5/1)
Number of Employees	Sales/ Management Staff	246	249	253
	R&D	509	526	521
	Total	755	775	774
Average Age		39.33	39.89	41.12
Average Years of Service		7.28	7.88	8.34
Education (%)	Doctoral	2.25	2.45	2.45
	Master	52.72	52.26	52.20
	University & College	44.37	44.65	44.70
	High School	0.66	0.64	0.65
	Below High School	0	0	0

4.4 Information on Environmental Protection Expenditures

4.4.1 List any losses suffered by the Company in the most recent fiscal year and up to the annual report printing date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: The Company did not receive any fines from the Competent Authority for pollution and environmental violations.

4.4.2 Explaining the current condition of pollution and the impact of its improvement to the profits, competitive position and capital expenditures of the Company, as well as the projected major environment-related capital expenses to be made for the coming two years: None.

4.5 Labor Relations

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

(1) Employee welfare

Parade is in accordance with relevant government regulations, and all its employees are covered by government mandatory insurance programs, such as social security insurance, labor insurance and national health insurance. In addition, Parade also provides necessary insurance plans for employees in accordance with local laws. To benefit our employees and allow us to stay competitive, the Company also takes industry practices

and local conditions into consideration and provides employees with localized insurance plans, such as medical insurance and life insurance, that are better than the statutory requirements. By providing these insurances benefits, employees can be more focusing on making every effort for the growth of the Company and their career.

In addition, Parade has planned congratulations and condolence allowance, quarterly birthday party, year-end party, festival gifts and souvenir for all the employees globally. The global travel insurance plan is also available for the employees' international business travel. In some operating locations, different benefits such as on-site parking, parking allowance or commute allowance are also provided. In Taiwan, for employees who live in designated cities, the Company arranged shuttle pick-up service to make it easier for employees to commute, and also achieve energy saving and carbon reduction through shared rides. Parade also complies with local regulations by providing the facility of lactation room at each operational site; therefore, employees can return to the workplace without worry or concern.

(2) Education and training

The Company holds internal and external training programs based on work requirement.

The employees training in 2025:

Unit: NTD			
Items	Persons	Hours	Amounts
New Employee Training	62	558	-
In-house Training	775	16,583	-
Professional Training	125	510	338,138
Total	962	17,651	338,138

(3) Retirement systems and the implementation

The Company establishes employee retirement systems in accordance with the applicable laws and regulations of each region in which it operates. The Company provides employees with individual pension contribution accounts, allowing employees to make monthly contributions to their retirement accounts, along with related insurance coverage to safeguard employees' retirement rights and benefits. The Company mainly operates in the United States , therefore follows the United States Social Security Program Rules, paying a part of salaries as Social Security Tax and Medicare/ Hospital tax. In addition, the Company provides individual employees 401K retirement plan. Employees can put their salaries into their 401K every month. The subsidiaries and branches in Taiwan, Hong Kong, China, Japan, Ireland and Korea follow the labor regulations of the country they located in. According to the Labor laws, each employee's monthly salary shall be contributed as labor pension by the employer so that could provide employees with retirement protection.

A. Retirement Benefit Regulations for Taiwan Branch (pursuant to the Labor Pension Act):

1. Standards for Pension Benefits

- (a) For years of service accrued before and after the implementation of the Labor Standards Act, pension benefits shall be calculated and paid in accordance with Article 84-2 and Article 55 of the Labor Standards Act.
- (b) Employees who elect to continue applying the pension provisions under the Labor Standards Act pursuant to the Labor Pension Act, or who retain years of service accrued prior to the implementation of the Labor Pension Act, shall receive pension benefits in accordance with the preceding provision.
- (c) Employees subject to the pension provisions of the Labor Standards Act who are subject to mandatory retirement under Subparagraph 2, Paragraph 1, Article 71, and whose physical or mental disability results from the performance of duties, shall receive an additional 20% pension payment in accordance with Subparagraph 2, Paragraph 1, Article 55 of the Labor Standards Act.
- (d) For employees covered under the Labor Pension Act pension system, the Company contributes monthly an amount equivalent to 6% of the employee's salary into the employee's individual pension account. As of the end of 2025, 67 employees voluntarily contributed to the labor pension program, representing 33.84% of all employees covered under the new pension system at the Company's Taiwan branch.

2. Voluntary Retirement

Employees may apply for voluntary retirement under any of the following circumstances (employees electing to apply the Labor Pension Act shall be handled in accordance with the same Act):

- (a) Having worked for more than 15 years and reached the age of 55.
- (b) Having worked for more than 25 years.
- (c) Having worked for more than 10 years and reached the age of 60.

3. Mandatory Retirement

The Company may not enforce mandatory retirement unless an employee meets one of the following conditions:

- (a) Reaching the age of 65.
- (b) Being mentally or physically incapable of performing job duties due to disability.

For employees engaged in hazardous or physically demanding work of a special nature, the age requirement set forth in the preceding paragraph may be adjusted upon approval by the central competent authority; however, such age shall not be less than 55.

4. Pension Payment

The Company's Taiwan branch shall pay retirement benefits to employees covered under the Labor Standards Act pension system within 30 days from the employee's retirement date.

An employee's right to claim pension benefits shall expire if not exercised within five

years from the month following retirement.

B. 401(k) Retirement Plan for U.S. Subsidiaries and Branches

For subsidiaries and branch offices located in the United States, the Company provides competitive retirement benefits to employees' 401(k) accounts through both employer matching and annual profit-sharing contributions, based on employees' salaries. In addition, the Company offers a Mega 401(k) plan, under which employees may make additional contributions up to the annual limit prescribed by the U.S. Internal Revenue Service (IRS). The maximum contribution limit for 2025 is US\$70,000.

C. Pension Plan for Ireland Branch

For branch offices located in Ireland, the Company contributes to employees' pension plans through employer matching contributions, providing a highly competitive contributions rate relative to employees' salaries.

(4) Agreements between labor and management and labor protection

The right and opinion of employee are highly valued by the Company. In order to maintain the two-ways communication, employee could communicate with management team or HR Dept. by open door policy or regular communication meeting. To respect personal privacy, the Company has allocated resources to implement a third-party anonymous reporting system. Therefore, there are no disputes between the employer and employee.

4.5.2 List any losses suffered by the Company in the most recent fiscal year and up to the annual report printing date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

Employee is the most valuable asset of the Company. The Company highly valued feedback and future development of employee. No disputes between the employer and employee have occurred.

4.6 Cyber Security Management

4.6.1 Cyber security management structure, cyber security policy, specific management plan, and resources invested in cyber security management:

(1) Cyber security management structure

The IT department of the Company is responsible for the cyber security management, including shaping the cyber security policy and implementing the cyber security procedures.

The internal and external audit of the information security cycle are carried out every year to ensure the effectiveness of the management system and comply with the statutory requirements. Internal audit results are regularly reported to the Audit Committee and the Board of Directors

(2) Cyber security policy

To protect the Company's intellectual property, internal applications, proprietary software, products, marketing, sales, financial, HR and other sensitive information, the Company has established the Internal Control Procedure of Computerized Cycle, and the IT Security Policy to achieve the following goals:

- ◆Confidentiality: Ensuring that only the authorized user can access information
- ◆Integrity: Ensuring that the information is accurate and consistent
- ◆Availability: Ensuring that the information and systems are available for authorized users when needed

(3) Specific management plan

Cyber Security Procedures	
Category	Related Actions
Network Security	<ul style="list-style-type: none"> - Adopt Zero Trust Security Model as company's information security guiding principle. Never trust; always verify regardless the access is on the primes or outside - Implement Zero Trust Network Access technology to validate network accesses are securely going through the identification, context and endpoint security posture pillars of verification - Ongoing security vulnerability scan on all technology stacks and remediating the security risks - Monitor and prohibit the installation of unauthorized software - Isolate servers in the Company's local area network, and protect with firewall and proxy servers - Implement firewall URL filtering automatically detects and prevents new and advanced web-based threats instantly - Implement firewall Wildfire protection provides real-time detection of previously unseen, targeted malware and advanced persistent threats

Cyber Security Procedures	
Category	Related Actions
Network Security	<ul style="list-style-type: none"> - Implement next-generation endpoint protection by unifying next-generation antivirus (AV), endpoint detection and response (EDR), and a 24/7 managed threat hunting - Regularly review system logs and track exceptions
Data Security	<ul style="list-style-type: none"> - Set complex passwords and enable multi-factor authentication mechanism for security - Application access is based on the least privileged security model and reviewed periodically - Encrypt confidential files - Monitor and prohibit unauthorized storage media from transferring data - Monitor email server for unauthorized data transmission - Establish the process of integrating security practices into each phase of the firmware development life cycle (FDLC) with GCP KMS, SonarQube and GitHub
Emergency Mechanism	<ul style="list-style-type: none"> - Mission critical data backup onsite, offsite and across geographic location - Perform and valid disaster recovery annually
Training	<ul style="list-style-type: none"> - Ask new employees to sign confidentiality agreements, and implement information security training - Promote the prevention of phishing and other security issues occasionally

(4) Resources invested in cyber security management

As of December 31, 2025, the Company had a total of 7 employees responsible for IT software and hardware maintenance and cyber security management. In 2025, the Company implemented IT weekly meetings to triage security incidents and provide the remediation.

Results of Information Security Measures Implementation in 2025:

Cyber Security Procedures
<p>Strengthening Network Access Security</p> <ul style="list-style-type: none"> – Implemented network access control mechanisms based on user identity and device attributes, strengthening network access governance and effectively reducing the risk of unauthorized access. <p>Implementation of Next-Generation Security Monitoring and Analytics</p> <ul style="list-style-type: none"> – Established an integrated security monitoring framework to improve real-time visibility and analysis of security events, enhancing awareness of the Company’s overall cybersecurity posture. <p>Enhancement of Firewall Protection Capabilities</p> <ul style="list-style-type: none"> – Strengthened protections against high-risk connections and potential threats, reducing the likelihood of malicious attacks and security incidents. <p>Completion of Security and Business Continuity Drills for Critical Systems</p> <ul style="list-style-type: none"> – Completed annual cybersecurity and business continuity drills for critical systems to validate the effectiveness of incident response and recovery procedures, ensuring operational stability. <p>Ongoing Cybersecurity Awareness and Training</p> <ul style="list-style-type: none"> – Conducted annual and periodic cybersecurity awareness and training programs to enhance employee security awareness and reduce risks arising from human factors. More than 4 awareness sessions were conducted during the year.

Cyber Security Procedures

Execution of Social Engineering Exercises
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- | |
|--|
| <ul style="list-style-type: none">- Completed annual social engineering exercises to assess employees' ability to identify common phishing attempts and fraudulent schemes, and to further strengthen organizational resilience against human-centric cyber threats. |
|--|

4.6.2 List any losses suffered by the Company in the most recent fiscal year and up to the annual report printing date due to cyber security incidents, and disclose possible impacts and measurements being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: The Company did not suffer any loss due to major cyber security incidents in the most recent fiscal year and up to the annual report printing date.

4.7 Corporate Social Responsibility

As a leading supplier of mixed-signal ICs for touch, display, and high-speed digital interface applications, Parade places a high priority on socially responsibility through proactive measures that ensure the highest standards of professional and ethical business conduct. Parade encourages a company culture that is conscientious toward stakeholders and environmental awareness, and Parade is committed to adhere to the following practices through integrated Company resources and continual improvement.

4.7.1 Legal Compliance

Parade and its employees are required to comply with all domestic and international personal data privacy, health, safety, and labor laws and regulations.

4.7.2 Freedom of Employment

All personnel are employed voluntarily without threat coerced employment and with the freedom to resign voluntarily at any time without recourse.

4.7.3 Treatment and Discrimination

We do not employ child labor, approve of verbally abuse, or allow coercion of employees. We also do not engage in or support discrimination in hiring, remuneration, access to training, promotion, termination, or retirement based on race, national or social origin, caste, birth, religion, disability, gender, sexual orientation, family responsibilities, marital status, political opinions, age, or any other condition that could give rise to discrimination.

4.7.4 Wages and Benefits

We comply with all wage relevant domestic and international regulations, and clearly disclose related management matters and documents to employees.

4.7.5 Health and Safety

We actively enable and ensure the health, safety, and cleanliness of the work environment.

4.7.6 Environment Standards

Active focus is maintained on environmentally friendly product designs and compliance with global environmental protection regulations.

4.7.7 Communication

We routinely use many internal and external communication channels in our daily business. Open communication is strongly encouraged between employees, customers, management, and investors. We periodically disclose the achievement or policies to external interest party through company web site, e-mail, or public announcement.

4.7.8 Moral Standards

The Company expects and accepts only the highest moral standards and employee integrity. Bribery, corruption, and artifice are strictly prohibited. The Company maintains the necessary policies and procedures to prevent, detect, and monitor such prohibited behavior. We respect and protect customer and corporate partner information and ensure the confidentiality of messages. We do not directly or indirectly make use of conflict metal from banned counties.

4.7.9 Intellectual Property and Confidentiality

The Company respects and protects the intellectual property, proprietary information, and confidential data of its customers, partners, and suppliers. Accordingly, Nondisclosure and Confidentiality Agreements are often executed between Parade and other parties.

4.7.10 Conflict Minerals Statement

Parade takes measures to avoid the use of Conflict Minerals, including requiring suppliers to conduct due diligence to confirm conformance and to regularly provide investigative reports based on the latest Conflict Minerals Investigation Template (CMRT) released by Responsible Minerals Initiative (RMI). Parade will work with the supply, if necessary, to find alternative sources for the Conflict Metals if they exist in the supplier's product. Parade gives close attention to the issue of conflict metals, following international convention, with social responsibility and preserving the rights of customers and as our objectives.

4.7.11 Stakeholder Engagement

Parade defines stakeholders as internal or external individuals or organizations that can influence Parade, or that can be influenced by Parade. Using this definition, we identify Parade's stakeholders to include employees, customers, suppliers, shareholders, and investors.

Stakeholder communication and engagement is integral to our sustainability strategy, and such actions ensure that we address current and emerging opportunities and risks in the markets in which we operate. Parade has established multiple transparent and effective communication channels with our stakeholders that help us to clarify priorities and develop policies. We also gain valuable feedback on how external stakeholders perceive our performance on sustainability issues.

In keeping with our commitment towards open communication with stakeholders, we welcome your comments regarding our performance toward corporate social responsibility.

For more information about corporate social responsibility, please refer to the Sustainability Report of the Company.

4.8 Important Contracts

Nature of Contract	Contractor	Commencement and Termination Dates	Major Content	Restrictive Provisions
Supplier Agreement	A Company	08/01/2008 (Remain in force unless either party takes the initiative to terminate the contract)	Product Research & Development	None
Supplier Agreement	B Company	07/11/2011 (Remain in force unless either party takes the initiative to terminate the contract)	Product Research & Development	None
Supplier Agreement	B Company	05/06/2014 (Remain in force unless either party takes the initiative to terminate the contract)	Product Research & Development	None
License Agreement	O Company (ARM)	08/01/2015 (Remain in force unless either party takes the initiative to terminate the contract)	Technology License	None
Agreement and Plan of Merger	Pinchot Ltd. and Fresco Logic, Inc.	04/22/2020 (Pacific Time) is the agreement date. Actual closing is subject to the completion of the closing conditions, which has occurred on 05/30/2020.	Cayman Subsidiary, Pinchot Ltd., merges Fresco Logic, Inc.	No non-customary restrictions
Supplier Agreement	B Company	6/30/2021-12/31/2029	Product Research & Development	In confidence
Supplier Agreement	B Company	9/14/2020-12/31/2029	Product Research & Development	None
Supplier Agreement	B Company	12/30/2024-12/31/2028	Product Research & Development	None
Supplier Agreement	R Company	10/1/2025 (Remain in force unless either party takes the initiative to terminate the contract)	Product Research and Development	None
Service Agreement	P Company	1/1/2021-6/30/2024	Manufacturing Service	None
Supplier Agreement	Q Company	5/31/2021-12/31/2025	Product Research & Development	None
Asset Purchase Agreement	Spectra7 Microsystems Inc.	03/07/2025 (Pacific Time) is the agreement date. closed on April 23, 2025 (Taiwan Time)	Purchasing IP and other assets specified in the agreement. With the strategical significance.	None

4.9 Other Matters Requiring Supplemental Information Disclosure

None

V. Review of Financial Status, Operating Results and Risk Management

5.1 Financial Status

Unit: NTD in Thousands

Subject \ Year	2024	2025	Difference	
			Amount	%
Current Assets	16,723,182	16,968,939	245,757	1.47
Non-current Assets	9,481,429	8,987,147	-494,282	-5.21
Total Assets	26,204,611	25,956,086	-248,525	-0.95
Current Liabilities	3,645,960	3,621,610	-24,350	-0.67
Non-current Liabilities	197,502	254,932	57,430	29.08
Total Liabilities	3,843,462	3,876,542	33,080	0.86
Share Capital	811,601	800,578	-11,023	-1.36
Capital Reserves	4,169,642	3,409,213	-760,429	-18.24
Retained Earnings	16,999,192	18,316,928	1,317,736	7.75
Other Equity	1,892,540	1,067,030	-825,510	-43.62
Treasury Stock	-1,511,826	-1,514,205	-2,379	0.16
Total Equity	22,361,149	22,079,544	-281,605	-1.26
<p>A. Description of major variations of accounting subjects (Accounting subjects fluctuate over 20% from previous year, and such change in amount exceeds NT 10 million dollars):</p> <p style="padding-left: 20px;">(1) Non-current Liabilities: Mainly due to the addition of lease liabilities - non-current.</p> <p style="padding-left: 20px;">(2) Other Equity: Mainly due to the exchange rate fluctuation in 2025, resulting in change in balance of currency translation differences of foreign operations.</p> <p>B. Variations of accounting items do not have a significant impact on the Company's financial condition.</p>				

5.2 Operating Results

Unit: NTD in Thousands

Subject \ Year	2024	2025	Change in Amount	% Change
Revenue	16,245,645	16,531,048	285,403	1.76
Cost of Goods Sold	9,342,425	9,496,312	153,887	1.65
Gross Profit	6,903,220	7,034,736	131,516	1.91
Operating Expenses	4,451,140	4,325,583	-125,557	-2.82
Operating Income	2,452,080	2,709,153	257,073	10.48
Total Non-operating Income and Expenses	355,081	273,241	-81,840	-23.05
Income Before Income Tax	2,807,161	2,982,394	175,233	6.24
Income Tax Expense	-215,038	-255,681	-40,643	18.90
Net Income for the Year from Continuing Operations	2,592,123	2,726,713	134,590	5.19
Other Comprehensive Income (Loss)	1,367,506	-832,361	-2,199,867	-160.87
Total Comprehensive Income for the Year	3,959,629	1,894,352	-2,065,277	-52.16

1. Description of major variations of accounting items (Accounting subjects fluctuate over 20% from previous year, and such change in amount exceeds NT 10 million dollars):
 1. Total Non-operating Income and Expenses: Mainly due to the decrease in interest revenue in 2025.
 2. Other Comprehensive Income (Loss) and Total Comprehensive Income for the Year: Mainly due to the exchange rate fluctuation in 2025, resulting in change in balance of currency translation differences of foreign operations.
2. Expected sales performance for next year with references; Main factors contribute to the Company's sales forecast in terms of the continuous growth/ decline:

As the demand for higher image transmission bandwidth and data transmission amount constantly increasing, the data rate for many well know high-speed interface such as DP, SATA, PCIe, HDMI and USB constantly move to faster. That cause strong demand for high-speed technologies to solve high-speed transmission problems. Those are benefit the Company revenue growth for its high-speed interface ICs and Display ICs.
3. Potential impact on the company's financial and sales performance in the future: No significant impact.

5.3 Cash Flows

(1) Analysis of the Change in Cash Flow in 2025:

Unit: NTD in Thousands

Initial Cash Balance (1)	Cash Flows from Operating Activities for the Year (2)	Cash Flows from Investing and Financing Activities for the Year (3)	Cash Surplus (Shortfall) (1)+(2)+(3)	Remedy for Cash Shortfall	
				Investment Plan	Financial Plan
10,531,902	3,419,069	-3,051,448	10,899,523	0	0

Analysis of the Change in Cash Flow in 2025:

- A. Net cash inflow of operating activities of NTD 3,419,069 thousands mainly results from the operating profit.
- B. Net cash outflow of investing activities of NTD 613,509 thousands mainly due to increase in other prepayments and acquisition of business combinations.
- C. Net cash outflow of financing activities of NTD 2,163,116 thousands mainly due to the distribution of cash dividend and purchase of treasury shares.
- D. Cash outflow for results from exchange rate adjustment of NTD 274,823 thousands.

(2) Describe how the Company plans to address any illiquidity problems:

The Company has no liquidity problems in the recent fiscal year.

(3) Provide an analysis of the Company's cash liquidity for the coming year:

There will be no liquidity problems for the coming year for the Company expects that the continuous cash inflow of operating activities in 2026 is enough to cover the cash outflow of financing and investing activities.

5.4 The impact of any material capital expenditures over the most recent fiscal year upon the Company's financial and operating condition

As the Company's operating status is good and the cash flows from operating activities are stable, the Company funds its major capital expenditures with cash flows generated internally, so it has no significant impact on the Company's financial and operating condition.

5.5 The Company's policy for the most recent fiscal year on investments in other companies, the main causes for profit/losses resulting therefrom, plans for improvement, and investment plans for the coming year

1. Policy for the most recent fiscal year on investments in other companies:

The company is focused on its core business operations.

2. Major reasons for profit/losses resulting and plans for improvement:

Investee Enterprises	2025 Investment Profit (Loss) (NTD in Thousands)	Reason	Improvement Plan
Parade (US)	187,931	Providing sales and marketing, general and administrative, and research and development services to the Company. 2025 revenue from the parent company for the services provided is NTD 1,259,007 thousands, and net income is NTD 187,931 thousands.	None
Parade (Korea)	1,000	Providing sales and marketing, general and administrative services to the Company. 2025 revenue from the parent company for the services provided is NTD 23,927 thousands, and net income is NTD 1,000 thousands.	None
Parade (SH)	4,280	Providing research and development services to the Company. 2025 revenue from the parent company for the services provided is NTD 749,654 thousands, and net income is NTD 4,280 thousands.	None
Parade (NJ)	(33,334)	Providing research and development services to the Company. 2025 revenue from the parent company for the services provided is NTD 513,914 thousands, and net loss is NTD 33,334 thousands.	None
Pinchot Ltd.	0	Providing administrative services to the Company. No revenue and net income in 2025.	None
Parade (CQ)	(3,777)	Providing research and development services to the Company. 2025 revenue from the parent company for the services provided is NTD 141,270 thousands, and net loss is NTD 3,777 thousands.	None

Note: Due to the adjustments of taxable income in accordance with local tax laws, these subsidiaries have net loss after tax. The Company will continue to monitor and optimize the performance of the subsidiaries.

3. Investment plans for the coming year: None.

5.6 Risk Management

1. From the most recent year till the printing date of the annual report, effects of changes in interest rates, foreign exchange rates and inflation on corporate finance, and future response measures:

- (1) Interest rate changes:

The Company's interest earnings for the year 2024 and 2025 are NTD 348,613 thousands and NTD 279,202 thousands respectively, accounting for 2.15% and 1.69% of total operating revenue, which is insignificant. There were no interest expenses for 2024 and 2025, and it is fair to say that changes in interest rate do not have major influence on the Company. If future operating needs require the obtainment of bank loans, both interest expense and the influence of interest rate changes on the Company will increase. The Company will constantly monitor the changes in interest rates in order to reduce the effects of interest rate changes on the profits and losses of the Company.

- (2) Exchange rate changes:

The main purchasing and selling of the Company is denominated in United States Dollars ('USD'). The account receivable and account payable from selling and purchasing transactions may cancel out each other, creating a natural hedge effect. The Company's foreign exchange gain (loss) for 2024 and 2025 are NTD 71 thousands and NTD (11,217) thousands respectively, accounting for 0.00% and (0.07)% of total operating revenue, which has limited influence on the Company's profits and losses.

The functional currency of the Company is the US dollar. Up to the printing date of the annual report, the change in fair value will be caused by fluctuations in the foreign exchange rate. But due to the distribution of cash dividends and the payment of local expenses at various operating locations, it is necessary to exchange US dollars for various foreign currencies, which exposes the Company to the risk of exchange rate fluctuations. To reduce the impact of exchange rate fluctuations on the Company's profit and loss, the Company continuously monitors market exchange rates through online real-time systems and strengthens its communication with financial institutions, so as to analyze exchange rate trends and respond promptly to the impact of exchange rate fluctuations.

- (3) Inflation

The Company's profits and losses have not been significantly influenced by inflation in the past. If inflation increases the cost of purchasing, the Company will make adequate adjustments to the selling price, hence inflation should not have major influence on the Company. In addition, the Company will refer to economic figures and reports from government and research institutes on regular and irregular basis, and review and organize the relevant information in order to provide reference to management level for making decisions.

2. From the most recent year till the printing date of the annual report, the main causes and response measures for engaging in high-risk and high-leverage investment, capital loans to another party, endorsement, or the policy, gains, and losses from derivatives trading:

The Company is focused on its core business operations, and follows a steady and conservative financial policy. The Company is not engaged in high-risk and high-leverage investments, does not have endorsements, or trade financial derivatives. The Company has laid down “Operational Procedures for Loaning of Company Funds”, “Operational Procedures for Endorsements and Guarantees”, “Operational Procedures for Acquisition or Disposal of Assets”, and “Operational Procedures for Financial Derivatives Transactions”, and with all resolutions passed at the shareholders’ meeting, the Company will refer to relevant proceedings when dealing with related operational procedures. Loans to external parties in 2025 are arranged in accordance with the Company's " Operational Procedures for Loaning of Company Funds " and are subject to the approval of the Board of Directors.

3. Future R&D projects and estimated costs:

For years the Company has been involved in the development of high-speed digital transmission interfaces and results are gradually being realized. Future development plans include:

- (1) Strengthen the development of products related to various new high speed interface standards.
- (2) Leverage USB4 to enhance the cascade connectivity between PC system, DisplayPort displays and its related data and human interface peripherals, so to broaden the adoption of USB4 interfaces.
- (3) Develop display driver and touch integrated product ICs.
- (4) Develop products with DP 2.1 specifications and increase its market acceptance.
- (5) Actively developing new generation of high-speed digital transmission technology, as well as signal repeater technology.
- (6) Actively developing enhanced touch and stylus technologies.
- (7) Develop automotive specific high speed interface and integrated touch and display products.

The Company’s R&D expenses for 2024 and 2025 accounts for 17.93% and 17.60% of total operating revenue. Depending on future product development projects, the Company will continue to invest in R&D resources for R&D projects in 2026.

4. Both home and abroad, changes in major political policies and laws with effect on the Company's business and financials, and response measures:

The Company is registered at the Cayman Islands. The subsidiary Parade (US) provides sales and marketing, general and administrative, and research and development services to the Company. Parade (NJ), Parade (CQ) and Parade (SH) located in China provide research and development services to the Company. And the Company has the subsidiaries in Korea, and the branch offices in Hong Kong, Taiwan, Japan, Washington, Oregon, Ireland, Beijing and Shenzhen, and products eventually reaching the United States, Europe, and other developed countries. The Cayman Islands has financial services as its main economic activity, United States and Mainland China are both major economic bodies in the world, Korea is the big export country for 3C electronic products (computers, communication, and consumer electronics) and automobile, and Hong Kong has the world's freest economy, hence the economic development and political environment of the regions mentioned above are relatively stable. About China, just as previously stated, the changes in the China labor laws from 2008 were not a material effects to the Company. The high-speed video transmission interface chips and touch controller developed and sold by the Company are found in 3C products, and are categorized as consumer products and not special permission or restricted businesses. Furthermore, the Cayman Islands passed The International Tax Co-operation (Economic Substance, ES) Law on 27 December 2018 (the "ES Law") and additional Regulations and Guidance version 1.0 were issued on 22 February 2019 and amended by Guidance version 2.0, version 3.0, version 3.1 and version 3.2 on 30 April 2019, 13 July 2020, 30 June 2021 and in July 2022, respectively. The more details please refer to the page 115 to 130 of this annual report. In addition to the above instructions, the implementation of various operations of the Company are in accordance with international and local political policies and law provisions, but the changes in political policies or law provisions in the above region will not influence the Company's financials or business operations significantly. In addition, the Company will constantly monitor changes in major political policies or law provisions from home or abroad, in order to take appropriate response measures when necessary.

5. Technology (including cyber security risks) and industry changes affecting the Company's business and financials, and response measures:

Due to the short life expectancy and high replacement rate of electronic consumer products, the Company will constantly monitor technological changes in the industry, control market demand, make active adjustments to product functionality, and evaluate other factors that might influence the operation of the Company. If the Company is unable to control the market pulse, future industry changes, or development trends, the Company will be unable to release products that will meet market needs, and might cause adverse effects to the Company operation.

The designated marketing department is in charge of the market planning and researching, consistently monitor the industry changes and adjust products functions to meet the market needs. From the most recent year till the printing date of the annual report, the Company has not experienced any major technology or industry changes.

With the advancement of technology, the emergence of new technologies and the hacking and viruses, cyber security faces more challenges. In the cyber security risk control, the Company has established relevant operational methods for the use of computerized information systems to implement internal control systems and maintain cyber security policy. In terms of technology and system, various security measures are introduced to reduce threats and manage risks. The Company continues to review and evaluate its cyber security policy to ensure the appropriateness and effectiveness. Please refer to page 99 to 101 of this annual report for the information on the Company's cyber security management structure, policy, specific management plan, and resources invested.

6. Changes in corporate image with influence to corporate crisis control and response measures:

Since the Company's establishment, the running of the business has always been upheld on the principles of honesty and professionalism. Enhancing the internal management of the Company and improving the quality of management with the introduction of external Directors, the Company's corporate governance is becoming more universal, broad-scaled, and institutionalized. From the most recent year till the printing date of the annual report, there has not been major change to the corporate image of the Company.

7. Expected benefits from merging and possible risks and response measures:

From the most recent year till the printing date of the annual report, there has not been plans for merging, thus the risks are not applicable.

8. Predicted benefits from warehouse expansion and possible risks and response measures:

Our company is an IC design company that adopts the fabless business model. Until this day, there has not been plans of warehouse expansion from the Company, thus the risks are not applicable.

9. Risks from concentrated purchasing and selling of goods, and response measures:

(1) Concentrated purchase of goods:

Our company is a fabless IC design company with concentrated purchases from the second largest wafer foundry in the world, B Company, and the Company is mainly located in the middle of the semiconductor value chain. In order for IC design companies to obtain a reliable and stable capacity, and also consider the process technology, quality yield,

capacity sufficiency, delivery cooperation, and various other factors, they tend to maintain a close and long-term relationship with specific semiconductor foundry. If the cooperating semiconductor foundry has insufficient capacity, the Company might experience risks of supply shortages or delay on delivery of goods. Due to the risks mentioned above, besides maintaining a good cooperative relationship with the semiconductor foundry, the Company will not rule out the possibility of seeking cooperation from other manufacturers.

(2) Concentrated selling

Although the top 3 customers in 2024 and 2025 accounted for over 70% of total revenue, but none of these customers' purchases exceeded 40% of total revenue. In order to explore and reach more customers, our sales strategy is to distribute our products through distributors, however, we can also deal with the end-customers under their needs. The Company builds its customer relationship with renowned OEM/ODM vendors through Design-in and indirect sales, such like Foxconn, Quanta, Compal, Wistron, Inventec, ASUS, Hisense and LCFC. Many worldwide renowned vendors of PC and Consumer electronic products are also our customers since the Company participates in their product design, therefore our customers will purchase our products at the mass production stage, and under this sales model, our high-speed transmission and display products, are widely adopted by worldwide renowned manufacturers. The high-speed transmission and display belongs to advanced technique, which is mainly used in high-end electronic products, since these renowned manufacturer's products differ from their competitors and the Company chose to work with them so closely, the Company's sales are also concentrated in these customers. Besides maintaining good relationships with our customers, the Company will continue the development of new products and actively exploring new customer base in order to avoid the risks of concentrated selling.

10. Directors, supervisors, or major shareholders with shares exceeding 10% of total shares outstanding, the effects, risks, and response measures on the Company from substantial transfer or renewal of share equity:

From the most recent year till the printing date of the annual report, no such incident has occurred.

11. Controlling rights changes in the Company and its effects, risks, and response measures.

The most recent year till the printing date of the annual report, there were no controlling rights changes in the Company. The Company has enhanced its corporate governance measures, introduced Independent Directors, and established auditing councils in order to raise overall shareholder rights protection. The Company relies heavily on the professional managers for the running of daily operations. Currently we have an outstanding team of professional managers that has contributed substantially to the operating performance of the Company, and

this system looks to gain continuous support from the shareholders in the future, so if control rights changed, it should not have significant negative influence on the various managing and operating advantages of the Company.

12. Other significant risks and response measures:.

- (1) The influence and risks on the Company with the management team or R&D personnel leaving the Company:

As a professional IC design company, talents are one of the most vital assets to the Company, as talented R&D personnel are hard to come by, the Company might be adversely affected if the management team or R&D personnel decides to leave the Company. Therefore, besides establishing a good communication channel with our employees, we also provide employees with an environment for learning and growth in order to build their sense of belonging and cohesion. In order to reduce employee turnover rate, the Company also introduced employee share option schemes to attract and keep professional talents in the Company, and also to allow higher management to participate in performance-based reward systems.

- (2) Special situations with possibilities of insufficient protection

The Company operation faces numerous risks and dangers such as malfunction, damages, or abnormality to machinery and equipment, late delivery of equipment, capacity restrictions, labor strikes, fire, natural disasters such as earthquakes or typhoon, environmental disasters or occupational disasters, all of which could have adverse effects on the Company's operations. There is insurance on the Company's fixed assets, and some of the Company's suppliers have also taken out insurance on the Company's inventory, but even with all the insurance, it is still possible that under some situations they might not provide sufficient protection against all the uncertainties. If the Company suffers losses as a result, the Company's operations might be adversely affected.

- (3) Shareholder rights protection

There are numerous differences on regulations between the Company Law of Cayman Islands and the Company Law of the Republic of China. Although alterations has been made to the Company's memorandum according to the 'Investors' Rights Protection' from the Taiwan Stock Exchange, but there are still many differences between the laws regulating company operation in the two countries. Investors should not compare and apply the rights protection of investing in Taiwan to that of investing in a company of Cayman Islands. Investors should fully understand and consult with professionals regarding shareholder rights protection when investing in a company of the Cayman Islands.

(4) Intellectual property rights

As an IC design company, talented R&D personnel and R&D intellectual property are important assets of the Company. Once the intellectual property is infringed, not only affect the Company's products and sales, but also time and spending to take legal actions in order to defend the Company's interest, which may be harmful to the Company's operations.

The Company is not aware of any charge of intellectual property violation from third parties, however, this kind of accusation is not that rare in high-tech industry. In the future, the Company may still be accused of violating other's intellectual property, whether evidences are enough or not. Any single charge may affects The Company's reputation, financial status, business and sales, and may also generate a high legal fee, harming the Company's operations.

13. Litigation and non-litigation matters. List major litigious, non-litigious or administrative disputes that: (1) involve the Company and/or any Director, any Supervisor, the manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the Company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the Company's securities, disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: None.

14. Foreign issuing companies are required to provide information on the countries where the Company was incorporated and where the Company and its subsidiaries mainly operate. The information should discuss the domestic economy, changes in the political environment, foreign exchange control, taxation, relevant decree, and the risks and response measures associated with the recognition of civil judgment from our court of law.

(1) Country of Incorporation: The Cayman Islands

I. Changes in economic and political environment

The Cayman Islands is located 268 kilometers northwest of Jamaica and 640 kilometers south of Miami in the Caribbean Sea. The Cayman Islands is a British Overseas Territory with George Town as the capital. The Cayman Islands is politically stable with English as the official language. The Islands' main sources of income are financial services and the tourism industry. The Cayman Islands is a tax-neutral domicile, currently one of the primary financial centers in the world. Over the years, the government of the Cayman Islands has been actively promoting its reputation in offshore financial operations with the signing of the Mutual Legal Assistance Treaty

with the United States and Great Britain in 1990. This treaty was aimed at preventing international crime organizations from dealing illegally through the country's financial system. The Cayman Islands has experienced long periods of political stability, and as one of the primary financial centers in the world, changes in the economic or political environment will not have a major influence on the overall operation of the Company.

II. Foreign exchange control, taxation, and related Act

The Cayman Islands has no foreign exchange restrictions. Apart from license fees, the Cayman Islands does not impose any tax on individuals or companies for their profits, income, gains, or appreciations. There is no tax on inheritance or estate tax as well. Except for the stamp tax on contracts executed or entered in the Cayman Islands, there is no other tax imposed by the Cayman Islands that is reasonably expected to be material to the Company. Unless Parade Technologies, Ltd. has interests in the land in the Cayman Islands, transferring shares of the Cayman Islands companies is exempt from stamp tax.

Parade Technologies, Ltd. is registered as an exempted company in the Cayman Islands. Most Cayman Islands companies are exempted and mainly established by corporations and individuals for financial purposes. Under the laws and regulations of the Cayman Islands, exempted companies are subject to the following regulations and enjoy the following advantages:

- (A) No business operations of exempted companies are permitted within the Cayman Islands.
- (B) No exempted companies are permitted to offer shares or bonds to the public of the Cayman Islands. Exempted companies are also not permitted to acquire ownership of land on the Cayman Islands.
- (C) The Companies Law of the Cayman Islands does not require companies to hold Annual General Meetings (AGM). Companies should refer to the articles of association with issues regarding the holding of AGM and Board of Directors meetings. The Company's Articles of Association provide that the AGM shall be held within 6 months after the close of each fiscal year. The Company's Article of Incorporation also states that the time and location of the AGM will be decided at the Board of Directors meeting. Unless otherwise specified by law, the annual general meeting will be held in the Republic of China (ROC).
- (D) To issue new shares, the resolution needs to be reached at the Board of Directors meeting or shareholders meeting. The article of association limits the amount of newly issued shares to within the authorized capital amount. The issuance of new shares shall be approved by the majority of the Directors present at a meeting attended by 2/3 or more of the total Directors.
- (E) Exempted companies are not required to provide a stock ledger for public viewing, or submit shareholder details to the Cayman Islands' Registry of Companies. The

Company's articles of association state that the Board of Directors will provide stock ledgers at the Company registry (if applicable) and the office of the stock transfer agent in the Republic of China, or any locations within or outside the Cayman Islands that is deemed necessary. The share ledger will contain shareholder details, the number of shares held by each shareholder, and any other details required by the law.

- (F) Exempted companies may apply to the government of the Cayman Islands for a certificate of tax exemption. For the initial application of this document, the validation period is 20 years, and renewal applications can be made before the expiration date.
- (G) Exempted companies may apply to withdraw and relocate their company registration to another country.
- (H) Exempted companies may register as 'Exempted Limited Duration Company'. Exempted limited duration company requires at least 2 shareholders, and the maximum validation period is 30 years.
- (I) Concerning the rights of minority shareholders, there exist differences between the laws of the Cayman Islands and those of the Republic of China or other judicial areas. The Company has made alterations to the article of association to protect the rights of investors in Taiwan. The alterations were made in accordance with the ROC Securities and Exchange Act, Company Act, and requisitions from competent authorities to the extent permitted by laws and regulations of the Cayman Islands.
- (J) Unless permission is granted, the Company name may not contain the following titles: 'Bank', 'Trust', 'Mutual Fund', 'Insurance', 'Royal', 'Imperial', 'Empire', 'Assurance', 'Building Society', or 'Reinsurance'. The registration document must be written in English.
- (K) Cayman registered company shall pay annual fees and file tax returns on a timely basis to maintain its standing.
- (L) Cayman registered company shall be subject to the laws and regulations of the United Nations.

Summarizing the above, due to the open foreign exchange policy adopted by the Cayman Islands, there are no related control restrictions, and should not have a major influence on the capital allocation of the Company. Pursuant to section 6 of the Tax Concessions Law (2018 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Financial Secretary of the Cayman Islands. The undertaking is for twenty years from 22 November 2005. The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains, or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the

Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are not a party to any double tax treaties that apply to any payments made by or to the Company. In terms of laws and regulations, The Company will follow the rules set out in the Company's articles of association and the Companies Law (As Revised) of the Cayman Islands. Concerning the rights of minority shareholders, there exist differences between the laws of the Cayman Islands and those of the ROC or other judicial areas. The Company has made alterations to the article of association to protect the rights of investors in Taiwan. The alterations were made in accordance with the ROC Securities and Exchange Act, and Company Act, and all within the limits set forth by laws and regulations of the Cayman Islands. Although alterations to the Company article of the association have been made, the degree of shareholder rights protection might still differ when compared to that of companies in the ROC. Please refer to section 6.4 of the annual report for details regarding the exercise of shareholder rights. The section only summarizes the laws and regulations applicable to the exempted company. If investors would like to understand the impact on the operation of the Company and the impact on the investors under the detailed rules and restrictions provided by the Cayman laws and regulations and common laws, we suggest the investors consult professional advisors.

The Cayman Islands passed The International Tax Co-operation (Economic Substance, ES) Law on 27 December 2018 (the "ES Law") and made revisions to the ES Law in 2020, 2021 and 2024, and issued additional Regulations and Guidance version 1.0 on 22 February 2019 and amended it by Guidance version 2.0 on 30 April 2019, by Guidance version 3.0 on 13 July 2020, by Guidance version 3.1 on 30 June 2021 and by Guidance version 3.2 in July 2022, respectively. The ES Law requires certain entities incorporated or registered in the Cayman Islands (i.e. the "Relevant Entities" defined in ES Law) and carrying on specified activities (i.e. the "Relevant Activities" as defined in ES Law) to satisfy an economic substance test in relation to that relevant activity. It is expected that certain important practical aspects of the economic substance requirements are likely to be further clarified by additional Regulations and Guidance to be introduced by the Cayman Islands from time to time. The impact on the Company's finances and operations is limited so far. However, given the possibility of the additional regulations and guidance to be introduced, the precise impact will need to be further explored and evaluated. The Company is and will continue to seek legal advice from its Cayman counsel to comply with the ES Law.

III. Recognition and enforcement of the final civil judgment obtained in the ROC courts

Although there is no judicial precedent with respect to the recognition and enforcement of the final civil judgment obtained in the ROC courts, a judgment obtained in such jurisdiction will be recognized and enforced in the courts of the

Cayman Islands at common law in principle, without any re-examination of the merits of the underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, provided that such judgment:

- (A) is given by a foreign court of competent jurisdiction;
- (B) imposes on the judgment debtor a liability to pay a liquidated sum for which the judgment has been given;
- (C) is final;
- (D) is not in respect of taxes, a fine or a penalty; and
- (E) is not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands.

Given the above, under the Cayman laws and regulations, if the final civil judgment obtained in the ROC courts meets the foregoing requirements, such judgment will be recognized and enforced by the Cayman courts; otherwise, it will not be recognized and enforced by the Cayman courts. Therefore, we could not exclude the risk that the final civil judgment from the court of the ROC will not be recognized and enforced in the courts of the Cayman Islands.

(2) United States

I. Changes in the economic and political environment

In 2025, the U.S. economy advanced under a challenging environment characterized by elevated but gradually declining interest rates, persistent inflationary pressures, and trade tensions associated with tariff policies. Despite these constraints, the economy demonstrated resilience, supported by fiscal stimulus, strong consumer spending, and continued investment in technology sectors. According to data released by the Bureau of Economic Analysis on February 20, 2026, U.S. GDP grew by 2.2% in 2025, representing a notable slowdown from 2.8% in 2024. From a quarterly perspective, the first quarter recorded a contraction of 0.5%, as gains in investment and consumption were offset by rising imports and reduced government spending. In the second quarter, easing tariff pressures, fiscal stimulus, and moderating inflation contributed to a rebound in consumption and business investment, particularly in AI-related sectors, resulting in GDP growth of 3.8%. In the third quarter, synchronized increases in consumption, exports, government spending, and investment, coupled with declining imports, further accelerated growth to 4.3%. However, in the fourth quarter, weaker exports, reduced government spending, and slower consumption growth led to a moderation in economic expansion, with GDP increasing by 1.4%.

Looking ahead, uncertainties related to trade policy, labor supply dynamics, fiscal fluctuations, and geopolitical tensions may pose risks. However, provided that labor market conditions remain stable, consumption is expected to sustain baseline demand.

Combined with ongoing fiscal support and continued investment in digitalization and capital upgrades, the Federal Open Market Committee on March 19, 2026, projects that U.S. GDP growth will rise modestly to 2.4% in 2026.

We specialize in the R&D and sales of ICs for the high-speed interface, touch, and display products that applications found in tablets, notebooks, and LCD monitors. Our major customers assemble the products in Asia and distribute them worldwide. The United States is one of the world's major consumer markets for electronic products, so consumers' purchasing power will influence the demand for consumer electronics products.

II. Foreign exchange control, taxation, and related act

The US financial system has become a mature and complete financial body after long evolving periods. Its currency market is the most developed in the world, providing the most convenient platform for international financial transactions. The buying and selling of foreign currency in the United States is no longer restricted by foreign exchange controls, and the group's US operation has not encountered risks resulting from foreign exchange controls. With concerns about risks related to law and tax regulations, the group's US operation has not encountered any changes to the Company's financials due to changes in law or tax regulations. Still, future changes in related laws or tax policies might adversely affect the Company's financials. If investors would like to understand the impact on the operation of the Company and the impact on the investors under the detailed rules and restrictions provided by the US laws and regulations and common laws, we suggest investors should consult professional advisors.

III. Recognition and enforcement of the final civil judgment obtained in the ROC courts

The recognition and enforcement of the foreign judgment in California is mainly governed by the 'Uniform Foreign-Country Money Judgments Recognition Act, Cal. Code Civ. Proc. §1713-1724' of California (the "Act"). The Act only applies to foreign judgments that are applied to be recognized and enforced by the California courts since January 1, 2008.

- (A) In general, the foreign judgments recognized by California court shall be the judgments with respect to the payment liability or not. Such a foreign judgment must be final, conclusive, and enforceable without any of the following events:
- (a) It is a tax judgment;
 - (b) The judgment was related to fine, amercement, or other similar penalties;
 - (c) It is a judgment regarding divorce, duties for raising, alimony, or the relationship of other kinship; and
 - (d) Whereas, the judgments regarding divorce, duties for raising, alimony or the relationship of other kinship shall not exclude the occasion that such

judgments are recognized by the California courts in accordance with Section 1723 of the Act.

- (B) An action to recognize a judgment from the ROC shall be commenced within the earlier of the time during which the judgment is effective in the ROC or 10 years from the date that the judgment became effective in the ROC (Unless ROC law regulates a shorter effective period). The court of California shall not recognize a foreign country judgment if any of the following applies:
- (a) The judgment was rendered under a judicial system that does not provide impartial tribunals or procedures compatible with the requirements of due process of law.
 - (b) The foreign court did not have personal jurisdiction over the defendant, or jurisdiction over the subject matter.

In addition, the court of California is not required to recognize a foreign country judgment if any of the following applies:

- (A) The defendant in the proceeding in the foreign court did not receive notice of the proceeding in sufficient time to enable the defendant to defend;
- (B) The judgment was obtained by fraud and the losing party was not granted adequate time to prepare the defense;
- (C) The judgment, the cause of action or the remedies claimed were against the public policy of the state of California or the US;
- (D) The judgment conflicts with another final and conclusive judgment;
- (E) The proceeding in the foreign court was contrary to an agreement between the parties under which the dispute in question was to be determined;
- (F) The foreign court was a seriously inconvenient forum for the trial of the action (serious forum non convenience);
- (G) The judgment was rendered in circumstances that raise substantial doubt about the integrity of the rendering court with respect to the judgment;
- (H) The specific proceeding in the foreign court leading to the judgment was not compatible with the requirements of due process of law; or
- (I) The judgment includes compensation for defamation; unless the California court holds that the protections for freedom of speech and freedom of the press provided by the foreign courts are not lower than that provided under California and U.S. Constitutions.

Summarizing the above, according to laws of the United States, if the conclusive civil judgment from the court of ROC meets the above provisions, it should be recognized and enforced by the court of California, otherwise there still exists the risk that the civil judgment from the court of ROC might not be recognized and enforced by the court of California.

(3) China

I. Changes in economic and political environment

In 2025, China's economy progressed amid multiple headwinds, including weak consumer demand, a prolonged downturn in the real estate sector, and volatility stemming from tariff-related trade tensions. Nevertheless, supported by stronger-than-expected export performance and robust industrial production, the economy demonstrated resilience. According to data released by the National Bureau of Statistics of China on January 19, 2026, China's GDP grew by 5% in 2025, achieving the government's official target.

From a quarterly perspective, GDP growth rates were 5.4%, 5.2%, 4.8%, and 4.5%, respectively, indicating a gradual deceleration throughout the year. In the first quarter, strong industrial output and improving consumption offset the drag from the weak property sector, supporting a 5.4% year-on-year expansion. In the second quarter, however, growth moderated to 5.2% amid trade tensions, continued real estate weakness, and subdued domestic demand. In the second half of the year, weakening export momentum, persistent deflationary pressures, and low consumer confidence contributed to further slowing growth in both the third and fourth quarters. Despite this deceleration, the solid performance in the first half of the year provided a foundation for continued economic stability, enabling China to maintain an overall growth rate of 5% for 2025.

Looking ahead, China's economy is expected to remain resilient, supported by exports and fiscal stimulus. However, the prolonged weakness in the real estate sector continues to constrain consumer spending, posing ongoing challenges to recovery. According to the International Monetary Fund's World Economic Outlook released in January 2026, China's GDP growth is projected to reach 4.5% in 2026. If achieved as projected, it should positively impact the sales of our company's end products. As our company's subsidiaries in China (such as those incorporated in Shanghai, Nanjing, Chongqing, etc.) are all research and development centers and are not engaged in production or sales activities, the impact of China's political and economic changes on our company is relatively low.

II. Foreign exchange control, taxation, and related acts

In China, the exchange of Renminbi (RMB) for foreign currency is still restricted. The main regulations for foreign exchange control in China are "Regulations on the Foreign Exchange System of the People's Republic of China" and "Administration of the Settlement, Sale, and Payment of Foreign Exchange Provisions". According to relevant regulations, foreign currency is prohibited for circulation and shall not be quoted for pricing or settlement in the territory of the People's Republic of China (PRC). All foreign exchange receipts of domestic entities shall be repatriated, and according to regulations, sold to the designated foreign exchange banks or upon

approval, deposited into a foreign exchange account. In addition, valid documents and commercial bills must be provided to engage in the sale and purchase of foreign currency with designated foreign exchange banks. Foreign-funded enterprises obtaining permission to exchange RMB for foreign currency under the current account (including the distribution of dividends to foreign investors) must provide documents related to the transaction. For RMB exchange under the capital account such as offshore direct investment or the offering or trading of securities and financial derivatives, registration at the Administration of Exchange Control is required. Laws and regulations also require permission to be obtained from a competent authority or apply for a filing; procedures to obtain permission or filing should be done before the foreign currency registration. For foreign currency exchange under the capital account such as obtaining loans or withdrawing investment from China, permission from relevant foreign exchange controlling bodies should be obtained. Registration at the Administration of Exchange Control is also required.

On the 1st of January 2008, the Chinese government initiated the “Labor Contract Law” and “The Implementing Notes of China’s Labor Contract Law”, effective from the 18th of September 2008, and were revised and implemented in 2013. The new law aims to protect the legitimate rights and interests of the workers and improve the labor system by specifying the rights and obligations of both parties to the labor contract. The following relates to relevant employment regulations, and will increase costs for corporations when employment or the labor contract is illegally terminated:

- (A) The economic compensation shall be paid to workers according to the number of years he has worked for the employer by the rate of one month's salary for each full year they worked.
- (B) During the probation period, the salary of a worker shall not be lower than the minimum salary for the same position of the same employer or lower than 80 percent of the wage as stipulated in the labor contract, nor may it be lower than the minimum wage of the locality where the entity is situated.
- (C) If the worker has worked for an uninterrupted term of ten years for the employer, or entered into two consecutive labor contracts with a fixed period with the employer, the employer shall enter into the indefinite labor contract with such worker unless such worker would like to enter into a labor contract with a fixed period again.
- (D) If an employer fails to enter into an indefinite labor contract with a worker under the relevant laws and regulations, the employer shall pay the worker double the amount of his monthly salary from the time that they enter into the indefinite labor contract according to the laws and regulations.
- (E) If an employer fails to enter into a labor contract in written form with a worker since the date of one month after the onboard date (but before the date of 1st anniversary of the onboard date), the employer shall pay the worker double the

amount of his monthly salary.

- (F) If an employer employs someone who has not duly terminated employment or the labor contract with the previous employer, the employer, and such worker shall be jointly and severally liable to compensate the losses incurred by such previous employer therefrom.

On the 16th of March 2007, Mainland China passed an enterprise taxation law, the “Law of the People's Republic of China on Income Tax of Enterprises with Foreign Investment and Foreign Enterprises” and second time amended on December 29, 2018, applying a tax rate of 25% to all taxable income of foreign enterprises and also putting an end to 20 years of preferential tax treatment for foreign enterprises. The law became effective from the 1st of January 2008, which increased restrictions on preferential tax treatments and focused the policy on benefiting certain industries, abolished the tax preferential for foreign investors and the tax exemptions on distributable profits. When companies in the Mainland distribute earnings to foreign investors, a dividend tax rate of 10% (institutional investors) and 20% (individual investors) will be deducted.

Parade’s business is not categorized as a labor-intensive industry. In China, Parade’s employees are mainly in Research & Development. The retaining of employees has complied with related regulations. Therefore, enforcing the labor contract law of the People’s Republic of China will have a limited impact. In addition, the Finance Department and the Administration Department of Parade usually closely monitor the changes in related regulations and the Political and Economic situation of the People’s Republic of China. Parade will also consult with a lawyer and CPA timely to reduce the possibility of risk.

In the regulations aspect, the PRC subsidiaries of Parade should follow the China Company Act and other related regulations. In this section, we only summarize the recent changes in regulations related to foreign exchange, taxation, and labor law. If investors understand the impact of Parade’s operation and individual investors’ regard to China’s regulations, we suggest that the investors should consult professional advisors.

III. Recognition and enforcement of the final civil judgment obtained in the ROC courts

In accordance with “Provisions of the Supreme Court on Recognition and Enforcement of the Civil Judgments of Courts of the Taiwan Region” (the “Provisions”) as announced on June 29, 2015 and effective from July 1, 2015, and provisions amended on October 29, 2024 and effective from January 1, 2025, a party to the civil judgment of a court of the Taiwan Region, his/her/its heir and successor may, in accordance with the provisions, apply to the people’s court for recognition and enforcement of such judgment as an applicant. For the Provisions, the term “civil judgment of courts of the Taiwan Region” shall include the effective civil judgments,

rulings, settlement transcripts, mediation transcripts, and payment orders issued by courts of the Taiwan Region, among others. A case involving an application for recognition of the civil judgment of a court of the Taiwan Region shall be accepted by the intermediate people's court or a special people's court at the place where the applicant is domiciled or habitually resides, the respondent is domiciled or habitually resides, or the relevant property is located. According to the Provisions, the civil judgment of courts of the Taiwan Region will not be recognized in any of the following events:

- (A) the civil judgment is not final;
- (B) the civil judgment has been made in the lack of presence of legal subpoena to the defendant, or under the circumstance that the defendant is incapable of legal acts and without a proper agent to represent such defendant in such case;
- (C) the civil case falls under the total jurisdiction of the people's court;
- (D) the parties in the civil action have entered into an arbitration agreement previously and the parties make no waiver for the arbitration jurisdiction;
- (E) the judgment was obtained fraudulently;
- (F) a judgment on the same dispute has already been made by the people's court, or a judgment made by another country or region on the same dispute has been recognized or acknowledged by the people's court;
- (G) an arbitration award on the same dispute in mainland China has already been made by the arbitration tribunal, or an arbitration award made by the arbitration tribunal in another country or region has been recognized or acknowledged by the people's court.

The people's court shall not recognize the civil judgment in case the recognition of such judgment will be in violation with the one-China principle and other basic principles of national law or will impede the national sovereignty, security, social public interest.

The civil judgment of courts of the Taiwan Region recognized by the people's court will have the equivalent effect to the effective judgment rendered by the people's court.

(4) Hong Kong

I. Changes in an economic and political environment

The Hong Kong Special Administrative Region is located in the heart of the East-Asian region. On the 1st of July 1997, due to changes in the country's constitution, Hong Kong became "The Hong Kong Special Administrative Region of the People's Republic of China". The People's Republic of China enacted "The Basic Law" to

establish Hong Kong as a special administrative region, and follows the principles of “one country, two systems” by maintaining the capitalist system that was embedded before sovereign rights were transferred. At the same time, the Basic Law also regulates the methods of managing the Special Administrative Region in the next 50 years by promising not to apply the socialist system and policies to Hong Kong. According to The Basic Law, Hong Kong is authorized to exercise a high degree of autonomy and enjoy executive, legislative, and independent judicial power and even that of final adjudication. The executive authority and legislature of the Hong Kong Special Administrative Region shall be composed of permanent residents of Hong Kong while maintaining its status as a free port, independent taxation territory, and a global financial center.

Hong Kong continues to serve as a major international hub for commerce, trade, and finance. In 2025, its economy exhibited broad-based growth, with merchandise exports, domestic consumption, financial services, and the property market expanding in tandem. According to the Census and Statistics Department of Hong Kong on February 25, 2026, Hong Kong’s GDP grew by 3.5%, marking the third consecutive year of expansion. From a quarterly perspective, GDP growth was 3.0% in the first quarter, supported by sustained inbound tourism and domestic demand. In the second quarter, despite uncertainties arising from U.S.–China trade tensions and tariff policies, stable demand from mainland China and ASEAN economies supported export growth. Combined with continued tourism recovery and strengthening financial services, GDP grew by 3.1%. This momentum continued into the third quarter, with growth reaching 3.7%. In the fourth quarter, strong demand for electronic products and active intra-Asian trade significantly boosted exports, while rising private investment further supported economic expansion, resulting in GDP growth of 3.8%.

Looking ahead to 2026, Hong Kong faces external uncertainties, including geopolitical risks and potential fluctuations in energy prices, which may exert inflationary and trade pressures. Nevertheless, the continued expansion of the global economy and rising demand for AI-related electronic products are expected to support exports. Together with government initiatives aimed at economic diversification, GDP growth is projected to range between 2% and 3% in 2026.

II. Foreign exchange control, taxation, and related Act

The Hong Kong economy is based on business freedom, free trade, and open policies. The Hong Kong government has no trade restrictions or foreign exchange controls.

In terms of taxation, Hong Kong has a low tax rate with relatively simple tax regulations. Direct taxation only consists of taxation on income, salary, and corporate profits. Hong Kong does not levy capital gains tax, sales tax, tax on share dividends, or estate duty. Taxes are only levied on income derived from or within Hong Kong,

and the current tax rate on profit is 16.5%. Income derived from territories outside of Hong Kong will not be levied. Hong Kong is a free port with no customs tax on imported goods except liquor, tobacco, hydrocarbon oils, and methyl alcohol. There is no taxation on the exporting of goods from Hong Kong.

After evaluating the tax laws of Hong Kong, we have not observed any influence on the Company's financials as a result of changes to relevant laws or tax regulations. In the future, besides collecting information on the changes in relevant tax laws and policies of Hong Kong that may affect the Company's business and financials, we will also seek professional opinions and take relevant precautions to reduce tax-related risks.

In the aspect of the regulation, Parade has a branch office in Hong Kong and should follow the Hong Kong Company Act and other related regulations. In this section, we only summarize the recent changes in regulations related to foreign exchange and taxation. If investors would understand the impact of the Parade's operation and individual investors regard Hong Kong's regulations, we suggest that investors should consult professional advisors.

III. Recognition and enforcement of the final civil judgment obtained in the ROC courts

There is no mutual agreement between Hong Kong and Taiwan on recognizing civil judgments from each country. There has not been a clear decision from the court of Hong Kong on issues related to the recognition and execution of civil judgments from the court of Taiwan. The court of Hong Kong may recognize orders from the court of Taiwan when the following conditions are met:

- (A) The right regarding the order is purely private
- (B) Recognition of the court order aligns with public justice, law and order, and common sense.
- (C) Recognition of relevant orders does not violate public policies of Hong Kong or with animosity towards the legal sovereign of the People's Republic of China.

(The above list is not exhaustive.)

In addition, when considering the recognition of civil judgment, the court of Hong Kong will adopt international principles under the common law and the procedural examination, which includes but is not restricted to:

- (A) Whether the court has judicial jurisdiction on the case
- (B) Whether the respondent has received a notice to respond and is given enough time to prepare.
- (C) Whether the judgment is effective and can be enforced.
- (D) Whether recognizing the judgment will cause harm to the court or the public order

in that area.

Summarizing the above, currently the court of Hong Kong is only recognizing civil judgments from the court of Taiwan when certain conditions are met. If the conclusive civil judgment from the court of Taiwan meets the conditions mentioned previously, the judgment will be recognized and enforced by the court of Hong Kong, otherwise, we must not rule out the risks that the civil judgment from the court of Taiwan might not be recognized and enforced by the court of Hong Kong.

(5) Taiwan

I. Changes in economic and political environment

Taiwan is a democratic country that has thrived in political power and civil liberty and was also ranked highly on the political freedom index by the Freedom House. According to the 2025 World Competitiveness Report published by the International Institute for Management Development, Taiwan ranked 6th among 69 economies, improving by two positions from the previous year. Among economies with populations exceeding 20 million, Taiwan has ranked first globally in competitiveness for four consecutive years. The IMD assessment is based on four key dimensions: economic performance, government efficiency, business efficiency, and infrastructure. In terms of economic performance, Taiwan's ranking improved significantly from 26th to 10th, driven by strong export growth in semiconductors, artificial intelligence, and high-performance computing. Major indicators, including domestic economy, international trade, and international investment, showed marked improvement. In addition, under detailed indicators, Taiwan ranked 2nd globally in the Economic Complexity Index, while its rankings in economic resilience and real GDP growth per capita rose sharply to 4th, reflecting strong economic diversification and risk management capabilities.

Government efficiency remained stable at 8th globally, supported by sound fiscal management, competitive taxation, and a strong legal framework. Business efficiency improved from 6th to 4th, with top global rankings in productivity, financial development, management practices, and corporate values. Taiwan ranked 1st globally in several detailed indicators, including public trust in corporate management, entrepreneurial spirit, and customer-oriented business practices. In terms of infrastructure, while technological and scientific infrastructure remained within the global top 10, challenges in general infrastructure and environmental conditions resulted in an overall ranking of 10th.

Overall, Taiwan demonstrated strong economic performance. According to the Directorate-General of Budget, Accounting and Statistics, GDP grew by 8.63% in

2025, marking the highest growth rate in the past 15 years.

Looking ahead to 2026, although geopolitical developments and global policy uncertainties may affect the economic outlook, Taiwan's strong fundamentals and continued expansion of AI-driven industries are expected to sustain export growth. The Directorate-General of Budget, Accounting and Statistics projects that Taiwan's GDP will grow by 7.71% in 2026.

II. Foreign exchange control, taxation, and related Acts

Due to Taiwan's small economic body, since its establishment, the Taiwan foreign exchange market has always adopted the "floating exchange rate system". The central bank has taken a dynamic stance regulating foreign exchange, and the government will only intervene in situations where the stability of the economic and financial environment is adversely affected. These situations include excess volatility and disorderly changes in the foreign exchange rate, the emergence of abnormal factors (such as significant movement in short-term capital), or seasonal factors causing excessive volatility to the foreign exchange rate. Otherwise, the exchange rate of the New Taiwan Dollar for the United States Dollar is largely determined by the demand and supply of the market. Taiwan no longer has foreign exchange controls except for finance-related foreign exchange remittances, and they are as follows:

- (A) Inward and outward remittances related to foreign trade in goods, services, or any capital transactions (including direct investments and portfolio investments) approved by the competent authority are completely liberalized.
- (B) Citizens over the age of 18 or foreign persons or companies that have obtained residence permits are permitted annual remittances not exceeding 10 million dollars and 100 million dollars, respectively.
- (C) A single remittance not exceeding USD 100,000 by a non-resident may proceed directly to an authorized bank.

In terms of taxation, Taiwan follows "the Rule of Law" and "Doctrine of Taxation by Law", and these laws regulate the collection of taxes in Taiwan. Taxes are collected by different tax collecting bodies and are namely national taxes (including personal income tax, corporate income tax, business tax, securities transaction tax, estate and gift tax, and commodity and customs tax) and local taxes (such as land value tax, land value increment tax, building tax, deed tax, and stamp tax).

The Company has a Taiwan branch and shall comply with the ROC Company Act and other applicable ROC laws and regulations. This section only provides a summary of the laws and regulations of foreign exchange and taxation. If investors would like to understand more about the impact on the operation of the Company and the impact on the investors under the detailed rules and restrictions provided by the ROC laws

and regulations, we suggest the investors should consult professional advisors.

III. Recognition and enforcement of the final civil judgment obtained in the ROC courts

The Company's main operation is in Taiwan; therefore, the evaluation of the recognition of civil judgment from our court of law is not applicable.

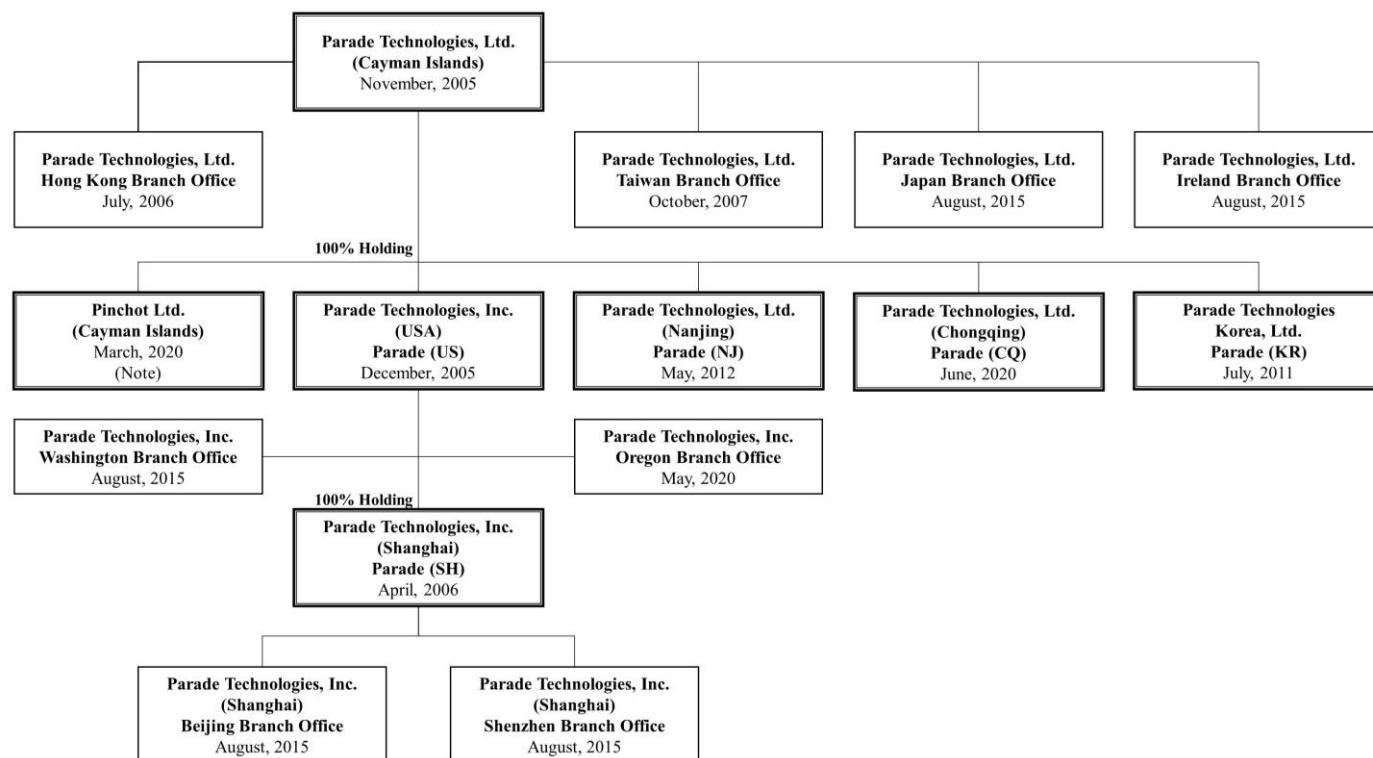
5.7 Other Significant Events

None

VI. Special Disclosures

6.1 Summary of Affiliated Companies for the most recent fiscal year

6.1.1 Affiliated Companies Chart



Note 1: Pinchot Ltd. was established to merge Fresco Logic, Inc. Currently, Pinchot Ltd. has no actual operating activities.

6.1.2 The relationship between the Company and its affiliates', mutual shareholding ratio, shares and amount of actual investments

12/31/2025; Unit: USD in Thousands

Name of affiliates	Relationship	Held by the Company			Holds the Company		
		% of Shareholding	Holding Shares	Investment \$ (in thousands)	% of Shareholding	Holding Shares	Investment \$ (in thousands)
Parade (US)	Subsidiary of the Company	100%	10,000 shares	USD 1,300	0	0	0
Parade (Korea)	Subsidiary of the Company	100%	10,000 shares	USD 50	0	0	0
Parade (SH)	Subsidiary of Parade (US)	100%	-	USD 1,300	0	0	0
Parade (NJ)	Subsidiary of the Company	100%	-	USD 2,000	0	0	0
Pinchot Ltd.	Subsidiary of the Company	100%	1,000 shares	USD 1	0	0	0
Parade (CQ)	Subsidiary of the Company	100%	-	USD 500	0	0	0

6.1.3 Affiliated Companies Basic Information

12/31/2025; Unit: USD in Thousands

Company	Date of Incorporation	Investment Amounts	Business Activities	Accounting method	Relationship
Parade (US)	2005	USD 1,300	Providing sales and marketing, general and administrative, and research and development services to the Company	Equity method	Subsidiary of the Company
Parade (Korea)	2011	USD 50	Providing sales and marketing, general and administrative services to the Company	Equity method	Subsidiary of the Company
Parade (SH)	2006	USD 1,300	Provides research and development services to the Company	Equity method	Subsidiary of Parade (US)
Parade (NJ)	2012	USD 2,000	Providing research and development services to the Company	Equity method	Subsidiary of the Company
Pinchot Ltd.	2020	USD 1	Providing administrative services to the Company	Equity method	Subsidiary of the Company
Parade (CQ)	2020	USD 500	Providing research and development services to the Company	Equity method	Subsidiary of the Company

Note 1: The major business activities of the affiliates are its primary operating businesses.

Note 2: Please refer to cover page of this annual report for the address of each affiliate.

6.1.4 In accordance with the Company Law provides that the provisions of 369-3 is presumed to have control and affiliation, to expose (a) is the same corporate shareholder, the presumption of the main reasons, the corporate name, ownership situation, date of establishment, address, and paid-up capital amount of that principal place of business project. (b) is a natural person shareholder of the same, and its constructive reasons, the names and holdings of the case:

None

6.1.5 Business Scope of the Company and Its Affiliated Companies: Please refer to the above of 6.1.3 Affiliated Companies Basic Information.

6.1.6 The investment to the Company and its subsidiaries of Directors, supervisors and presidents of the affiliates :

12/31/2025; Unit: shares ; %

Name of affiliates	Title	Name or Representative	Shareholding	
			Shares	%
Parade (US)	Chief Executive Officer & Chairman	Parade Technologies, Ltd. (Representative: Ji Zhao)	10,000	100
	President	Ming Qu	-	-

Name of affiliates	Title	Name or Representative	Shareholding	
			Shares	%
Parade (Korea)	Chairman	Parade Technologies, Ltd. (Representative: Ji Zhao)	10,000	100
Parade (SH)	Chairman	Parade Technologies, Inc. (Representative: Ji Zhao)	-	-
	Director	Ming Qu	-	-
	Director	Jackie Yang	-	-
	Director	Jian Wang	-	-
	Supervisor	Ding Lu	-	-
Parade (NJ)	President	Jian Wang	-	-
	Chairman	Parade Technologies, Ltd. (Representative: Ji Zhao)	-	-
	Director	Ming Qu	-	-
	Director	Jian Wang	-	-
	Supervisor	Ding Lu	-	-
Pinchot Ltd.	President	Jianping Qi	-	-
	Director	Ji Zhao	Parade Technologies, Ltd. holds 1,000 shares	100
Director	Ming Qu			
Parade (CQ)	Chairman	Parade Technologies, Ltd. (Representative: Ji Zhao)	-	-
	Director	Ming Qu	-	-
	Director	Jian Wang	-	-
	Supervisor	Ding Lu	-	-
	President	Ming Qu	-	-

6.1.7 Affiliated Companies Operating Status

12/31/2025; Unit: NTD in Thousands

Company	Total Capital	Total Assets	Total Liability	Net Worth	Revenue	Profit	Net income (loss)	EPS (Note)
Parade (US)	40,859	4,243,203	134,033	4,109,170	1,259,007	232,923	187,931	-
Parade (Korea)	1,572	27,375	3,853	23,522	23,927	1,139	1,000	-
Parade (SH)	40,859	1,166,948	156,554	1,010,394	749,654	37,732	4,280	-
Parade (NJ)	62,860	648,542	110,225	538,317	513,914	25,867	(33,334)	-
Pinchot Ltd.	31	31	0	31	0	0	0	-
Parade (CQ)	15,715	92,692	29,849	62,843	141,270	7,110	(3,777)	-

Note: There is no EPS disclosure for the affiliated companies' financial statements. EPS is calculated on the Company's consolidated financial statements.

6.1.8 Affiliates consolidated financial statements: Please refer to MOPS (new version)>Single Company>Electronic Document Download>Financial Reports, https://mops.twse.com.tw/mops/#/web/t57sb01_q1.

6.1.9 Affiliates Reports: None

6.2 Most recent fiscal year and up to the date of annual report printed, issuance of private placement of securities

None

6.3 Explanation for material difference from the provisions for the protection of shareholders' rights

Important Provisions for the Protection of Shareholders' Rights	Provisions of the Company's Articles of Association	Explanation
<p>On the subject of convention and resolution of shareholders meeting and with respect to extraordinary shareholders' meeting convened by the shareholders holding no less than three percentage (3%) of the total number of the issued Shares of the Company for at least one (1) year, if the Board of Director fails to convene a meeting within fifteen days after the shareholder so request, the shareholder may, after obtaining an approval from the competent authority, convene an extraordinary shareholders' meeting on its own initiative.</p>	<p>Article 28 of the Company's current Articles of Association does not require prior approval from the competent authority for the extraordinary shareholders' meeting convened by such shareholders.</p>	<p>According to Cayman lawyers, there is no statutory provision regarding convention of shareholders meeting under the Cayman Companies Act.</p> <p>Given the above, the Company's current Articles of Association do not require prior approval from the competent authority. Article 28 of the Company's Articles of Associations provide that "... If the Board does not within fifteen (15) days from the date of the deposit of the requisition dispatch the notice to convene an extraordinary general meeting, the requisitionists may themselves convene an extraordinary general meeting, provided that if the extraordinary general meeting will be held outside the ROC, an application shall be submitted by such requisitionists to the TPEx or the TSE for its prior approval..."</p>
<p>Certain proposals involving material rights of the shareholders shall be adopted by a majority of the shareholders at a shareholders' meeting attended by two-thirds or more of the total number of the outstanding shares. If the total number of shares represented by the shareholders present at the shareholders' meeting is less than two-thirds of the total outstanding shares, such proposals may be adopted by two-thirds or more of the attending shareholders who represent a majority of the total number of the outstanding shares.</p>	<p>Article 1 defines "Special Resolution" as a special resolution under Cayman Companies Act and Supermajority Resolution as a special resolution under Taiwan laws. Article 24 and other relevant articles provide the required resolution process.</p>	<p>According to Cayman lawyers, under Cayman Island laws, a "special resolution" (a "Special Resolution") should be passed by a majority of not less than two-thirds of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given. The proposals in the checklist for the protection of shareholders' right only require a resolution adopted by a majority of the shareholders at a shareholders'</p>

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		<p>meeting attended by two-thirds or more of the total number of the outstanding shares, which does not meet the voting threshold of the Special Resolution under Cayman laws. According to Cayman lawyers, the requirement of a Special Resolution is compulsory and any resolution passed by members by a lower majority percentage than is required for a Special Resolution will be null and void under the Cayman Companies Act.</p> <p>To compromise the different requirements, the special resolution under Taiwan Company Act is defined as "Supermajority Resolution" under the Company's Articles. To the extent permitted under Cayman Companies Act, Article 24(e) provides that proposals listed in checklist for the protection of shareholders' rights shall be subject to the Supermajority Resolution.</p> <p>According to Article 24(e) of the Company's Articles, the following matters shall be subject to Supermajority Resolution</p> <ol style="list-style-type: none"> 1. to effect any capitalization of distributable dividends and/or bonuses and/or any other amount prescribed; 2. to effect any merger (other than a Cayman Merger), share swap or spin-off of the Company; 3. to enter into, amend, or terminate any contract for lease of the Company's business in whole, or for delegation of management of the Company's business to others, or for regular joint operation with others; 4. to transfer its business or assets, in whole or in any essential part;

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		<p>5. to acquire or assume the whole business or assets of another person, which has a material effect on the Company operation, or</p> <p>6. to issue the Restricted Shares.</p> <p>According to Cayman laws, the following matters shall be subject to Special Resolution and shall be provided in the articles:</p> <p>1. to alter or add to these Articles (Article 24(c)(iii) and Article 134) ;</p> <p>2. any modification or alteration in these Articles which is prejudicial to the rights of holders of preferred shares (Article 14);</p> <p>3. The Cayman Companies Act provides that only Cayman Islands companies can be merged or consolidated. This is different from the "merger" permitted under the ROC Company Act, Enterprise Merger and Acquisition Act and other applicable laws. Therefore, Article 24(e) precludes Cayman merger to comply with Cayman laws.</p> <p>4. Article 24(f) provides that liquidations with different cause requires different voting threshold. According to Cayman Companies Act, the shareholders of the company may pass an ordinary resolution requiring a company to be wound up voluntarily because the company is unable to pay its debts as they fall due; the shareholders of the company shall pass a Special Resolution requiring the company to be wound up voluntarily due to other causes.</p> <p>Article 24(g) provides that private placement requires Supermajority</p>

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		<p>Resolution. According to Cayman lawyer's understanding, "private placements" means the Company obtaining subscriptions for, or the sale of, shares, options, warrants, Rights or other securities of a company listed in the Republic of China by the listed company itself or an intermediary of the listed company primarily from or to specific investors selected or approved by such listed company or such intermediary under the Taiwanese law. There is no provision under such laws and regulations of the Cayman Islands as applicable to the Company that govern "private placements".</p>
<p>The qualification requirements, composition, election, termination, the exercise of authority and relevant matters of the Director, Independent Director, compensation committee, audit committee or supervisor shall be in accordance with the securities laws and rules of the Republic of China.</p>	<p>Current Articles of Association are promulgated in accordance with the checklist of the protection of shareholders' rights effective as of listing. The wording therein is not exactly the same.</p>	<p>As for the Director: the Company's current Articles of Association have been drawn up pursuant to the checklist of the protection of shareholders' rights effective as of listing.</p> <p>As for the Independent Director: Article 74 provides "...Independent Directors shall maintain independence and shall not have direct or indirect interests in the Company other than as permitted under the Applicable Public Company Rules."</p> <p>As for the compensation committee: the Company's current Articles of Association have been drawn up pursuant to the checklist of the protection of shareholders' rights effective as of listing. Actually, the Company has set up the compensation committee before the Company was listed and the qualification requirements, the exercise of authority and the relevant matters are set forth in accordance with the securities laws and rules of the Republic of China.</p> <p>As for the audit committee: the Company's current Articles of</p>

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		<p>Association have been drawn up pursuant to the checklist of the protection of shareholders' rights effective as of listing. Actually, the Company has set up the audit committee before the Company was listed and the qualification requirements, the exercise of authority and the relevant matters are set forth in accordance with the securities laws and rules of the Republic of China.</p> <p>As for the supervisor: the Company has audit committee and thus supervisor relevant provisions are not applicable.</p>
<p>1. The company's Directors shall have the loyalty and shall exercise the due care of a good administrator in performing his/her duty; and if he/she has acted in breach of the above, he/she shall be liable for the damages incurred by the company therefrom. If the breaching director acts for him/herself or any third party, subject to the shareholders' resolution any profit generated from such act shall be deemed profits of the company.</p> <p>2. If the company's Director has, in the course of conducting the business operations, violated any provision of the applicable laws and/or regulations and thus caused damage to any other person, he/she shall be liable, jointly and severally with the company, for the damage to such other person.</p> <p>3. Acting within the scope of their duties, the managerial officer or the supervisor shall bear the same liability of damages as the company's Directors.</p>	<p>The Company's current Articles of Association do not have exactly the same wording.</p>	<p>The Company's current Articles of Association have been drawn up pursuant to the checklist of the protection of shareholders' rights effective as of listing. In addition, according to Cayman lawyers, at all times all Directors owe fiduciary duties to the company at common law.</p>
<p>Where an entity acts as a shareholder of a company, its authorized representative</p>	<p>The Company's current Articles of Association</p>	<p>The Company does not establish the position of supervisor, thus there is no</p>

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may be elected as a Director or supervisor of the company. If there is a plural number of such authorized representatives, each of them may be so elected, but such authorized representatives may not concurrently be elected or serve as the Director and supervisor of the company.	do not have this provision.	such situation in which an entity shareholder's representative is elected or serves as Director and supervisor concurrently.

6.4 Other Necessary Supplements

The statement or promised items from the Company's registration (application) for offering and issuance of securities has been lifted on February 21, 2025, in accordance with Letter No. 1140000559 issued by the Taipei Exchange.

6.5 If any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, including all items of Significant information Press Conference listed in Article 11, paragraph 1 of the Taipei Exchange Procedures for Verification and Disclosure of Material Information of Companies with TPEX Listed Securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

Parade purchased Spectra7's intellectual property (IP), products, designs, inventory and other assets specified in the agreement. This deal closed on April 23, 2025. Even though no material impact on shareholder' rights nor the price of the securities, this deal has the strategical significance, providing support for the Company's efforts to expand into high-growth markets such as data centers.