


Parade Technologies, Ltd.
2024 ANNUAL GENERAL MEETING of MEMBERS
MEETING MINUTES
(Translation)

Meeting Type: Physical shareholders meeting

Time: June 12, 2024, 9:00 a.m., Taipei Local Time

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

Present: Members in person or by proxy (including voted via electronic transmission), representing 64,290,570 shares entitled to vote for or against each of the resolutions as set out below, accounted for 80.42% of the total 79,934,904 issued shares. Chairman Ji Zhao, Vice Chairman Ming Qu, Independent Director Jen-Lin (Norman) Shen (Chairman of the Audit Committee), and Independent Director Huei-Chu (Laura) Huang, a total of four Directors, attended this Annual General Meeting of Members. The number of Directors present has exceeded half of the total 7 Director seats.

Attendees: Kuan-Hung Lin, CPA, PricewaterhouseCoopers, Taiwan
Ying-Yi Lee, Attorney, Chen & Lin Attorneys-at-Law
Kuowei Wu, Vice President of Finance and Accounting, Parade Technologies, Ltd.

Chairman: Ji Zhao, Chairman of the Board of Directors

Recorder: Yo-Ming Chang, Head of Corporate Governance

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

Commencement (Omitted)

Chairman Remarks (Omitted)

Report Items

1. To report the 2023 business (See Attachment I)
No questions were raised by shareholders regarding this item.
2. To report the 2023 review report by the Audit Committee (See Attachment II)
No questions were raised by shareholders regarding this item.

3. To report the allocation of 2023 employees' cash bonuses and the Directors' remuneration.

Explanatory Notes:

Considering the "Amended and Restated Memorandum and Articles" and the Company's 2023 annual profits before tax, the Compensation Committee has recommended to the Board of Directors the approval of distribution and payment of NT\$123,024,653 in cash as the employees' bonuses and NT\$46,725,000 in cash as Directors' remuneration, respectively, equivalent to US\$3,949,427 and US\$1,500,000, by adopting foreign exchange rate of US\$1=NT\$31.15.

No questions were raised by shareholders regarding this item.

4. To report the distribution of 2023 profit and cash dividend.

Explanatory Notes: The distribution of 2023 profit and cash dividend is as below:

Period	Date of the Board of Directors resolution	NT\$ per share	Total amount (NT\$)
the first half year of 2023	11/01/2023	4.88981221	390,871,071
the second half year of 2023	04/24/2024	7.77 (Note)	624,689,134

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.

No questions were raised by shareholders regarding this item.

Proposals

1. To ratify the 2023 business report (Proposed by the Board of Directors)

Explanatory Notes:

(1) The 2023 business report is attached hereto as Attachment I.

(2) Please ratify the above-mentioned the 2023 Business Report.

No questions were raised by shareholders regarding this item.

Resolution: 64,267,148 shares were represented at the time of voting (including voted via electronic transmission); 58,715,991 votes voted in favor for the proposal (including voted via electronic transmission), representing 91.36% of the total votes

held by the members present in the meeting, 10,197 votes voted against the proposal (including voted via electronic transmission), 0 votes voted invalid the proposal, and 5,540,960 votes voted abstained/no voted the proposal (including voted via electronic transmission). This proposal as proposed by the Board of Directors was duly passed as ordinary resolution of the Company.

2. To adopt the Company's 2023 audited consolidated financial statements (Proposed by the Board of Directors)

Explanatory Notes:

- (1) The Company's 2023 consolidated financial statements, including Consolidated Balance Sheets, Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, and Consolidated Statements of Cash Flows, have been approved by the Board of Directors, audited by independent auditors, Mr. Lin Kuan-Hung and Ms. Chou Hsiao-Tzu, of PricewaterhouseCoopers Taiwan and reviewed by the Audit Committee, evidenced by the review report issued by the Audit Committee.
- (2) The 2023 independent accountants' audit report and above-mentioned consolidated financial statements are attached hereto as Attachment III.
- (3) Please ratify the above-mentioned 2023 audited consolidated financial statements.

No questions were raised by shareholders regarding this item.

Resolution: 64,267,148 shares were represented at the time of voting (including voted via electronic transmission); 58,715,990 votes voted in favor for the proposal (including voted via electronic transmission), representing 91.36% of the total votes held by the members present in the meeting, 10,198 votes voted against the proposal (including voted via electronic transmission), 0 votes voted invalid the proposal, and 5,540,960 votes voted abstained/no voted the proposal (including voted via electronic transmission). This proposal as proposed by the Board of Directors was duly passed as ordinary resolution of the Company.

3. To approve the 2023 profit distribution plan (Proposed by the Board of Directors)

Explanatory Notes:

- (1) The Company's 2023 profits distribution table has been approved by the Board of Directors. The table has been reviewed and evidenced by the report issued by the Audit Committee.
- (2) The 2023 Profit Distribution Table is attached hereto as Attachment IV.

(3) Please approve the above-mentioned 2023 Profit Distribution Proposal.

No questions were raised by shareholders regarding this item.

Resolution: 64,267,148 shares were represented at the time of voting (including voted via electronic transmission); 58,966,906 votes voted in favor for the proposal (including voted via electronic transmission), representing 91.75% of the total votes held by the members present in the meeting, 15,285 votes voted against the proposal (including voted via electronic transmission), 0 votes voted invalid the proposal, and 5,284,957 votes voted abstained/no voted the proposal (including voted via electronic transmission). This proposal as proposed by the Board of Directors was duly passed as ordinary resolution of the Company.

Questions and Motions

Summary of Shareholders' Statements: Shareholder (No. 22052) asked whether there are any plans to apply for joining the Science Based Targets initiative (SBTi) or other international sustainability initiatives and commitments.

Summary of the Chairman's Response: We have not yet set science-based carbon reduction targets. We will continue to monitor international carbon reduction trends and regulatory changes, and work together with our supply chain partners to ensure compliance with all relevant regulations.

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



Ji Zhao
Chairman



Yo-Ming Chang
Recorder

Parade Technologies, Ltd.
2023 Business Report

Dear Shareholders,

The consumer electronics industry was in severe correction in 2023. The demand for integrated circuits (IC) dropped significantly, compared to the strong consumption in the prior years during the pandemic. This decrease resulted in excessive inventory in the market. Our revenue in 2023 reduced considerably. We managed the business downturn aggressively to cut down on our non-essential spending and to reduce manufacturing activities. As a result, we were profitable in 2023. Our R&D projects and new product introductions remain on a good trajectory. In 2023, the revenue and net income were \$441.25 million (NT\$13.77 billion) and \$64.97 million (NT\$2.03 billion), respectively.

The pandemic boom busted starting in the 2nd half of 2022. This downturn was in full swing in the 1st half of 2023. We re-negotiated with our wafer foundries and OSATs (Outsourced Semiconductor Assembly and Test) to cut down obligations of our Long-Term Agreements (LTAs). These negotiations were successful and allowed us to avoid financial penalties. We initially focused on the reduction of inventory in distribution channels. We were glad to see that our distributors' inventory was at normal levels since the late 3rd quarter 2023. In the 2nd half of 2023, PC and notebook demand gradually came back while we were fighting to reduce our own inventory. We are making progress in achieving our own normal inventory level.

In 2023, we strengthened our high-speed product portfolio with the addition of new high-speed devices, such as redrivers, retimers, mux, demux and USB HUBs to support HDMI 2.1, DP 2.1 (20Gbps), and USB 4.0 (40Gbps). We focused on the development of leading high-speed technologies and products. We successfully deployed our 1st generation USB 4.0 (40Gbps) retimer in large volume. We also developed the 2nd generation USB 4.0 retimer to further enhance performance and reduce cost. Hence, our USB 4.0 retimers have been enjoying large market share and have been successfully designed into AI-enabled notebook systems. We developed and introduced SiGe BiCMOS process based high-speed redrivers of PCIe Gen 4 (16Gbps) and Gen 5 (32Gbps) and USB 4.2 (80Gbps) for workstations, servers, and high-speed cables. We also successfully developed our PCIe Gen 5 retimer technology and products and designed them into customers' systems.

Artificial Intelligence (AI) has been advancing rapidly both in datacenter and edge computing. Generative AI requires large computing power and rapid data transfer. High-speed technologies are necessary to achieve the required performance. High-speed products have

potential to capture AI computing market opportunities. We are working with customers to use our high-speed technologies for AI computing. We are timely developing PCIe Gen 6 (64Gbps) and USB 4.2 (80Gbps) retimer and redriver technologies and products to take advantage of such opportunities.

Automobiles, especially electric vehicles (EV), are emerging as a new market for Parade. Modern vehicles equip advanced displays, in-car entertainment systems, and Advanced Driver-Assistance Systems (ADAS). To achieve such functionalities, high-speed USB, PCIe, HDMI, and DisplayPort devices and their converters are required. We successfully designed several of our auto grade high-speed devices into vehicles of leading auto manufacturers. We expect that Parade's solutions will gain more high-speed device adoption in the automotive market.

Parade has been well recognized as the leader on embedded DisplayPort (eDP) Tcon in the panel industry. The advanced eDP-Tcon and Source Driver devices require high-speed technology on glass, where Parade has unique and proven high-speed technologies. We not only offer robust eDP technology up to 8.1Gbps but also our high-speed SIPI technology that provides point-to-point connection between Tcon and Source Driver devices. In 2023, we modernized our eDP-Tcon product line by offering a set of new Tcon devices based on advanced CMOS technology that lower power consumption while providing advanced display features. It has been our vision that it will be more efficient and cost-effective to have integrated solutions that combine eDP-Tcon and Source Driver together. We extended TED (**T**con-**E**mbedded-**D**river) devices to support high-resolution and high refresh-rate panels. In addition, our newly-developed TTcon (**T**ouch-**T**con) and tTED (**t**ouch-**T**con-**E**mbedded-**D**river) products have entered into production. This integration leads to the increase of our silicon contents with the addition of touch functionality.

Our eDP-Tcon supports not only LCD notebook panels but also new generation panels including AMOLED and mini-LED based notebook and tablet panels. While offering advanced and competitive eDP-Tcon solutions for the general market, we also develop customized eDP-Tcon products for the advanced displays of the leading global brands.

We further advanced our SIPI technology to SIPI 2.0 to enable touch analog-front-end (AFE) and source driver integration for TSD (**T**ouch-**S**ource-**D**river) devices. Such TSD devices along with our TTcon devices provide a total solution for touch enabled LCD panels and allow us to win market share.

Moreover, modern cars demand integrated display solutions, and tTED technology is on the forefront in supporting such requirements. We are developing auto-grade tTED products. Our auto-grade tTED device paired with our auto-grade converter device is ideal for modern auto displays.

Parade's consolidated net income in 2023 was US\$64.97 million (NT\$2.03 billion), a decrease of 61.15% from US\$167.25 million (NT\$4.90 billion) in 2022. Earnings per diluted share in 2023 were US\$0.82 (NT\$25.55), a decrease of 60.19% from US\$2.06 (NT\$60.35) in 2022. Gross profit margin in 2023 was 43.72% compared to 46.5% in 2022 while operating profit margin was 14.25%, down from 26.47% 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 are also committed to corporate social responsibility. We work hard with our customers and suppliers to reduce and limit carbon emissions during the product manufacturing cycle. 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, 2023, Parade has 758 employees, up 13 from 2022. Out of 758 employees, 517 were engaged in research, development, and related engineering. We hold 289 granted patents and have 26 patent applications pending at the end of the year 2023.

While 2023 was a downturn year, we are confident that our leadership, strategy, technologies, and market opportunities will lead to continued growth for our business. We believe Parade is well-positioned to generate favorable results for our shareholders.

We appreciate the support from all of our shareholders!

Chairman: Ji Zhao  President: Ming Qu  VP of Finance and Accounting: Kuowei Wu 

April 24, 2024

Audit Committee's Report

The Board of Directors has prepared the Company's 2023 Business Report, consolidated Financial Statements and proposal for allocation of profits. The CPA firm of PricewaterhouseCoopers was retained to audit Parade's consolidated Financial Statements and has issued an audit report relating to the consolidated Financial Statements. The Business Report, consolidated Financial Statements and profit allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Parade Technologies, Ltd. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

Parade Technologies, Limited.

Chairman of the Audit Committee: Norman Shen



April 24, 2024

Attachment III

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying consolidated balance sheets of Parade Technologies, Ltd. and subsidiaries (the “Group”) as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Auditing and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors’ responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2023 consolidated financial statements are stated as follows:

Goodwill impairment

Description

Refer to Note 4(14) (impairment of non-financial assets), Note 5(2) (critical accounting estimates and assumptions) and Note 6(6) (intangible assets) of the consolidated financial statements where the goodwill impairment has been discussed.

The Group acquired the mobile touchscreen business and the high-speed business in 2015 and 2020, respectively. The balance of goodwill arising from such acquisitions as at December 31, 2023 was NT\$2,331,796 thousand.

The Group uses an independent expert's valuation report, which was based on the management's 3-year cash flow forecasts to determine the recovery amount of goodwill; however, the measurement results in a large extent depend on management's assumptions, including the discount rate and the estimated growth rate used, which are subject to management's judgements and having considerable uncertainty. Therefore, the goodwill impairment assessment is a key audit matter this year.

How our audit addressed the matter

Our procedures in relation to the key audit matter included:

1. Evaluated the rationality of the evaluation model of management's expert using the nature of the Group.
2. We confirmed that the future cash flow used in the evaluation model is consistent with the next 3-year budget provided by the Group, and assessed budget achievement in previous years.
3. We assessed the appropriateness of key assumptions used, such as growth rate and discount rate.

Inventory impairment losses

Description

Refer to Note 4(10) (inventories), Note 5(2) (critical accounting estimates and assumptions) and Note 6(3) (inventories) of the consolidated financial statements where the inventory impairment losses has been discussed.

Inventories and allowance for inventory valuation losses as at December 31, 2023 was NT\$4,454,175 thousand and NT\$680,383 thousand, respectively. The rapid changes in the technology of the industries in which the Group is involved and the net realizable value used in the evaluation of obsolete inventories often involve subjective judgements and therefore highly uncertain estimates. Inventories are measured at the lower of cost and net realizable value. The impact of inventories and its allowance for diminution in value has a significant impact on the financial statements. Therefore, the loss on inventories and allowances assessment is a key audit matter this year.

How our audit addressed the matter

Our procedures in relation to the key audit matter included:

1. The valuation of inventory impairment losses adopted the understanding of the nature of the industry, and it is confirmed that the accounting policy is consistent with the previous period.

2. Understood the Group's inventory control procedures and observed the annual inventory count in order to assess the effectiveness of the classification of obsolete inventory and internal control over obsolete inventory.
3. Verified the appropriateness of the logic for evaluating the inventory aging report to confirm that the report information is consistent with the Company's policies.
4. Reviewed the historical information of inventories, supplemented by inspecting the amount of provision after the reference period, and then assessed the reasonableness of the loss provision.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial

statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Lin, Kuan-Hung

Chou, Hsiao-Tzu

For and on behalf of PricewaterhouseCoopers, Taiwan

March 6, 2024

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

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

PARADE TECHNOLOGIES, LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

ASSETS	Notes	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 8,487,601	36	\$ 6,975,384	31
1170	Accounts receivable, net	6(2)	1,661,511	7	1,065,863	5
130X	Inventories, net	6(3)	3,773,792	16	4,468,087	20
1470	Other current assets		596,344	3	621,454	3
11XX	Total current assets		<u>14,519,248</u>	<u>62</u>	<u>13,130,788</u>	<u>59</u>
Non-current assets						
1600	Property, plant and equipment, net	6(4)	392,101	2	495,523	2
1755	Right-of-use assets	6(5)	258,252	1	162,812	1
1780	Intangible assets	6(6)	3,025,792	13	3,164,291	14
1840	Deferred income tax assets	6(18)	390,134	2	356,894	2
1900	Other non-current assets	6(7)	4,783,027	20	4,761,390	22
15XX	Total non-current assets		<u>8,849,306</u>	<u>38</u>	<u>8,940,910</u>	<u>41</u>
1XXX	TOTAL ASSETS		<u>\$ 23,368,554</u>	<u>100</u>	<u>\$ 22,071,698</u>	<u>100</u>

(Continued)

PARADE TECHNOLOGIES, LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

LIABILITIES AND EQUITY		Notes	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
Current liabilities						
2170	Accounts payable		\$ 1,567,047	7	\$ 399,308	2
2200	Other payables	6(8)	1,374,728	6	2,970,174	13
2230	Current income tax liabilities	6(18)	350,551	1	394,513	2
2280	Lease liabilities - current	6(5)	99,534	-	81,569	-
2300	Other current liabilities		217,468	1	413,782	2
21XX	Total current liabilities		<u>3,609,328</u>	<u>15</u>	<u>4,259,346</u>	<u>19</u>
Non-current liability						
2580	Lease liabilities - non-current	6(5)	158,718	1	81,243	1
25XX	Non-current liabilities		<u>158,718</u>	<u>1</u>	<u>81,243</u>	<u>1</u>
2XXX	Total liabilities		<u>3,768,046</u>	<u>16</u>	<u>4,340,589</u>	<u>20</u>
Equity attributable to owners of the Company						
Share capital						
		6(11)				
3110	Ordinary shares		811,636	4	811,913	4
Capital reserves						
		6(12)				
3200	Capital surplus		4,158,670	18	4,192,921	19
Retained earnings						
		6(13)				
3310	Legal reserve		1,011,400	4	1,011,400	5
3320	Special reserve		8,324	-	122,461	-
3350	Unappropriated earnings		14,581,792	62	13,537,528	61
Other equity						
3400	Other equity		422,135	2	208,496	1
3500	Treasury shares	6(11)	(1,393,449)	(6)	(2,153,610)	(10)
31XX	Equity attributable to owners of the Company		<u>19,600,508</u>	<u>84</u>	<u>17,731,109</u>	<u>80</u>
3XXX	Total equity		<u>19,600,508</u>	<u>84</u>	<u>17,731,109</u>	<u>80</u>
Significant events after the balance sheet date						
		11				
3X2X	TOTAL LIABILITIES AND EQUITY		<u>\$ 23,368,554</u>	<u>100</u>	<u>\$ 22,071,698</u>	<u>100</u>

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

PARADE TECHNOLOGIES, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Year ended December 31			
		2023		2022	
		Amount	%	Amount	%
4000 Revenue	6(14)	\$ 13,769,072	100	\$ 20,055,284	100
5000 Cost of goods sold	6(3)(16)(17)	(7,749,660)	(56)	(10,739,544)	(54)
5900 Gross profit		<u>6,019,412</u>	<u>44</u>	<u>9,315,740</u>	<u>46</u>
Operating expenses	6(16)(17) and 7				
6100 Sales and marketing expenses		(885,740)	(7)	(887,170)	(4)
6200 General and administrative expenses		(580,273)	(4)	(664,390)	(3)
6300 Research and development expenses		(2,586,872)	(19)	(2,497,656)	(13)
6000 Total operating expenses		<u>(4,052,885)</u>	<u>(30)</u>	<u>(4,049,216)</u>	<u>(20)</u>
6900 Operating income		<u>1,966,527</u>	<u>14</u>	<u>5,266,524</u>	<u>26</u>
Non-operating income and expenses					
7100 Interest income		223,099	2	63,911	1
7010 Other income		6,154	-	4,396	-
7020 Other gains and losses	6(15)	28,194	-	40,002	-
7000 Total non-operating income and expenses		<u>257,447</u>	<u>2</u>	<u>108,309</u>	<u>1</u>
7900 Income before income tax		<u>2,223,974</u>	<u>16</u>	<u>5,374,833</u>	<u>27</u>
7950 Income tax expense	6(18)	(190,840)	(1)	(476,514)	(3)
8000 Net income for the year from continuing operations		<u>2,033,134</u>	<u>15</u>	<u>4,898,319</u>	<u>24</u>
Other comprehensive income (loss)					
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8361 Other comprehensive (loss) income, before tax, exchange differences on translation		(47,271)	(1)	1,921,654	10
8360 Components of other comprehensive (loss) income that will not be reclassified to profit or loss		(47,271)	(1)	1,921,654	10
8300 Other comprehensive (loss) income for the year		<u>(\$ 47,271)</u>	<u>(1)</u>	<u>\$ 1,921,654</u>	<u>10</u>
8500 Total comprehensive income for the year		<u>\$ 1,985,863</u>	<u>14</u>	<u>\$ 6,819,973</u>	<u>34</u>
Net income attributable to:					
8610 Owners of the Company		<u>\$ 2,033,134</u>	<u>15</u>	<u>\$ 4,898,319</u>	<u>24</u>
Comprehensive income attributable to:					
8710 Owners of the Company		<u>\$ 1,985,863</u>	<u>14</u>	<u>\$ 6,819,973</u>	<u>34</u>
Earnings per share					
9750 Basic earnings per share	6(19)	<u>\$ 25.73</u>		<u>\$ 61.35</u>	
9850 Diluted earnings per share	6(19)	<u>\$ 25.55</u>		<u>\$ 60.35</u>	

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

PARADE TECHNOLOGIES, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent												Total Equity	
	Notes	Capital Reserves					Retained Earnings			Other Equity				
		Ordinary shares	Paid-in capital in excess of ordinary shares	Capital reserve from treasury share transactions	Capital reserve from employee stock options	Capital reserve from restricted stocks	Capital reserve - others	Legal reserve	Special reserve	Unappropriated earnings	Currency translation differences of foreign operations	Unearned compensation		Treasury shares
<u>Year 2022</u>														
Balance at January 1, 2022		\$ 808,638	\$ 3,015,372	\$ 186,974	\$ 95,469	\$ 929,048	\$ 92,628	\$ 1,011,400	\$ 1,221,272	\$ 10,737,604	(\$ 1,342,498)	(\$ 728,468)	(\$ 1,565,269)	\$ 14,462,170
Net income for 2022		-	-	-	-	-	-	-	-	4,898,319	-	-	-	4,898,319
Other comprehensive income for 2022		-	-	-	-	-	-	-	-	-	1,921,654	-	-	1,921,654
Total comprehensive income		-	-	-	-	-	-	-	-	4,898,319	1,921,654	-	-	6,819,973
Exercise of employee stock options	6(10)(11)	3,572	126,708	-	(57,343)	-	-	-	-	-	-	-	-	72,937
Vesting of restricted stocks	6(10)(11)	-	367,850	-	-	(367,850)	-	-	-	-	-	-	-	-
Adjustment of turnover rate of restricted stocks		-	-	-	-	(20,845)	-	-	-	-	-	20,845	-	-
Cancellation of restricted stocks ordinary shares and related cash dividend recovered	6(11)	(297)	805	-	-	297	-	-	-	1,439	-	-	-	2,244
Share-based compensation cost	6(10)(17)	-	-	-	-	-	-	-	-	-	-	336,963	-	336,963
Tax deduction exceeds cumulative share-based payment expenses		-	-	-	-	-	29,912	-	-	-	-	-	-	29,912
Purchase of treasury shares		-	-	-	-	-	-	-	-	-	-	-	(1,547,482)	(1,547,482)
Treasury shares reissued to employees		-	(19,141)	(186,974)	-	-	-	-	-	-	-	-	959,141	753,026
Proceeds from exercise of disgorgement		-	-	-	-	-	11	-	-	-	-	-	-	11
Earnings appropriation		-	-	-	-	-	-	-	-	-	-	-	-	-
Special reserve		-	-	-	-	-	-	(1,098,811)	1,098,811	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	-	(3,198,645)	-	-	-	-	(3,198,645)
Balance at December 31, 2022		\$ 811,913	\$ 3,491,594	\$ -	\$ 38,126	\$ 540,650	\$ 122,551	\$ 1,011,400	\$ 122,461	\$ 13,537,528	\$ 579,156	(\$ 370,660)	(\$ 2,153,610)	\$ 17,731,109
<u>Year 2023</u>														
Balance at January 1, 2023		\$ 811,913	\$ 3,491,594	\$ -	\$ 38,126	\$ 540,650	\$ 122,551	\$ 1,011,400	\$ 122,461	\$ 13,537,528	\$ 579,156	(\$ 370,660)	(\$ 2,153,610)	\$ 17,731,109
Net income for 2023		-	-	-	-	-	-	-	-	2,033,134	-	-	-	2,033,134
Other comprehensive loss for 2023		-	-	-	-	-	-	-	-	-	(47,271)	-	-	(47,271)
Total comprehensive income (loss)		-	-	-	-	-	-	-	-	2,033,134	(47,271)	-	-	1,985,863
Expired employee stock options		-	-	-	(38,126)	-	38,126	-	-	-	-	-	-	-
Vesting of restricted stocks		-	298,770	-	-	(298,770)	-	-	-	-	-	-	-	-
Adjustment of turnover rate of restricted stocks		-	-	-	-	(21,448)	-	-	-	-	-	21,448	-	-
Cancellation of restricted stocks ordinary shares and related cash dividend recovered	6(11)	(277)	1,679	-	-	277	-	-	-	2,380	-	-	-	4,059
Share-based compensation cost	6(10)(17)	-	(50,809)	-	-	-	-	-	-	-	-	239,462	-	188,653
Tax deduction exceeds cumulative share-based payment expenses		-	-	-	-	-	36,050	-	-	-	-	-	-	36,050
Treasury shares reissued to employees	6(10)(11)	-	-	-	-	-	-	-	-	-	-	-	760,161	760,161
Earnings appropriation		-	-	-	-	-	-	-	-	-	-	-	-	-
Special reserve		-	-	-	-	-	-	(114,137)	114,137	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	-	(1,105,387)	-	-	-	-	(1,105,387)
Balance at December 31, 2023		\$ 811,636	\$ 3,741,234	\$ -	\$ -	\$ 220,709	\$ 196,727	\$ 1,011,400	\$ 8,324	\$ 14,581,792	\$ 531,885	(\$ 109,750)	(\$ 1,393,449)	\$ 19,600,508

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

PARADE TECHNOLOGIES, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Income before income tax for the year		\$ 2,223,974	\$ 5,374,833
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including the right-of-use assets)	6(4)(5)	337,259	313,480
Amortization	6(6)	342,562	340,936
Loss on disposal of equipment	6(4)	-	35
Loss on disposal of intangible assets	6(6)	8,191	19,817
Share-based compensation cost	6(10)(17)	1,029,044	969,164
Interest income		(223,099)	(63,911)
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		(595,648)	481,391
Inventories		694,295	(2,140,923)
Other current assets		(815,386)	(1,078,797)
Changes in operating liabilities			
Accounts payable		1,167,739	(855,072)
Other payables		(261,819)	(275,698)
Other current liabilities		(196,314)	105,341
Cash inflow generated from operations		3,710,798	3,190,596
Interest received		223,099	63,911
Income tax paid		(229,410)	(718,678)
Income tax received		-	7,219
Net cash flows from operating activities		<u>3,704,487</u>	<u>2,543,048</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of property, plant and equipment	6(4)	(127,044)	(171,548)
Acquisition of intangible assets	6(6)	(16,342)	(13,901)
Decrease (increase) in refundable deposits	6(7)	235,551	(2,215,017)
Increase in other prepayments		(454,827)	(357,512)
Net cash flows used in investing activities		<u>(362,662)</u>	<u>(2,757,978)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from exercise of employee stock options		-	72,937
Cash dividends paid	6(13)	(2,439,014)	(2,622,127)
Repayment of the principal portion of lease liabilities	6(5)(21)	(106,693)	(109,154)
Purchase of treasury shares		-	(1,547,482)
Proceeds from exercise of Disgorgement		-	11
Treasury shares reissued to employees	6(10)	760,161	959,141
Cash dividend recovered from cancellation of share-based compensation		4,059	2,244
Net cash flows used in financing activities		<u>(1,781,487)</u>	<u>(3,244,430)</u>
Effect of exchange rate changes		(48,121)	1,233,001
Net increase (decrease) in cash and cash equivalents		1,512,217	(2,226,359)
Cash and cash equivalents at beginning of year		6,975,384	9,201,743
Cash and cash equivalents at end of year		<u>\$ 8,487,601</u>	<u>\$ 6,975,384</u>

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



Parade Technologies., Ltd.
盈餘分配表 (Proposal of Profit Distribution)
 民國一百一十二年十二月三十一日 (December 31, 2023)

項目 (Description)		NTS		US\$	
		小計 (Subtotal)	合計 (Total)	小計 (Subtotal)	合計 (Total)
民國一百一十二年年度稅後淨利(註)	FY 2023 Net Income (Note)	2,033,133,994	2,033,133,994	64,973,451	64,973,451
減:	subtract:				
提列10%法定盈餘公積	10% legal reserve	-		-	
提列特別盈餘公積 - 上半年度	Special reserve - 1st Half				
提列特別盈餘公積 - 下半年度	Special reserve - 2nd Half				
民國一百一十二年年度可供分配盈餘	Retained Earnings in 2023 Available for Distribution		2,033,133,994		64,973,451
加:	Plus:				
以前年度未分配盈餘	Unappropriated Retained Earnings of Previous Years	12,928,402,932		433,564,270	
至一百一十二年年底可分配盈餘	Retained Earnings Available for Distribution as of 12/31/2023		14,961,536,926		498,537,721
分配項目:	Distribution Items:				
普通股股東紅利-現金(每股 4.82元) - 上半年度	- 1st Half, Cash dividends to ordinary shareholders (NT\$4.82 per share)	390,871,071		12,799,785	
普通股股東紅利-現金(每股 7.77元) - 下半年度	- 2nd Half, Cash dividends to ordinary shareholders (NT\$7.77 per share)	624,689,134		19,686,941	
普通股股東紅利-股票(每股 0元)	- Stock dividends to ordinary shareholders (NT\$0 per share)	-		-	
分配項目合計	Subtotal	1,015,560,205		32,486,726	
期末未分配盈餘	Unappropriated Retained Earnings		13,945,976,721		466,050,995

Chairman: Ji Zhao



President: Ming Qu



VP of Finance and Accounting: Kuowei Wu

