

Parade Technologies, Ltd. and Subsidiaries.

The following consolidated balance sheets of Parade Technologies, Ltd. and its subsidiaries as of December 31, 2012 and 2011 and the related consolidated statements of income, and cash flows for the twelve months ended December 31, 2012 and 2011 have been reviewed and audited by independent accountants, PricewaterhouseCoopers, Taiwan.

The reader is advised that these financial statements have been prepared originally in Chinese under ROC GAAP and in NTS. In the event of any differences between NTS and US\$ version, the NTS version shall prevail.

Audited Consolidated Statements of Income	USD in Thousands		NTD in Thousands	
	2012	2011	2012	2011
For twelve months ended December 31, 2012 and 2011				
Net Sales	161,482	79,267	4,780,676	2,329,664
Cost of good sold	78,501	41,233	2,323,729	1,211,849
Gross profit	82,981	38,034	2,456,947	1,117,815
Research & development expenses	18,110	10,928	535,528	321,189
Sales & marketing expenses	7,824	5,019	231,438	147,505
General & administrative expenses	5,766	3,683	170,585	108,241
Total operating expenses	31,700	19,630	937,551	576,935
Operating income	51,281	18,404	1,519,396	540,880
Non operating income and expenses (Note 1)	263	14	7,675	432
Income before income taxes	51,544	18,418	1,527,071	541,312
Income tax expenses	8,159	3,015	242,177	88,625
Consolidated net income	43,385	15,403	1,284,894	452,687
EPS - Basic (In Dollar)	\$0.84	\$0.39	\$24.99	\$11.48
Shares used in computing EPS-Basic (In thousands)	51,413	39,432	51,413	39,432
EPS - Diluted (In Dollar)	\$0.80	\$0.32	\$23.70	\$9.41
Shares used in computing EPS-Diluted (In thousands)	54,209	48,083	54,209	48,083

Note 1: Minor difference was due to account classification between US GAAP and ROC GAAP.

Audited Consolidated Balance Sheets	USD in Thousands		NTD in Thousands	
	2012	2011	2012	2011
As of December 31, 2012 and 2011				
Current assets				
Cash & cash equivalent	98,010	63,714	2,846,212	1,929,253
Available-for-sale-financial assets - current	1,072	1,064	31,121	32,221
Deferred income tax assets	2	65	47	1,961
Accounts receivable, net	23,689	20,637	687,914	624,905
Inventories	6,769	6,049	196,578	183,172
Other current assets	2,204	770	64,021	23,314
Total current assets	131,746	92,299	3,825,893	2,794,826
Fixed assets	2,965	2,115	86,124	64,022
Other assets	688	218	19,981	6,613
Total assets	135,399	94,632	3,931,998	2,865,461
Current liabilities				
Accounts payable	7,044	12,306	204,556	372,617
Income tax payable	4,662	2,790	135,380	84,471
Accrued expenses	8,496	4,624	246,711	140,013
Other current liabilities	1,906	850	55,358	25,746
Total current liabilities	22,108	20,570	642,005	622,847
Shareholders' equity				
Ordinary shares - par	16,851	16,667	517,215	511,578
Additional paid-in-capital	42,367	40,722	1,268,136	1,219,675
Retained earnings	53,773	16,398	1,589,842	484,077
Cumulative translation adjustments (Note 2)	300	275	(85,200)	27,284
Shareholders' equity	113,291	74,062	3,289,993	2,242,614
Total liability and shareholders' equity	135,399	94,632	3,931,998	2,865,461

Note 2: Minor difference was due to account classification between US GAAP and ROC GAAP.

Audited Consolidated Statements of Cash Flows	USD in Thousands		NTD in Thousands	
	2012	2011	2012	2011
For twelve months ended December 31, 2012 and 2011				
Cash flows from operating activities:				
Net income	43,385	15,403	1,284,894	452,687
Depreciation and amortization	1,094	699	32,360	20,547
Compensation cost - Stock Options	1,040	502	30,760	14,743
Accounts receivable	(3,051)	(12,587)	(88,600)	(381,130)
Inventories	(720)	(3,125)	(20,907)	(94,632)
Prepaid exp and other assets	(1,379)	(1,215)	(40,047)	(36,785)
Accounts payable	(5,262)	7,502	(152,802)	227,146
Deferred distributor profit	1,056	213	30,666	6,455
Accrued expenses and other liabilities	3,872	2,282	112,431	69,112
Income tax payable	2,217	2,774	64,553	84,005
Net cash provided by operating activities	42,252	12,448	1,253,308	362,148
Cash flows from investing activities:				
Acquisition of property and equipment	(1,964)	(808)	(58,062)	(22,815)
Refundable deposits	(441)	(59)	(12,800)	(1,792)
Net cash used in investing activities	(2,405)	(867)	(70,862)	(24,607)
Cash flows from financing activities:				
Payment of cash dividends	(6,010)	-	(179,129)	-
Proceeds from issuance of ordinary shares	445	34,230	13,153	995,738
Net cash (used in) provided by financing activities	(5,565)	34,230	(165,976)	995,738
Adjustments of foreign exchange rate	14	55	(99,511)	76,056
Increase in cash and cash equivalents	34,296	45,866	916,959	1,409,335
Cash and cash equivalents at beginning of year	63,714	17,848	1,929,253	519,918
Cash and cash equivalents at end of year	98,010	63,714	2,846,212	1,929,253