

Parade Technologies, Ltd. and Subsidiaries

The reader is advised that these consolidated financial statements have been prepared originally in NTS and conformed with the adoption of IFRSs. In the event of any differences between NTS and USS version, the NTS version shall prevail.

INCOME

	USD in Thousands						NTD in Thousands					
	Sequential Quarter		Three Months ended		Nine Months ended		Sequential Quarter		Three Months ended		Nine Months ended	
	Sept 30, 2013	June 30, 2013	Sept 30, 2013	Sept 30, 2012	Sept 30, 2013	Sept 30, 2012	Sept 30, 2013	June 30, 2013	Sept 30, 2013	Sept 30, 2012	Sept 30, 2013	Sept 30, 2012
Revenue	39,244	27,161	39,244	48,154	87,342	129,779	1,172,210	810,770	1,172,210	1,435,955	2,600,204	3,856,527
Cost of goods sold	22,418	14,422	22,418	23,327	48,037	62,519	669,626	430,495	669,626	695,627	1,430,208	1,857,853
Gross profit	16,826	12,739	16,826	24,827	39,305	67,260	502,584	380,275	502,584	740,328	1,169,996	1,998,674
Research & development expenses	6,767	5,237	6,767	4,814	16,926	13,409	202,116	156,333	202,116	143,572	503,541	398,499
Sales & marketing expenses	2,072	1,725	2,072	2,133	5,443	5,981	61,892	51,485	61,892	63,612	161,906	177,735
General & administrative expenses	1,546	1,345	1,546	1,480	4,053	4,441	46,173	40,165	46,173	44,132	120,586	131,938
Total operating expenses	10,385	8,307	10,385	8,427	26,422	23,831	310,181	247,983	310,181	251,316	786,033	708,172
Operating income	6,441	4,432	6,441	16,400	12,883	43,429	192,403	132,292	192,403	489,012	383,963	1,290,502
Non-operating income and expenses	(33)	6	(33)	15	(49)	36	(1,008)	197	(1,008)	460	(1,478)	1,077
Income before income taxes	6,408	4,438	6,408	16,415	12,834	43,465	191,395	132,489	191,395	489,472	382,485	1,291,579
Income tax expense	581	480	581	2,950	1,381	7,670	17,356	14,323	17,356	87,933	41,119	227,918
Net income	5,827	3,958	5,827	13,465	11,453	35,795	174,039	118,166	174,039	401,539	341,366	1,063,661
EPS - Basic (In Dollar)	\$0.08	\$0.05	\$0.08	\$0.19	\$0.16	\$0.50	\$2.34	\$1.62	\$2.34	\$5.57	\$4.66	\$14.80
Shares used in computing EPS-Basic (In thousands)*	74,237	73,078	74,237	72,131	73,277	71,859	74,237	73,078	74,237	72,131	73,277	71,859
EPS - Diluted (In Dollar)	\$0.08	\$0.05	\$0.08	\$0.18	\$0.15	\$0.48	\$2.28	\$1.58	\$2.28	\$5.38	\$4.54	\$14.26
Shares used in computing EPS-Diluted (In thousands)*	76,226	74,558	76,226	74,684	75,249	74,604	76,226	74,558	76,226	74,684	75,249	74,604

* Issuance of 21,335 thousand shares as a result of stock dividends.

UNAUDITED CONSOLIDATED BALANCE SHEETS

As of September 30, 2013 and 2012

	USD in Thousands		NTD in Thousands	
	Sept 30, 2013	Sept 30, 2012	Sept 30, 2013	Sept 30, 2012
Current assets				
Cash & cash equivalents	111,452	97,012	3,295,626	2,842,459
Available-for-sale financial assets - current	1,079	1,072	31,913	31,399
Accounts receivable, net	28,631	24,745	846,606	725,021
Inventories, net	10,295	10,514	304,433	308,063
Other current assets	2,725	2,545	80,567	74,575
Total current assets	154,182	135,888	4,559,145	3,981,517
Non-current assets				
Property, plant and equipment, net	2,747	2,936	81,240	86,015
Intangible assets	294	92	8,697	2,709
Deferred income tax assets	91	75	2,684	2,185
Other non-current assets	2,121	601	62,729	17,603
Total non-current assets	5,253	3,704	155,350	108,512
Total Assets	159,435	139,592	4,714,495	4,090,029
Current Liabilities				
Accounts payable	15,720	15,311	464,854	448,624
Other payables	14,769	7,717	436,282	226,095
Current tax liabilities	5,489	9,153	162,320	268,172
Other current liabilities	2,266	2,539	66,994	74,392
Total current liabilities	38,244	34,720	1,130,450	1,017,283
Equity				
Ordinary shares	24,614	16,824	746,765	516,388
Capital reserves	47,097	41,587	1,409,136	1,245,232
Retained earnings	52,125	46,459	1,544,932	1,376,933
Other equity	(2,645)	2	(116,788)	(65,807)
Total equity	121,191	104,872	3,584,045	3,072,746
Total liabilities and equity	159,435	139,592	4,714,495	4,090,029

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

For nine months ended September 30, 2013 and 2012

	USD in Thousands		NTD in Thousands	
	Sept 30, 2013	Sept 30, 2012	Sept 30, 2013	Sept 30, 2012
Cash flows from operating activities				
Consolidated income before income tax for the period	12,834	43,465	382,485	1,291,579
Depreciation and amortization	911	813	27,089	24,159
Share-based compensation cost	1,457	603	43,319	17,907
Interest income	(43)	(52)	(1,270)	(1,554)
Income and expenses having no effect on cash flows	2,325	1,364	69,138	40,512
Accounts receivable	(4,942)	(4,107)	(146,137)	(120,341)
Inventories	(3,526)	(4,465)	(104,267)	(130,819)
Other assets	(2,026)	(1,777)	(59,915)	(52,077)
Net changes in assets relating to operating activities	(10,494)	(10,349)	(310,319)	(303,237)
Accounts payable	8,677	3,006	256,565	88,067
Other payables	129	3,093	3,822	90,614
Other current liabilities	359	1,689	10,625	49,479
Net changes in liabilities relating to operating activities	9,165	7,788	271,012	228,160
Cash provided by operations	13,830	42,268	412,316	1,257,014
Interest received	43	54	1,277	1,611
Income taxes paid	(648)	(1,318)	(19,272)	(38,605)
Net cash provided by operating activities	13,225	41,004	394,321	1,220,020
Cash flows from investing activities				
Increase in available-for-sale financial assets - current	(7)	(8)	(224)	(221)
Acquisition of equipment and computer software	(865)	(1,662)	(25,719)	(49,402)
Increase in refundable deposits	(15)	(441)	(429)	(12,907)
Net cash used in investing activities	(887)	(2,111)	(26,372)	(62,530)
Cash flows from financing activities				
Proceeds from exercise of employee stock options	1,017	419	30,228	12,460
Purchase of treasury shares	(2,332)	-	(69,629)	-
Treasury shares reissued to employees	2,332	-	69,629	-
Distribution of cash dividends	-	(6,010)	-	(179,129)
Net cash provided by (used in) financing activities	1,017	(5,591)	30,228	(166,669)
Effect of exchange rate changes on cash and cash equivalents	87	(3)	51,237	(77,615)
Increase in cash and cash equivalents	13,442	33,299	449,414	913,206
Cash and cash equivalents at beginning of period	98,010	63,714	2,846,212	1,929,253
Cash and cash equivalents at end of period	111,452	97,012	3,295,626	2,842,459