

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.

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	USD in Thousands						NTD in Thousands					
	Sequential Quarter		Three Months ended		Twelve Months ended		Sequential Quarter		Three Months ended		Twelve Months ended	
	Dec 31, 2013	Sept 30, 2013	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Sept 30, 2013	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012
Revenue	54,546	39,244	54,546	31,703	141,888	161,482	1,611,824	1,172,210	1,611,824	924,149	4,212,028	4,780,676
Cost of goods sold	32,149	22,418	32,149	15,982	80,186	78,501	949,996	669,626	949,996	465,876	2,380,204	2,323,729
Gross profit	22,397	16,826	22,397	15,721	61,702	82,981	661,828	502,584	661,828	458,273	1,831,824	2,456,947
Research & development expenses	5,715	6,767	5,715	4,701	22,641	18,110	168,887	202,116	168,887	137,029	672,428	535,528
Sales & marketing expenses	2,272	2,072	2,272	1,842	7,715	7,824	67,142	61,892	67,142	53,703	229,048	231,438
General & administrative expenses	1,635	1,546	1,635	1,326	5,688	5,766	48,318	46,173	48,318	38,647	168,904	170,585
Total operating expenses	9,622	10,385	9,622	7,869	36,044	31,700	284,347	310,181	284,347	229,379	1,070,380	937,551
Operating income	12,775	6,441	12,775	7,852	25,658	51,281	377,481	192,403	377,481	228,894	761,444	1,519,396
Non-operating income and expenses	(14)	(33)	(14)	227	(63)	263	(396)	(1,008)	(396)	6,598	(1,874)	7,675
Income before income taxes	12,761	6,408	12,761	8,079	25,595	51,544	377,085	191,395	377,085	235,492	759,570	1,527,071
Income tax expense	1,330	581	1,330	489	2,711	8,159	39,301	17,356	39,301	14,259	80,420	242,177
Net income	11,431	5,827	11,431	7,590	22,884	43,385	337,784	174,039	337,784	221,233	679,150	1,284,894
EPS - Basic (In Dollar)	\$0.15	\$0.08	\$0.15	\$0.10	\$0.31	\$0.60	\$4.56	\$2.31	\$4.56	\$3.05	\$9.25	\$17.85
Shares used in computing EPS-Basic (In thousands)*	74,131	74,237	74,131	72,342	73,397	71,980	74,131	74,237	74,131	72,342	73,397	71,980
EPS - Diluted (In Dollar)	\$0.15	\$0.08	\$0.15	\$0.10	\$0.30	\$0.58	\$4.48	\$2.28	\$4.48	\$2.96	\$9.02	\$17.18
Shares used in computing EPS-Diluted (In thousands)*	75,375	76,226	75,375	74,799	75,275	74,776	75,375	76,226	75,375	74,799	75,275	74,776

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

Parade Technologies, Ltd. and Subsidiaries

UNAUDITED CONSOLIDATED BALANCE SHEETS

As of December 31, 2013 and 2012

	USD in Thousands		NTD in Thousands	
	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012
	Current assets			
Cash & cash equivalents	116,038	98,010	3,459,081	2,846,212
Available-for-sale financial assets - current	1,079	1,072	32,172	31,121
Accounts receivable, net	34,325	23,689	1,023,236	687,914
Inventories, net	7,689	6,769	229,216	196,578
Other current assets	2,516	2,204	75,003	64,021
Total current assets	161,647	131,744	4,818,708	3,825,846
Non-current assets				
Property, plant and equipment, net	3,064	2,965	91,340	86,124
Intangible assets	269	87	8,007	2,528
Deferred income tax assets	103	2	3,086	47
Other non-current assets	2,059	601	61,370	17,453
Total non-current assets	5,495	3,655	163,803	106,152
Total Assets	167,142	135,399	4,982,511	3,931,998
Current Liabilities				
Accounts payable	16,311	7,044	486,222	204,556
Other payables	8,521	8,496	254,005	246,711
Current tax liabilities	5,961	4,662	177,686	135,380
Other current liabilities	2,375	1,906	70,817	55,358
Total current liabilities	33,168	22,108	988,730	642,005
Equity				
Ordinary shares	24,630	16,851	747,257	517,215
Capital reserves	48,211	42,367	1,442,109	1,268,136
Retained earnings	63,556	54,048	1,882,724	1,598,166
Other equity	(2,425)	25	(78,309)	(93,524)
Total equity	133,972	113,291	3,993,781	3,289,993
Total liabilities and equity	167,142	135,399	4,982,511	3,931,998

Parade Technologies, Ltd. and Subsidiaries

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

For twelve months ended December 31, 2013 and 2012

	USD in Thousands		NTD in Thousands	
	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012
	Cash flows from operating activities			
Consolidated income before income tax for the period	25,595	51,544	759,570	1,527,071
Depreciation and amortization	1,238	1,094	36,746	32,359
Share-based compensation cost	2,028	1,040	60,217	30,760
Interest income	(57)	(69)	(1,706)	(2,031)
Income and expenses having no effect on cash flows	3,209	2,066	95,257	61,088
Accounts receivable	(10,637)	(3,051)	(317,081)	(88,601)
Inventories	(920)	(720)	(27,426)	(20,907)
Other assets	(1,662)	(1,442)	(49,537)	(41,879)
Net changes in assets relating to operating activities	(13,219)	(5,215)	(394,044)	(151,387)
Accounts payable	9,267	(5,262)	276,243	(152,802)
Other payables	25	3,872	754	112,431
Other current liabilities	469	1,056	13,991	30,666
Net changes in liabilities relating to operating activities	9,761	(334)	290,988	(9,705)
Cash provided by operations	25,347	48,063	751,771	1,427,067
Interest received	56	69	1,661	2,033
Income taxes paid	(822)	(5,868)	(24,409)	(170,394)
Net cash provided by operating activities	24,580	42,263	729,023	1,258,706
Cash flows from investing activities				
Acquisition of equipment and computer software	(1,474)	(1,963)	(43,765)	(58,062)
Decrease in refundable deposits	(98)	(441)	(2,909)	(12,800)
Net cash used in investing activities	(1,572)	(2,404)	(46,674)	(70,862)
Cash flows from financing activities				
Proceeds from exercise of employee stock options	1,056	445	31,341	13,153
Purchase of treasury shares	(2,332)	-	(69,629)	-
Treasury shares reissued to employees	2,332	-	69,629	-
Distribution of cash dividends	(6,144)	(6,010)	(181,239)	(179,129)
Net cash used in financing activities	(5,088)	(5,565)	(149,898)	(165,976)
Effect of exchange rate changes on cash and cash equivalents	108	2	80,418	(104,909)
Increase in cash and cash equivalents	18,028	34,296	612,869	916,960
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	116,038	98,010	3,459,081	2,846,212