

Parade Technologies, Ltd. and Subsidiaries.

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

INCOME

	USD in Thousands				NTD in Thousands			
	Sequential Quarter		Three Months ended		Sequential Quarter		Three Months ended	
	March 31, 2014	Dec 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	Dec 31, 2013	March 31, 2014	March 31, 2013
Revenue	44,531	54,546	44,531	20,937	1,347,943	1,611,824	1,347,943	617,224
Cost of goods sold	26,057	32,149	26,057	11,197	788,732	949,996	788,732	330,087
Gross profit	18,474	22,397	18,474	9,740	559,211	661,828	559,211	287,137
Research & development expenses	5,477	5,715	5,477	4,922	165,793	168,887	165,793	145,092
Sales & marketing expenses	2,034	2,272	2,034	1,646	61,589	67,142	61,589	48,529
General & administrative expenses	1,550	1,635	1,550	1,162	46,908	48,318	46,908	34,248
Total operating expenses	9,061	9,622	9,061	7,730	274,290	284,347	274,290	227,869
Operating income	9,413	12,775	9,413	2,010	284,921	377,481	284,921	59,268
Non-operating income and expenses	40	(14)	40	(22)	1,209	(396)	1,209	(667)
Income before income taxes	9,453	12,761	9,453	1,988	286,130	377,085	286,130	58,601
Income tax expense	943	1,330	943	320	28,540	39,301	28,540	9,440
Net income	8,510	11,431	8,510	1,668	257,590	337,784	257,590	49,161
EPS - Basic (In Dollar)	\$0.11	\$0.15	\$0.11	\$0.02	\$3.47	\$4.56	\$3.47	\$0.68
Shares used in computing EPS-Basic (In thousands)	74,177	74,131	74,177	72,470	74,177	74,131	74,177	72,470
EPS - Diluted (In Dollar)	\$0.11	\$0.15	\$0.11	\$0.02	\$3.41	\$4.48	\$3.41	\$0.66
Shares used in computing EPS-Diluted (In thousands)	75,455	75,375	75,455	74,888	75,455	75,375	75,455	74,888

UNAUDITED CONSOLIDATED BALANCE SHEETS

As of March 31, 2014 and 2013

	USD in Thousands		NTD in Thousands	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Current assets				
Cash & cash equivalents	125,442	109,933	3,822,208	3,279,311
Available-for-sale financial assets - current	1,079	1,072	32,884	31,967
Accounts receivable, net	30,287	13,866	922,834	413,633
Inventories, net	15,117	4,611	460,625	137,549
Other current assets	3,226	2,379	98,289	70,965
Total current assets	175,151	131,861	5,336,840	3,933,425
Non-current assets				
Property, plant and equipment, net	2,905	2,972	88,517	88,649
Intangible assets	244	190	7,438	5,680
Deferred income tax assets	111	8	3,395	251
Other non-current assets	1,913	613	58,292	18,270
Total non-current assets	5,173	3,783	157,642	112,850
Total Assets	180,324	135,644	5,494,482	4,046,275
Current Liabilities				
Accounts payable	21,617	6,020	658,658	179,582
Other payables	7,150	8,071	217,869	240,745
Current tax liabilities	6,638	4,835	202,261	144,230
Other current liabilities	3,308	1,773	100,791	52,881
Total current liabilities	38,713	20,699	1,179,579	617,438
Equity				
Ordinary shares	24,647	17,006	747,797	521,975
Capital reserves	48,505	43,129	1,451,020	1,290,410
Retained earnings	72,067	55,716	2,140,339	1,647,327
Other equity	(2,235)	39	17,667	(2,717)
Treasury shares	(1,373)	(945)	(41,920)	(28,158)
Total equity	141,611	114,945	4,314,903	3,428,837
Total liability and equity	180,324	135,644	5,494,482	4,046,275

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

For three months ended March 31, 2014 and 2013

	USD in Thousands		NTD in Thousands	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Cash flows from operating activities				
Income before income tax for the period	9,453	1,988	286,130	58,601
Depreciation and amortization	348	293	10,544	8,628
Share-based compensation cost	506	494	15,329	14,561
Interest income	(6)	(13)	(199)	(377)
Income and expenses having no effect on cash flows	848	774	25,674	22,812
Accounts receivable	4,038	9,822	123,056	292,995
Inventories	(7,428)	2,158	(226,334)	64,377
Other current assets	(725)	(172)	(22,086)	(5,147)
Other non-current assets	146	-	4,440	-
Net changes in assets relating to operating activities	(3,969)	11,808	(120,924)	352,225
Accounts payable	5,306	(1,024)	161,671	(30,539)
Other payables	(1,370)	(425)	(41,760)	(12,677)
Other current liabilities	932	(134)	28,407	(3,983)
Net changes in liabilities relating to operating activities	4,868	(1,583)	148,318	(47,199)
Cash provided by operations	11,200	12,987	339,198	386,439
Interest received	5	11	159	321
Income taxes paid	(255)	(155)	(7,728)	(4,636)
Net cash provided by operating activities	10,950	12,843	331,629	382,124
Cash flows from investing activities				
Acquisition of equipment and computer software	(189)	(403)	(5,714)	(11,873)
Increase in refundable deposits	(0)	(11)	(4)	(341)
Net cash used in investing activities	(189)	(414)	(5,718)	(12,214)
Cash flows from financing activities				
Proceeds from exercise of employee stock options	60	423	1,811	12,473
Purchase of treasury shares	(1,373)	(945)	(41,920)	(28,158)
Net cash used in financing activities	(1,313)	(522)	(40,109)	(15,685)
Effect of exchange rate changes on cash and cash equivalents	(43)	16	77,325	78,874
Increase in cash and cash equivalents	9,405	11,923	363,127	433,099
Cash and cash equivalents at beginning of period	116,038	98,010	3,459,081	2,846,212
Cash and cash equivalents at end of period	125,442	109,933	3,822,208	3,279,311