

Parade Technologies, Ltd

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.

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

	USD in Thousands				NTD in Thousands			
	Sequential Quarter		Three Months ended		Sequential Quarter		Three Months ended	
	March 31, 2011	Dec 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	Dec 31, 2010	March 31, 2011	March 31, 2010
Net Sales	14,927	13,518	14,927	8,276	437,508	435,596	437,508	264,338
Cost of good sold	7,911	7,738	7,911	4,956	231,881	248,698	231,881	158,302
Gross margin	7,016	5,780	7,016	3,320	205,627	186,898	205,627	106,036
Research & development	2,327	1,865	2,327	1,420	68,218	60,892	68,218	45,362
Sales & marketing	999	971	999	721	29,268	31,167	29,268	23,034
General & administration	688	866	688	381	20,162	27,692	20,162	12,174
Total operating expenses	4,014	3,703	4,014	2,523	117,648	119,751	117,648	80,570
Income(loss) from operations	3,002	2,077	3,002	797	87,979	67,147	87,979	25,466
Other income and expenses (Note 1)	10	15	10	16	(160)	(535)	(160)	416
Income(loss) before income taxes	3,011	2,092	3,011	813	87,819	66,612	87,819	25,882
Net Tax Expense	180	(61)	180	34	5,262	(1,904)	5,262	1,074
Net income (loss)	2,832	2,153	2,832	779	82,557	68,516	82,557	24,808
EPS - Basic (In Dollar)	\$0.13	\$0.17	\$0.13	\$0.08	\$3.76	\$5.43	\$3.76	\$2.58
Shares used in computing EPS-Basic (In thousands)	21,938	12,626	21,938	9,610	21,938	12,626	21,938	9,610
EPS - Diluted (In Dollar)	\$0.07	\$0.05	\$0.07	\$0.02	\$1.98	\$1.61	\$1.98	\$0.60
Shares used in computing EPS-Diluted (In thousands)	41,700	42,510	41,700	41,045	41,700	42,510	41,700	41,045

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

UNAUDITED CONSOLIDATED BALANCE SHEETS

	USD in Thousands		NTD in Thousands	
	For the Period ended March 31, 2011 and 2010		For the Period ended March 31, 2011 and 2010	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Current assets				
Cash & cash equivalent	18,682	9,965	542,600	316,903
Restricted Cash	1,000	1,000	32,347	32,920
Short-term investment	55	35	1,144	2,479
Accounts receivable-net	10,087	5,524	296,565	175,659
Inventory-net	2,474	2,223	72,726	70,683
Prepays & Others	1,095	449	23,641	12,933
Total current assets	33,394	19,196	969,023	611,577
Fixed assets	914	863	41,032	26,698
Other assets	296	135	7,314	3,874
Total assets	34,604	20,193	1,017,369	642,149
Current liabilities:				
Accounts payable	5,286	3,056	156,135	106,640
Income tax payable	193	57	5,676	1,810
Other current liabilities	373	401	15,552	15,168
Accrued liabilities	2,018	1,271	54,048	28,529
Total current liabilities	7,871	4,784	231,411	152,147
Shareholder's equity				
Ordinary shares - par	13,013	1	399,411	79
Additional paid-in-capital	9,699	25,135	322,969	804,038
Retained earnings	3,857	(9,852)	113,947	(314,965)
Cumulative translation adjustment (Note 2)	164	124	(50,369)	850
Shareholder's equity	26,733	15,409	785,958	490,002
Total liability and shareholder's equity	34,604	20,193	1,017,369	642,149

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

UNAUDITED CONSOLIDATED CASH FLOW STATEMENTS

	USD in Thousands		NTD in Thousands	
	For the Period ended March 31, 2011 and 2010		For the Period ended March 31, 2011 and 2010	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Cash flows from operating activities:				
Net income (loss)	2,832	779	82,557	24,808
Depreciation and amortization	150	131	4,214	4,307
Translation Adjustment	7	(3)	-	-
Compensation Cost - Stock Option	42	145	1,230	4,641
Accounts receivable	(2,037)	(2,531)	(59,875)	(80,477)
Inventories	450	232	13,241	7,370
Prepaid exp and other assets	(607)	(115)	(4,675)	(3,626)
Accounts payable	634	37	14,892	(2,313)
Deferred disty profit	(142)	78	(3,179)	2,760
Accrued exp. and other liab.	(596)	(422)	(14,792)	(10,224)
Income Tax Payable	178	20	5,224	621
Net cash used in operating activities	911	(1,648)	38,837	(52,133)
Cash flows from investing activities:				
Acquisition of property and equipment	(90)	(257)	(22,195)	(8,349)
Net Cash provided by (used in) investing activities	(90)	(257)	(22,195)	(8,349)
Cash flow from financing activities:				
Net proceeds from issu. of Ord. Shares	13	247	378	7,880
Net cash provided by financing activities	13	247	378	7,880
Adjustment of foreign exchange rate	-	-	5,662	(2,354)
Net increase (decrease) in cash and cash equivalents	835	(1,659)	22,682	(54,956)
Cash and cash equivalents at beginning of period	17,848	11,624	519,918	371,859
Cash and cash equivalents at end of period	18,682	9,965	542,600	316,903