

## 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.

### UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	USD in Thousands						NTD in Thousands									
	Sequential Quarter		Three Months ended			Six Months ended			Sequential Quarter		Three Months ended			Six Months ended		
	June 30, 2014	March 31, 2014	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013	June 30, 2014	March 31, 2014	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013		
Revenue	46,848	44,531	46,848	27,161	91,379	48,098	1,410,129	1,347,943	1,410,129	810,770	2,758,072	1,427,994				
Cost of goods sold	27,419	26,057	27,419	14,422	53,476	25,619	825,319	788,732	825,319	430,495	1,614,051	760,582				
Gross profit	19,429	18,474	19,429	12,739	37,903	22,479	584,810	559,211	584,810	380,275	1,144,021	667,412				
Research & development expenses	5,877	5,477	5,877	5,237	11,354	10,159	176,894	165,793	176,894	156,333	342,687	301,425				
Sales & marketing expenses	2,197	2,034	2,197	1,725	4,231	3,371	66,100	61,589	66,100	51,485	127,689	100,014				
General & administrative expenses	1,705	1,550	1,705	1,345	3,255	2,507	51,329	46,908	51,329	40,165	98,237	74,413				
Total operating expenses	9,779	9,061	9,779	8,307	18,840	16,037	294,323	274,290	294,323	247,983	568,613	475,852				
Operating income	9,650	9,413	9,650	4,432	19,063	6,442	290,487	284,921	290,487	132,292	575,408	191,560				
Non-operating income and expenses	36	40	36	6	76	(16)	1,104	1,209	1,104	197	2,313	(470)				
Income before income taxes	9,686	9,453	9,686	4,438	19,139	6,426	291,591	286,130	291,591	132,489	577,721	191,090				
Income tax expense	458	943	458	480	1,401	800	13,804	28,540	13,804	14,323	42,344	23,763				
<b>Net income</b>	<b>9,228</b>	<b>8,510</b>	<b>9,228</b>	<b>3,958</b>	<b>17,738</b>	<b>5,626</b>	<b>277,787</b>	<b>257,590</b>	<b>277,787</b>	<b>118,166</b>	<b>535,377</b>	<b>167,327</b>				
EPS - Basic (In Dollar)	\$0.13	\$0.11	\$0.13	\$0.06	\$0.24	\$0.08	\$3.75	\$3.47	\$3.75	\$1.62	\$7.22	\$2.30				
Shares used in computing EPS-Basic (In thousands)	74,118	74,177	74,118	73,078	74,151	72,797	74,118	74,177	74,118	73,078	74,151	72,797				
EPS - Diluted (In Dollar)	\$0.12	\$0.11	\$0.12	\$0.06	\$0.23	\$0.08	\$3.68	\$3.41	\$3.68	\$1.58	\$7.09	\$2.24				
Shares used in computing EPS-Diluted (In thousands)	75,545	75,455	75,545	74,558	75,512	74,549	75,545	75,455	75,545	74,558	75,512	74,549				

### UNAUDITED CONSOLIDATED BALANCE SHEETS

As of June 30, 2014 and 2013

	USD in Thousands		NTD in Thousands	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
		2014	2013	2014
<b>Current assets</b>				
Cash & cash equivalents	135,767	115,713	4,055,378	3,471,391
Available-for-sale financial assets - current	1,086	1,079	32,432	32,377
Accounts receivable, net	30,171	18,508	901,201	555,231
Inventories, net	21,636	6,827	646,269	204,806
Other current assets	5,469	3,403	163,362	102,103
<b>Total current assets</b>	<b>194,129</b>	<b>145,530</b>	<b>5,798,642</b>	<b>4,365,908</b>
<b>Non-current assets</b>				
Property, plant and equipment, net	2,767	2,897	82,642	86,909
Intangible assets	220	320	6,570	9,587
Deferred income tax assets	116	13	3,461	388
Other non-current assets	1,819	2,266	54,331	67,977
<b>Total non-current assets</b>	<b>4,922</b>	<b>5,496</b>	<b>147,004</b>	<b>164,861</b>
<b>Total Assets</b>	<b>199,051</b>	<b>151,026</b>	<b>5,945,646</b>	<b>4,530,769</b>
<b>Current Liabilities</b>				
Accounts payable	25,932	13,542	774,585	406,256
Other payables	15,219	15,065	451,957	448,870
Current tax liabilities	7,290	5,032	217,764	150,955
Other current liabilities	4,785	2,859	142,901	85,795
<b>Total current liabilities</b>	<b>53,226</b>	<b>36,498</b>	<b>1,587,207</b>	<b>1,091,876</b>
<b>Equity</b>				
Ordinary shares	24,680	17,150	748,802	526,386
Stock dividends to be distributed	-	7,232	-	213,353
Capital reserves	49,024	43,739	1,466,614	1,308,509
Retained earnings	74,155	46,299	2,207,488	1,370,893
Other equity	(2,034)	108	(64,465)	19,752
<b>Total equity</b>	<b>145,825</b>	<b>114,528</b>	<b>4,358,439</b>	<b>3,438,893</b>
<b>Total liabilities and equity</b>	<b>199,051</b>	<b>151,026</b>	<b>5,945,646</b>	<b>4,530,769</b>

### UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

For six months ended June 30, 2014 and 2013

	USD in Thousands		NTD in Thousands	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
		2014	2013	2014
<b>Cash flows from operating activities</b>				
Income before income tax for the period	19,139	6,426	577,721	191,090
Depreciation and amortization	686	595	20,706	17,643
Share-based compensation cost	1,062	944	32,065	27,996
Interest income	(14)	(29)	(412)	(845)
Income and expenses having no effect on cash flows	1,734	1,510	52,359	44,794
Accounts receivable	4,154	5,181	124,094	155,425
Inventories	(13,947)	(58)	(416,592)	(1,730)
Other assets	(2,261)	(2,852)	(67,534)	(85,556)
<b>Net changes in assets relating to operating activities</b>	<b>-12,054</b>	<b>2,271</b>	<b>(360,032)</b>	<b>68,139</b>
Accounts payable	9,621	6,498	287,384	194,938
Other payables	(445)	425	(13,286)	12,758
Other current liabilities	2,409	954	71,942	28,607
<b>Net changes in liabilities relating to operating activities</b>	<b>11,585</b>	<b>7,877</b>	<b>346,040</b>	<b>236,303</b>
<b>Cash generated from operations</b>	<b>20,404</b>	<b>18,084</b>	<b>616,088</b>	<b>540,326</b>
Interest received	17	30	528	891
Income taxes paid	(486)	(445)	(14,676)	(13,218)
<b>Net cash provided by operating activities</b>	<b>19,935</b>	<b>17,669</b>	<b>601,940</b>	<b>527,999</b>
<b>Cash flows from investing activities</b>				
Increase in available-for-sale financial assets - current	(6)	(8)	(196)	(228)
Acquisition of equipment and computer software	(355)	(735)	(10,725)	(21,822)
Increase in refundable deposits	(52)	(14)	(1,543)	(400)
<b>Net cash used in investing activities</b>	<b>(413)</b>	<b>(757)</b>	<b>(12,464)</b>	<b>(22,450)</b>
<b>Cash flows from financing activities</b>				
Proceeds from exercise of employee stock options	233	726	7,043	21,548
Purchase of treasury shares	(1,374)	(2,332)	(41,920)	(69,629)
Treasury shares reissued to employees	1,374	2,332	41,920	69,629
<b>Net cash provided by financing activities</b>	<b>233</b>	<b>726</b>	<b>7,043</b>	<b>21,548</b>
Effect of exchange rate changes on cash and cash equivalents	(26)	65	(222)	98,082
<b>Increase in cash and cash equivalents</b>	<b>19,729</b>	<b>17,703</b>	<b>596,297</b>	<b>625,179</b>
Cash and cash equivalents at beginning of period	116,038	98,010	3,459,081	2,846,212
<b>Cash and cash equivalents at end of period</b>	<b>135,767</b>	<b>115,713</b>	<b>4,055,378</b>	<b>3,471,391</b>