

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		Nine Months ended		Sequential Quarter		Three Months ended		Nine Months ended	
	Sept 30, 2014	June 30, 2014	Sept 30, 2014	Sept 30, 2013	Sept 30, 2014	Sept 30, 2013	Sept 30, 2014	June 30, 2014	Sept 30, 2014	Sept 30, 2013	Sept 30, 2014	Sept 30, 2013
Revenue	58,979	46,848	58,979	39,244	150,358	87,342	1,769,977	1,410,129	1,769,977	1,172,210	4,528,049	2,600,204
Cost of goods sold	34,397	27,419	34,397	22,418	87,873	48,037	1,032,266	825,319	1,032,266	669,626	2,646,317	1,430,208
Gross profit	24,582	19,429	24,582	16,826	62,485	39,305	737,711	584,810	737,711	502,584	1,881,732	1,169,996
Research & development expenses	6,414	5,877	6,414	6,767	17,768	16,926	192,481	176,894	192,481	202,116	535,168	503,541
Sales & marketing expenses	2,742	2,197	2,742	2,072	6,973	5,443	82,304	66,100	82,304	61,892	209,993	161,906
General & administrative expenses	1,906	1,705	1,906	1,546	5,161	4,053	57,212	51,329	57,212	46,173	155,449	120,586
Total operating expenses	11,062	9,779	11,062	10,385	29,902	26,422	331,997	294,323	331,997	310,181	900,610	786,033
Operating income	13,520	9,650	13,520	6,441	32,583	12,883	405,714	290,487	405,714	192,403	981,122	383,963
Non-operating income and expenses	748	36	748	(33)	824	(49)	22,425	1,104	22,425	(1,008)	24,738	(1,478)
Income before income taxes	14,268	9,686	14,268	6,408	33,407	12,834	428,139	291,591	428,139	191,395	1,005,860	382,485
Income tax expense	1,546	458	1,546	581	2,947	1,381	46,378	13,804	46,378	17,356	88,722	41,119
Net income	12,722	9,228	12,722	5,827	30,460	11,453	381,761	277,787	381,761	174,039	917,138	341,366
EPS - Basic (In Dollar)	\$0.17	\$0.13	\$0.17	\$0.08	\$0.41	\$0.16	\$5.13	\$3.75	\$5.13	\$2.34	\$12.35	\$4.66
Shares used in computing EPS-Basic (In thousands)	74,480	74,118	74,480	74,237	74,268	73,277	74,480	74,118	74,480	74,237	74,268	73,277
EPS - Diluted (In Dollar)	\$0.17	\$0.12	\$0.17	\$0.08	\$0.40	\$0.15	\$5.03	\$3.68	\$5.03	\$2.28	\$12.11	\$4.54
Shares used in computing EPS-Diluted (In thousands)	75,918	75,545	75,918	76,226	75,749	75,249	75,918	75,545	75,918	76,226	75,749	75,249

UNAUDITED CONSOLIDATED BALANCE SHEETS

As of September 30, 2014 and 2013

	USD in Thousands		NTD in Thousands	
	Sept 30, 2014	Sept 30, 2013	Sept 30, 2014	Sept 30, 2013
Current assets				
Cash & cash equivalents	123,636	111,452	3,761,011	3,295,626
Available-for-sale financial assets - current	1,086	1,079	33,029	31,913
Accounts receivable, net	41,052	28,631	1,248,804	846,606
Inventories, net	25,346	10,295	771,027	304,433
Other current assets	4,901	2,725	149,086	80,567
Total current assets	196,021	154,182	5,962,957	4,559,145
Non-current assets				
Property, plant and equipment, net	3,837	2,747	116,707	81,240
Intangible assets	198	294	6,024	8,697
Deferred income tax assets	233	91	7,085	2,684
Other non-current assets	1,632	2,121	49,661	62,729
Total non-current assets	5,900	5,253	179,477	155,350
Total Assets	201,921	159,435	6,142,434	4,714,495
Current Liabilities				
Accounts payable	18,507	15,720	562,974	464,854
Other payables	9,649	14,769	293,528	436,282
Current tax liabilities	8,420	5,489	256,132	162,520
Other current liabilities	5,215	2,266	158,636	66,994
Total current liabilities	41,791	38,244	1,271,270	1,130,450
Equity				
Ordinary shares	24,847	24,614	753,865	746,765
Capital reserves	54,465	47,097	1,630,059	1,409,136
Retained earnings	86,876	52,125	2,589,249	1,544,932
Other equity	(6,058)	(2,645)	(102,009)	(116,788)
Total equity	160,130	121,191	4,871,164	3,584,045
Total liabilities and equity	201,921	159,435	6,142,434	4,714,495

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

For nine months ended September 30, 2014 and 2013

	USD in Thousands		NTD in Thousands	
	Sept 30, 2014	Sept 30, 2013	Sept 30, 2014	Sept 30, 2013
Cash flows from operating activities				
Consolidated income before income tax for the period	33,407	12,834	1,005,860	382,485
Depreciation and amortization	1,105	911	33,292	27,089
Share-based compensation cost	1,811	1,457	54,568	43,319
Interest income	(21)	(43)	(625)	(1,270)
Income and expenses having no effect on cash flows	2,895	2,325	87,235	69,138
Accounts receivable	(6,727)	(4,942)	(204,630)	(146,137)
Inventories	(17,657)	(3,526)	(537,121)	(104,267)
Other assets	(1,749)	(2,026)	(53,204)	(59,915)
Net changes in assets relating to operating activities	(26,133)	(10,494)	(794,955)	(310,319)
Accounts payable	2,196	8,677	66,802	256,565
Other payables	1,128	129	34,325	3,822
Other current liabilities	2,839	359	86,371	10,625
Net changes in liabilities relating to operating activities	6,163	9,165	187,498	271,012
Cash generated from operations	16,332	13,830	485,638	412,316
Interest received	23	43	705	1,277
Income taxes paid	(363)	(648)	(10,949)	(19,272)
Net cash generated from operating activities	15,992	13,225	475,394	394,321
Cash flows from investing activities				
Increase in available-for-sale financial assets - current	(7)	(7)	(199)	(224)
Acquisition of equipment and computer software	(1,829)	(865)	(55,101)	(25,719)
Increase in refundable deposits	(11)	(15)	(334)	(429)
Net cash used in investing activities	(1,847)	(887)	(55,634)	(26,372)
Cash flows from financing activities				
Proceeds from exercise of employee stock options	1,074	1,017	32,366	30,228
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
Distribution of cash dividends	(7,142)	-	(210,679)	-
Net cash (used) in provided by financing activities	(6,068)	1,017	(178,313)	30,228
Effect of exchange rate changes on cash and cash equivalents	(479)	87	60,483	51,237
Increase in cash and cash equivalents	7,598	13,442	301,930	449,414
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	123,636	111,452	3,761,011	3,295,626