

Parade Technologies, Ltd. and Subsidiaries.

The following consolidated balance sheets of Parade Technologies, Ltd. and its subsidiaries as of December 31, 2013 and 2012 and the related consolidated statements of comprehensive income, and cash flows for the twelve months ended December 31, 2013 and 2012 have been reviewed and audited by independent accountants, PricewaterhouseCoopers, Taiwan.

The reader is advised that these 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.

Audited Consolidated Statements of Comprehensive Income For twelve months ended December 31, 2013 and 2012	USD in Thousands		NTD in Thousands	
	2013	2012	2013	2012
Revenue	141,888	161,482	4,212,028	4,780,676
Cost of goods sold	80,186	78,501	2,380,204	2,323,729
Gross profit	61,702	82,981	1,831,824	2,456,947
Research & development expenses	22,641	18,110	672,428	535,528
Sales & marketing expenses	7,715	7,824	229,048	231,438
General & administrative expenses	5,688	5,766	168,904	170,585
Total operating expenses	36,044	31,700	1,070,380	937,551
Operating income	25,658	51,281	761,444	1,519,396
Non operating income and expenses	(63)	263	(1,874)	7,675
Income before income taxes	25,595	51,544	759,570	1,527,071
Income tax expenses	2,711	8,159	80,420	242,177
Net income	22,884	43,385	679,150	1,284,894
EPS - Basic (In Dollar)	\$0.31	\$0.60	\$9.25	\$17.85
Shares used in computing EPS-Basic (In thousands)	73,397	71,980	73,397	71,980
EPS - Diluted (In Dollar)	\$0.30	\$0.58	\$9.02	\$17.18
Shares used in computing EPS-Diluted (In thousands)	75,275	74,776	75,275	74,776

Audited Consolidated Balance Sheets As of December 31, 2013 and 2012	USD in Thousands		NTD in Thousands	
	2013	2012	2013	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	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
Property, plant and equipment, net	3,064	2,965	91,340	86,124
Deferred income tax assets	103	2	3,086	47
Other assets	2,328	688	69,377	19,981
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
Income tax payable	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	(2,423)	25	(78,309)	(93,524)
Total equity	133,974	113,291	3,993,781	3,289,993
Total liability and equity	167,142	135,399	4,982,511	3,931,998

Audited Consolidated Statements of Cash Flows For twelve months ended December 31, 2013 and 2012	USD in Thousands		NTD in Thousands	
	2013	2012	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax for the year	25,595	51,544	759,570	1,527,071
Depreciation and amortization	1,238	1,094	36,747	32,360
Share-based compensation cost	2,028	1,040	60,217	30,760
Interest income	(57)	(68)	(1,707)	(2,032)
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)	(88,600)
Inventories	(920)	(720)	(27,426)	(20,907)
Other assets	(1,654)	(1,434)	(49,311)	(41,660)
Net changes in assets relating to operating activities	(13,211)	(5,205)	(393,818)	(151,167)
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	25,354	48,071	751,997	1,427,287
Interest received	56	69	1,661	2,033
Income taxes paid	(822)	(5,868)	(24,409)	(170,394)
Net cash provided by operating activities	24,588	42,272	729,249	1,258,926
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in available-for-sale-financial assets - current	(8)	(8)	(226)	(219)
Acquisition of equipment and computer software	(1,474)	(1,964)	(43,765)	(58,062)
Increase in refundable deposits	(98)	(441)	(2,909)	(12,800)
Net cash used in investing activities	(1,580)	(2,413)	(46,900)	(71,081)
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	(104,910)
Increase in cash and cash equivalents	18,028	34,296	612,869	916,959
Cash and cash equivalents at beginning of year	98,010	63,714	2,846,212	1,929,253
Cash and cash equivalents at end of year	116,038	98,010	3,459,081	2,846,212