

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		Six Months ended		Sequential Quarter		Three Months ended		Six Months ended	
	June 30, 2015	March 31, 2015	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015	March 31, 2015	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Revenue	49,304	48,155	49,304	46,848	97,459	91,379	1,520,525	1,517,857	1,520,525	1,410,129	3,038,382	2,758,072
Cost of goods sold	28,961	28,734	28,961	27,419	57,695	53,476	893,165	905,703	893,165	825,319	1,798,868	1,614,051
Gross profit	20,343	19,421	20,343	19,429	39,764	37,903	627,360	612,154	627,360	584,810	1,239,514	1,144,021
Research & development expenses	6,293	6,127	6,293	5,877	12,420	11,354	194,072	193,125	194,072	176,894	387,197	342,687
Sales & marketing expenses	2,479	2,329	2,479	2,197	4,808	4,231	76,454	73,420	76,454	66,100	149,874	127,689
General & administrative expenses	1,969	1,933	1,969	1,705	3,902	3,255	60,714	60,930	60,714	51,329	121,644	98,237
Total operating expenses	10,741	10,389	10,741	9,779	21,130	18,840	331,240	327,475	331,240	294,323	658,715	568,613
Operating income	9,602	9,032	9,602	9,650	18,634	19,063	296,120	284,679	296,120	290,487	580,799	575,408
Non-operating income and expenses	90	28	90	36	118	76	2,780	889	2,780	1,104	3,669	2,313
Income before income taxes	9,692	9,060	9,692	9,686	18,752	19,139	298,900	285,568	298,900	291,591	584,468	577,721
Income tax expense	915	962	915	458	1,877	1,401	28,209	30,314	28,209	13,804	58,523	42,344
Net income	8,777	8,098	8,777	9,228	16,875	17,738	270,691	255,254	270,691	277,787	525,945	535,377
EPS - Basic (In Dollar)	\$0.12	\$0.11	\$0.12	\$0.13	\$0.23	\$0.24	\$3.63	\$3.42	\$3.63	\$3.75	\$7.05	\$7.22
Shares used in computing EPS-Basic (In thousands)	74,585	74,707	74,585	74,118	74,646	74,151	74,585	74,707	74,585	74,118	74,646	74,151
EPS - Diluted (In Dollar)	\$0.12	\$0.11	\$0.12	\$0.12	\$0.22	\$0.23	\$3.56	\$3.36	\$3.56	\$3.68	\$6.92	\$7.09
Shares used in computing EPS-Diluted (In thousands)	75,981	76,058	75,981	75,545	76,052	75,512	75,981	76,058	75,981	75,545	76,052	75,512

UNAUDITED CONSOLIDATED BALANCE SHEETS

As of June 30, 2015 and 2014

	USD in Thousands		NTD in Thousands	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Current assets				
Cash & cash equivalents	168,859	135,767	5,211,001	4,055,378
Available-for-sale financial assets - current	-	1,086	-	32,432
Accounts receivable, net	27,182	30,171	838,845	901,201
Inventories, net	18,230	21,636	562,577	646,269
Other current assets	11,471	5,469	354,001	163,362
Total current assets	225,742	194,129	6,966,424	5,798,642
Non-current assets				
Property, plant and equipment, net	4,363	2,767	134,635	82,642
Intangible assets	165	220	5,076	6,570
Deferred income tax assets	176	116	5,443	3,461
Other non-current assets	1,211	1,819	37,357	54,331
Total non-current assets	5,915	4,922	182,511	147,004
Total Assets	231,657	199,051	7,148,935	5,945,646
Current Liabilities				
Accounts payable	16,863	25,932	520,406	774,585
Other payables	22,534	15,219	697,117	451,957
Current tax liabilities	10,624	7,290	327,853	217,764
Other current liabilities	4,038	4,785	124,619	142,901
Total current liabilities	54,059	53,226	1,669,995	1,587,207
Equity				
Ordinary shares	24,895	24,680	755,326	748,802
Capital reserves	55,744	49,024	1,669,845	1,466,614
Retained earnings	101,543	74,155	3,045,088	2,207,488
Other equity	(4,584)	(2,034)	8,681	(64,465)
Total equity	177,598	145,825	5,478,940	4,358,439
Total liabilities and equity	231,657	199,051	7,148,935	5,945,646

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

For six months ended June 30, 2015 and 2014

	USD in Thousands		NTD in Thousands	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Cash flows from operating activities				
Income before income tax for the period	18,752	19,139	584,468	577,721
Depreciation and amortization	855	686	26,666	20,706
Loss on disposal of equipment	46	-	1,435	-
Share-based compensation cost	1,491	1,062	46,487	32,065
Interest income	(31)	(14)	(981)	(412)
Income and expenses having no effect on cash flows	2,361	1,734	73,607	52,359
Accounts receivable	7,093	4,154	218,885	124,094
Inventories	(4,587)	(13,947)	(141,563)	(416,592)
Other current assets	(5,443)	(2,552)	(168,007)	(76,240)
Other non-current assets	291	291	8,994	8,706
Net changes in assets relating to operating activities	(2,646)	(12,054)	(81,691)	(360,032)
Accounts payable	6,070	9,621	187,309	287,384
Other payables	(814)	(445)	(25,132)	(13,286)
Other current liabilities	298	2,409	9,209	71,942
Net changes in liabilities relating to operating activities	5,554	11,585	171,386	346,040
Cash provided by operations	24,021	20,404	747,770	616,088

Interest received	33	17	1,033	528
Income taxes paid	(405)	(486)	(12,622)	(14,676)
Net cash provided by operating activities	23,649	19,935	736,181	601,940
Cash flows from investing activities				
Decrease (increase) in available for sale financial assets - current	1,086	(6)	33,507	(196)
Acquisition of equipment and computer software	(1,350)	(355)	(42,085)	(10,725)
Decrease (increase) in refundable deposits	0	(52)	13	(1,543)
Net cash used in investing activities	(264)	(413)	(8,565)	(12,464)
Cash flows from financing activities				
Proceeds from exercise of employee stock options	84	231	2,615	6,995
Purchase of treasury shares	(2,461)	(1,374)	(77,497)	(41,920)
Treasury shares reissued to employees	2,461	1,374	77,497	41,920
Cash dividend regain from canceled share-based compensation	1	2	27	48
Net cash provided by financing activities	85	233	2,642	7,043
Effect of exchange rate changes on cash and cash equivalents	36	(26)	(119,691)	(222)
Increase in cash and cash equivalents	23,506	19,729	610,567	596,297
Cash and cash equivalents at beginning of period	145,353	116,038	4,600,434	3,459,081
Cash and cash equivalents at end of period	168,859	135,767	5,211,001	4,055,378