

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		Sequential Quarter		Three Months ended	
	Mar 31, 2016	Dec 31, 2015	Mar 31, 2016	Mar 31, 2015	Mar 31, 2016	Dec 31, 2015	Mar 31, 2016	Mar 31, 2015
Revenue	70,631	67,650	70,631	48,155	2,340,738	2,206,742	2,340,738	1,517,857
Cost of goods sold	41,576	40,584	41,576	28,734	1,377,840	1,323,840	1,377,840	905,703
Gross profit	29,055	27,066	29,055	19,421	962,898	882,902	962,898	612,154
Research & development expenses	10,838	10,703	10,838	6,127	359,186	349,110	359,186	193,125
Sales & marketing expenses	4,202	4,099	4,202	2,329	139,240	133,706	139,240	73,420
General & administrative expenses	2,248	2,107	2,248	1,933	74,513	68,740	74,513	60,930
Total operating expenses	17,288	16,909	17,288	10,389	572,939	551,556	572,939	327,475
Operating income	11,767	10,157	11,767	9,032	389,959	331,345	389,959	284,679
Non-operating income and expenses	(2)	64	(2)	28	(69)	2,100	(69)	889
Income before income taxes	11,765	10,221	11,765	9,060	389,890	333,446	389,890	285,568
Income tax expense	976	1,102	976	962	32,346	35,980	32,346	30,314
Net income	10,789	9,119	10,789	8,098	357,544	297,466	357,544	255,254
EPS - Basic (In Dollar)	\$0.14	\$0.12	\$0.14	\$0.11	\$4.77	\$3.95	\$4.77	\$3.42
Shares used in computing EPS-Basic (In thousands)	74,921	75,355	74,921	74,707	74,921	75,355	74,921	74,707
EPS - Diluted (In Dollar)	\$0.14	\$0.12	\$0.14	\$0.11	\$4.68	\$3.89	\$4.68	\$3.36
Shares used in computing EPS-Diluted (In thousands)	76,335	76,511	76,335	76,058	76,335	76,511	76,335	76,058

UNAUDITED CONSOLIDATED BALANCE SHEETS

As of March 31, 2016 and 2015

	USD in Thousands		NTD in Thousands	
	Mar 31, 2016	Mar 31, 2015	Mar 31, 2016	Mar 31, 2015
	Current assets			
Cash & cash equivalents	94,535	155,935	3,043,098	4,880,758
Available-for-sale financial assets - current	-	1,086	-	33,985
Accounts receivable, net	41,693	33,328	1,342,092	1,043,155
Inventories, net	26,128	15,856	841,062	496,308
Other current assets	11,161	8,597	359,270	269,081
Total current assets	173,517	214,802	5,585,522	6,723,287
Non-current assets				
Property, plant and equipment, net	4,732	4,657	152,332	145,780
Intangible assets	89,972	183	2,896,207	5,735
Deferred income tax assets	1,185	141	38,129	4,407
Other non-current assets	1,024	1,351	32,949	42,301
Total non-current assets	96,913	6,332	3,119,617	198,223
Total Assets	270,430	221,134	8,705,139	6,921,510
Current Liabilities				
Accounts payable	31,847	19,926	1,025,154	623,697
Other payables	10,723	9,384	345,166	293,729
Current income tax liabilities	13,242	9,899	426,248	309,839
Other current liabilities	5,987	4,126	192,733	129,126
Total current liabilities	61,799	43,335	1,989,301	1,356,391
Equity				
Ordinary shares	25,070	24,891	760,750	755,192
Capital reserves	60,309	55,538	1,813,697	1,663,421
Retained earnings	131,497	104,983	4,021,274	3,153,181
Other equity	(6,760)	(5,152)	168,522	70,822
Treasury shares	(1,485)	(2,461)	(48,405)	(77,497)
Total equity	208,631	177,799	6,715,838	5,565,119
Total liabilities and equity	270,430	221,134	8,705,139	6,921,510

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

For three months ended March 31, 2016 and 2015

	USD in Thousands		NTD in Thousands	
	Mar 31, 2016	Mar 31, 2015	Mar 31, 2016	Mar 31, 2015
	Cash flows from operating activities			
Income before income tax for the period	11,765	9,060	389,890	285,568
Depreciation and amortization	1,967	417	65,194	13,135
Loss on disposal of equipment	-	45	-	1,410
Share-based compensation cost	895	771	29,654	24,309
Interest income	(10)	(15)	(318)	(464)
Income and expenses having no effect on cash flows	2,852	1,218	94,530	38,390
Accounts receivable	(3,530)	947	(113,645)	29,656
Inventories	(7,433)	(2,214)	(239,250)	(69,290)
Other current assets	(3,151)	(2,600)	(101,598)	(81,404)
Other non-current assets	146	146	4,691	4,561
Net changes in assets relating to operating activities	(13,968)	(3,721)	(449,802)	(116,477)
Accounts payable	10,468	9,133	336,955	285,851
Other payables	(1,378)	(1,745)	(44,358)	(54,604)
Other current liabilities	(2,230)	386	(71,795)	12,071
Net changes in liabilities relating to operating activities	6,860	7,774	220,802	243,318
Cash provided by operations	7,509	14,331	255,420	450,799
Interest received	9	13	301	406
Income taxes paid	(208)	(147)	(6,886)	(4,649)
Net cash provided by operating activities	7,310	14,197	248,835	446,556
Cash flows from investing activities				
Acquisition of equipment	(454)	(1,220)	(15,062)	(38,468)
Acquisition of intangible assets	(299)	(12)	(9,909)	(362)
(Increases) decrease in refundable deposits	(66)	5	(2,123)	163
Net cash used in investing activities	(819)	(1,227)	(27,094)	(38,667)
Cash flows from financing activities				
Proceeds from exercise of employee stock options	58	66	1,912	2,078
Purchase of treasury shares	-	(2,461)	-	(77,497)
Cash dividend regain from canceled share-based compensation	5	-	152	-
Net cash provided by (used in) financing activities	63	(2,395)	2,064	(75,419)
Effect of exchange rate changes on cash and cash equivalents	20	7	(68,458)	(52,146)
Increase in cash and cash equivalents	6,574	10,582	155,347	280,324
Cash and cash equivalents at beginning of period	87,961	145,353	2,887,751	4,600,434
Cash and cash equivalents at end of period	94,535	155,935	3,043,098	4,880,758