

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, 2016	March 31, 2016	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015	June 30, 2016	March 31, 2016	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Revenue	68,783	70,631	68,783	49,304	139,414	97,459	2,229,934	2,340,738	2,229,934	1,520,525	4,570,672	3,038,382
Cost of goods sold	40,621	41,576	40,621	28,961	82,197	57,695	1,316,940	1,377,840	1,316,940	893,165	2,694,780	1,798,868
Gross profit	28,162	29,055	28,162	20,343	57,217	39,764	912,994	962,898	912,994	627,360	1,875,892	1,239,514
Research & development expenses	11,056	10,838	11,056	6,293	21,894	12,420	358,430	359,186	358,430	194,072	717,616	387,197
Sales & marketing expenses	4,232	4,202	4,232	2,479	8,434	4,808	137,224	139,240	137,224	76,454	276,464	149,874
General & administrative expenses	2,163	2,248	2,163	1,969	4,411	3,902	70,088	74,513	70,088	60,714	144,601	121,644
Total operating expenses	17,451	17,288	17,451	10,741	34,739	21,130	565,742	572,939	565,742	331,240	1,138,681	658,715
Operating income	10,711	11,767	10,711	9,602	22,478	18,634	347,252	389,959	347,252	296,120	737,211	580,799
Non-operating income and expenses	34	(2)	34	90	32	118	1,087	(69)	1,087	2,780	1,018	3,669
Income before income taxes	10,745	11,765	10,745	9,692	22,510	18,752	348,339	389,890	348,339	298,900	738,229	584,468
Income tax expense	(20)	976	(20)	915	956	1,877	(649)	32,346	(649)	28,209	31,697	58,523
Net income	10,765	10,789	10,765	8,777	21,554	16,875	348,988	357,544	348,988	270,691	706,532	525,945
EPS - Basic (In Dollar)	\$0.14	\$0.14	\$0.14	\$0.12	\$0.29	\$0.23	\$4.66	\$4.77	\$4.66	\$3.63	\$9.43	\$7.05
Shares used in computing EPS-Basic (In thousands)	74,940	74,921	74,940	74,585	74,941	74,646	74,940	74,921	74,940	74,585	74,941	74,646
EPS - Diluted (In Dollar)	\$0.14	\$0.14	\$0.14	\$0.12	\$0.28	\$0.22	\$4.56	\$4.68	\$4.56	\$3.56	\$9.23	\$6.92
Shares used in computing EPS-Diluted (In thousands)	76,527	76,335	76,527	75,981	76,536	76,052	76,527	76,335	76,527	75,981	76,536	76,052

UNAUDITED CONSOLIDATED BALANCE SHEETS As of June 30, 2016 and 2015

	USD in Thousands		NTD in Thousands	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Current assets				
Cash & cash equivalents	108,063	168,859	3,488,262	5,211,001
Accounts receivable, net	34,883	27,182	1,126,026	838,845
Inventories, net	27,442	18,230	885,834	562,577
Other current assets	9,826	11,471	317,188	354,001
Total current assets	180,214	225,742	5,817,310	6,966,424
Non-current assets				
Property, plant and equipment, net	4,683	4,363	151,164	134,635
Intangible assets	90,764	165	2,929,879	5,076
Deferred income tax assets	2,167	176	69,949	5,443
Other non-current assets	884	1,211	28,526	37,357
Total non-current assets	98,498	5,915	3,179,518	182,511
Total Assets	278,712	231,657	8,996,828	7,148,935
Current Liabilities				
Accounts payable	23,760	16,863	766,972	520,406
Other payables	25,873	22,534	843,525	697,117
Current tax liabilities	14,060	10,624	453,862	327,853
Other current liabilities	6,308	4,038	203,612	124,619
Total current liabilities	70,001	54,059	2,267,971	1,669,995
Equity				
Ordinary shares	25,085	24,895	761,228	755,326
Capital reserves	60,753	55,744	1,828,255	1,669,845
Retained earnings	130,689	101,543	3,988,371	3,045,088
Treasury shares	(1,485)	(4,584)	(48,405)	8,681
Other equity	(6,331)	(4,584)	199,408	8,681
Total equity	208,711	177,598	6,728,857	5,478,940
Total liabilities and equity	278,712	231,657	8,996,828	7,148,935

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS For six months ended June 30, 2016 and 2015

	USD in Thousands		NTD in Thousands	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Cash flows from operating activities				
Income before income tax for the period	22,510	18,752	738,229	584,468
Depreciation and amortization	3,977	855	130,373	26,666
Loss on disposal of equipment	-	46	-	1,435
Share-based compensation cost	1,807	1,491	59,226	46,487
Interest income	(19)	(31)	(628)	(981)
Income and expenses having no effect on cash flows	5,765	2,361	188,971	73,607
Accounts receivable	3,279	7,093	105,856	218,885
Inventories	(8,747)	(4,587)	(282,340)	(141,563)
Other current assets	(1,784)	(5,443)	(57,759)	(168,007)
Other non-current assets	194	291	6,272	8,994
Net changes in assets relating to operating activities	(7,058)	(2,646)	(227,971)	(81,691)
Accounts payable	2,381	6,070	76,850	187,309
Other payables	2,200	(814)	71,015	(25,132)
Other current liabilities	(1,910)	298	(61,656)	9,209
Net changes in liabilities relating to operating activities	2,671	5,554	86,209	171,386
Cash provided by operations	23,888	24,021	785,438	747,770
Interest received	(81)	\$ 33	(2,623)	1,033
Income taxes paid	(375)	\$ (405)	(12,307)	(12,622)
Net cash provided by operating activities	23,432	23,649	770,508	736,181
Cash flows from investing activities				
Decrease in available for sale financial assets - current	-	1,086	-	33,507
Acquisition of equipment	(1,041)	(1,332)	(34,113)	(41,513)
Acquisition of intangible assets	(2,518)	(18)	(82,552)	(572)
Decrease in refundable deposits	25	0	819	13
Net cash used in investing activities	(3,534)	(264)	(115,846)	(8,565)
Cash flows from financing activities				
Proceeds from exercise of employee stock options	301	84	9,857	2,615
Purchase of treasury shares	-	(2,461)	-	(77,497)
Treasury shares reissued to employees	-	2,461	-	77,497
Cash dividend regain from canceled share-based compensation	5	1	158	27
Net cash provided by financing activities	306	85	10,016	2,642
Effect of exchange rate changes on cash and cash equivalents	(102)	36	(64,166)	(119,691)
Increase in cash and cash equivalents	20,102	23,506	600,511	610,567
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	108,063	168,859	3,488,262	5,211,001