

Parade Technologies, Ltd

The following consolidated balance sheets of Parade Technologies, Ltd. and its subsidiaries as of December 31, 2011 and 2010 and the related consolidated statements of income, and cash flows for the twelve months ended December 31, 2011 and 2010 have been reviewed and audited by independent accountants, PriceWaterHouseCoopers, Taiwan.

The reader is advised that these financial statements have been prepared originally in Chinese under ROC GAAP and in NTS. In the event of any differences between NTS and US\$ version, the NTS version shall prevail.

Audited Consolidated Income Statements	USD in Thousands		NTD in Thousands	
	2011	2010	2011	2010
For twelve months ended December 31, 2011 and 2010				
Net Sales	79,267	50,528	2,329,664	1,592,528
Cost of good sold	41,233	28,982	1,211,849	913,457
Gross profit	38,034	21,546	1,117,815	679,071
Research & development expenses	10,928	7,139	321,189	225,014
Sales & marketing expenses	5,019	3,394	147,505	106,968
General & administrative expenses	3,683	2,404	108,241	75,762
Total operating expenses	19,630	12,937	576,935	407,744
Operating income	18,404	8,609	540,880	271,327
Non operating income and expenses (Note 1)	14	8	432	269
Income before income taxes	18,418	8,617	541,312	271,596
Income tax expenses	3,015	-	88,625	1
Consolidated net income	15,403	8,617	452,687	271,595
EPS - Basic	\$0.39	\$0.74	\$11.48	\$23.19
Shares used in computing EPS-Basic (In thousands)	39,432	11,714	39,432	11,714
EPS - Diluted	\$0.32	\$0.21	\$9.41	\$6.46
Shares used in computing EPS-Diluted (In thousands)	48,083	42,011	48,083	42,011

Note 1: Minor difference was due to account classification between US GAAP and ROC GAAP.

Audited Consolidated Balance Sheets	USD in Thousands		NTD in Thousands	
	2011	2010	2011	2010
As of December 31, 2011 and 2010				
Current assets				
Cash & cash equivalent	64,778	17,848	1,961,474	519,918
Restricted Cash	-	1,055	-	30,735
Deferred income tax - current	65	84	1,961	2,456
Accounts receivable, net	20,637	8,051	624,905	234,516
Inventories	6,049	2,924	183,172	85,178
Other current assets	770	600	23,314	17,469
Total current assets	92,299	30,562	2,794,826	890,272
Fixed assets	2,115	942	64,022	27,432
Other assets	218	134	6,613	3,923
Total assets	94,632	31,638	2,865,461	921,627
Current liabilities				
Accounts payable	12,306	4,804	372,617	139,946
Income tax payable	2,790	15	84,471	448
Accrued expenses	4,624	2,342	140,013	68,209
Other current liabilities	850	637	25,746	18,559
Total current liabilities	20,570	7,798	622,847	227,162
Shareholder's equity				
Ordinary shares - par	16,667	12,981	511,578	398,430
Additional paid-in-capital	40,722	9,676	1,219,675	322,342
Retained earnings	16,398	996	484,077	31,390
Cumulative translation adjustments (Note 2)	275	187	27,284	(57,697)
Shareholder's equity	74,062	23,840	2,242,614	694,465
Total liability and shareholder's equity	94,632	31,638	2,865,461	921,627

Note 2: Minor difference was due to account classification between US GAAP and ROC GAAP.

Audited Consolidated Cash Flow Statements	USD in Thousands		NTD in Thousands	
	2011	2010	2011	2010
For twelve months ended December 31, 2011 and 2010				
Cash flows from operating activities:				
Net income	15,403	8,617	452,687	271,596
Depreciation and amortization	699	545	20,547	17,187
Compensation cost - Stock Option	502	330	14,743	10,410
Accounts receivable	(12,587)	(5,058)	(381,130)	(147,326)
Inventories	(3,125)	(470)	(94,632)	(13,678)
Prepaid exp and other assets	(151)	(313)	(4,564)	(9,026)
Accounts payable	7,502	1,378	227,146	40,140
Accrued expenses	2,282	1,123	69,112	32,710
Income tax payable	2,774	(21)	84,005	(641)
Other current liabilities	213	247	6,455	7,193
Net cash provided by operating activities	13,512	6,378	394,369	208,565
Cash flows from investing activities:				
Acquisition of property and equipment	(808)	(782)	(22,815)	(24,604)
Deposit	(59)	(3)	(1,792)	(79)
Net cash used in investing activities	(867)	(785)	(24,607)	(24,683)
Cash flow from financing activities:				
Proceeds from issuance of ordinary shares	34,230	582	995,738	18,333
Net cash provided by financing activities	34,230	582	995,738	18,333
Adjustment of foreign exchange rate	55	49	76,056	(54,156)
Net increase in cash and cash equivalents	46,930	6,224	1,441,556	148,059
Cash and cash equivalents at beginning of period	17,848	11,624	519,918	371,859
Cash and cash equivalents at end of year	64,778	17,848	1,961,474	519,918