

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 US\$ 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, 2013	March 31, 2013	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012	June 30, 2013	March 31, 2013	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
Revenue	27,161	20,937	27,161	46,065	48,098	81,625	810,770	617,224	810,770	1,364,418	1,427,994	2,420,572
Cost of goods sold	14,422	11,197	14,422	22,149	25,619	39,192	430,495	330,087	430,495	656,038	760,582	1,162,226
Gross profit	12,739	9,740	12,739	23,916	22,479	42,433	380,275	287,137	380,275	708,380	667,412	1,258,346
Research & development expenses	5,237	4,922	5,237	4,196	10,159	8,595	156,333	145,092	156,333	124,268	301,425	254,297
Sales & marketing expenses	1,725	1,646	1,725	2,078	3,371	3,848	51,485	48,529	51,485	61,544	100,014	114,123
General & administrative expenses	1,345	1,162	1,345	1,552	2,507	2,961	40,165	34,248	40,165	45,965	74,413	87,806
Total operating expenses	8,307	7,730	8,307	7,826	16,037	15,404	247,983	227,869	247,983	231,777	475,852	456,856
Operating income	4,432	2,010	4,432	16,090	6,442	27,029	132,292	59,268	132,292	476,603	191,560	801,490
Non-operating income and expenses	6	(22)	6	33	(16)	21	197	(667)	197	972	(470)	617
Income before income taxes	4,438	1,988	4,438	16,123	6,426	27,050	132,489	58,601	132,489	477,575	191,090	802,107
Income tax expense	480	320	480	2,741	800	5	14,323	9,440	14,323	81,210	23,763	139,983
Net income	3,958	1,668	3,958	13,382	5,626	22,330	118,166	49,161	118,166	396,365	167,327	662,122
EPS - Basic (In Dollar)	\$0.08	\$0.03	\$0.08	\$0.26	\$0.11	\$0.44	\$2.26	\$0.95	\$2.26	\$7.73	\$3.22	\$12.92
Shares used in computing EPS-Basic (In thousands)	52,197	51,763	52,197	51,293	51,996	51,229	52,197	51,763	52,197	51,293	51,996	51,229
EPS - Diluted (In Dollar)	\$0.07	\$0.03	\$0.07	\$0.25	\$0.10	\$0.41	\$2.20	\$0.91	\$2.20	\$7.34	\$3.11	\$12.27
Shares used in computing EPS-Diluted (In thousands)	53,677	54,181	53,677	53,965	53,748	53,962	53,677	54,181	53,677	53,965	53,748	53,962

UNAUDITED CONSOLIDATED BALANCE SHEETS

As of June 30, 2013 and 2012

	USD in Thousands		NTD in Thousands	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
	Current assets			
Cash & cash equivalents	115,713	79,191	3,471,391	2,366,243
Available-for-sale financial assets - current	1,079	1,072	32,377	32,021
Accounts receivable, net	18,508	32,679	555,231	976,439
Inventories, net	6,827	9,033	204,806	269,912
Other current assets	3,403	2,568	102,103	76,720
Total current assets	145,530	124,543	4,365,908	3,721,335
Non-current assets				
Property, plant and equipment, net	2,897	2,536	86,909	75,782
Intangible assets	320	82	9,587	2,467
Deferred income tax assets	13	77	388	2,287
Other non-current assets	2,266	665	67,977	19,865
Total non-current assets	5,496	3,360	164,861	100,401
Total Assets	151,026	127,903	4,530,769	3,821,736
Current Liabilities				
Accounts payable	13,542	15,543	406,256	464,411
Other payables	15,065	13,568	448,870	405,410
Current tax liabilities	5,032	6,365	150,955	190,183
Other current liabilities	2,859	1,617	85,795	48,331
Total current liabilities	36,498	37,093	1,091,876	1,108,335
Equity				
Ordinary shares	17,150	16,740	526,386	513,809
Stock dividends to be distributed	7,232	-	213,353	-
Capital reserves	43,739	41,043	1,308,509	1,229,137
Retained earnings	46,299	33,008	1,370,893	975,394
Other equity	108	19	19,752	(4,939)
Total equity	114,528	90,810	3,438,893	2,713,401
Total liabilities and equity	151,026	127,903	4,530,769	3,821,736

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

For six months ended June 30, 2013 and 2012

	USD in Thousands		NTD in Thousands	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
	Cash flows from operating activities			
Consolidated income before income tax for the period	6,426	27,050	191,090	802,107
Depreciation and amortization	595	434	17,643	12,866
Compensation cost - Stock Options	944	250	21,996	7,406
Interest income	(29)	(33)	(845)	(974)
Total income and expenses having no effect on cash flows	1,510	651	44,794	19,298
Accounts receivable	5,181	(12,041)	155,425	(359,789)
Inventories	(58)	(2,984)	(1,730)	(89,160)
Other assets	(2,852)	(1,802)	(85,556)	(53,847)
Total net changes in assets relating to operating activities	2,271	(16,827)	68,139	(502,796)
Accounts payable	6,498	3,237	194,938	96,717
Other payables	425	2,949	12,758	88,118
Other current liabilities	954	767	28,607	22,924
Total net changes in liabilities relating to operating activities	7,877	6,953	236,303	207,759
Cash generated from operations	18,084	17,827	540,326	526,368
Interest received	30	37	891	1,105
Income taxes paid	(445)	(1,158)	(13,218)	(34,597)
Net cash provided by operating activities	17,669	16,706	527,999	492,876
Cash flows from investing activities				
Increase in available-for-sale financial assets - current	(8)	(8)	(228)	(225)
Acquisition of equipment and computer software	(735)	(872)	(21,822)	(25,878)
Increase in refundable deposits	(14)	(505)	(400)	(15,076)
Net cash used in investing activities	(757)	(1,385)	(22,450)	(41,179)
Cash flows from financing activities				
Proceeds from exercise of employee stock options	726	144	21,547	4,286
Purchase of treasury shares	(2,332)	-	(69,629)	-
Treasury shares reissued to employees	2,332	-	69,629	-
Net cash provided by financing activities	726	144	21,547	4,286
Effect of exchange rate changes on cash and cash equivalents	65	12	98,083	(18,993)
Increase in cash and cash equivalents	17,703	15,477	625,179	436,990
Cash and cash equivalents at beginning of period	98,010	63,714	2,846,212	1,929,253
Cash and cash equivalents at end of period	115,713	79,191	3,471,391	2,366,243