

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		Twelve Months ended		Sequential Quarter		Three Months ended		Twelve Months ended	
	Dec 31, 2014	Sept 30, 2014	Dec 31, 2014	Dec 31, 2013	Dec 31, 2014	Dec 31, 2013	Dec 31, 2014	Sept 30, 2014	Dec 31, 2014	Dec 31, 2013	Dec 31, 2014	Dec 31, 2013
Revenue	55,034	58,979	55,034	54,546	205,392	141,888	1,697,242	1,769,977	1,697,242	1,611,824	6,225,291	4,212,028
Cost of goods sold	32,743	34,397	32,743	32,149	120,616	80,186	1,009,777	1,032,266	1,009,777	949,996	3,656,094	2,380,204
Gross profit	22,291	24,582	22,291	22,397	84,776	61,702	687,465	737,711	687,465	661,828	2,569,197	1,831,824
Research & development expenses	6,393	6,414	6,393	5,715	24,161	22,641	197,163	192,481	197,163	168,887	732,331	672,428
Sales & marketing expenses	2,884	2,742	2,884	2,272	9,857	7,715	88,923	82,304	88,923	67,142	298,916	229,048
General & administrative expenses	1,960	1,906	1,960	1,635	7,121	5,688	60,451	57,212	60,451	48,318	215,900	168,904
Total operating expenses	11,237	11,062	11,237	9,622	41,139	36,044	346,537	331,997	346,537	284,347	1,247,147	1,070,380
Operating income	11,054	13,520	11,054	12,775	43,637	25,658	340,928	405,714	340,928	377,481	1,322,050	761,444
Non-operating income and expenses	146	748	146	(14)	970	(63)	4,510	22,425	4,510	(396)	29,248	(1,874)
Income before income taxes	11,200	14,268	11,200	12,761	44,607	25,595	345,438	428,139	345,438	377,085	1,351,298	759,570
Income tax expense	1,194	1,546	1,194	1,330	4,141	2,711	36,833	46,378	36,833	39,301	125,555	80,420
Net income	10,006	12,722	10,006	11,431	40,466	22,884	308,605	381,761	308,605	337,784	1,225,743	679,150
EPS - Basic (In Dollar)	\$0.13	\$0.17	\$0.13	\$0.15	\$0.54	\$0.31	\$4.12	\$5.13	\$4.12	\$4.56	\$16.48	\$9.25
Shares used in computing EPS-Basic (In thousands)	74,976	74,480	74,976	74,131	74,364	73,397	74,976	74,480	74,976	74,131	74,364	73,397
EPS - Diluted (In Dollar)	\$0.13	\$0.17	\$0.13	\$0.15	\$0.53	\$0.30	\$4.04	\$5.03	\$4.04	\$4.48	\$16.15	\$9.02
Shares used in computing EPS-Diluted (In thousands)	76,299	75,918	76,299	75,375	75,883	75,275	76,299	75,918	76,299	75,375	75,883	75,275

UNAUDITED CONSOLIDATED BALANCE SHEETS

As of December 31, 2014 and 2013	USD in Thousands		NTD in Thousands	
	Dec 31, 2014	Dec 31, 2013	Dec 31, 2014	Dec 31, 2013
Current assets				
Cash & cash equivalents	145,353	116,038	4,600,434	3,459,081
Available-for-sale financial assets - current	1,086	1,079	34,365	32,172
Accounts receivable, net	34,275	34,325	1,084,808	1,023,236
Inventories, net	13,643	7,689	431,792	229,216
Other current assets	6,142	2,516	194,387	75,003
Total current assets	200,499	161,647	6,345,786	4,818,708
Non-current assets				
Property, plant and equipment, net	3,850	3,064	121,864	91,340
Intangible assets	197	269	6,228	8,007
Deferred income tax assets	123	103	3,880	3,086
Other non-current assets	1,502	2,059	47,551	61,370
Total non-current assets	5,672	5,495	179,522	163,803
Total Assets	206,171	167,142	6,525,309	4,982,511
Current Liabilities				
Accounts payable	10,794	16,311	341,624	486,222
Other payables	11,129	8,521	352,228	254,005
Current tax liabilities	9,213	5,961	291,588	177,686
Other current liabilities	3,739	2,375	118,364	70,817
Total current liabilities	34,875	33,168	1,103,804	988,730
Equity				
Ordinary shares	24,871	24,630	754,604	747,257
Capital reserves	55,167	48,211	1,651,739	1,442,109
Retained earnings	96,886	63,556	2,897,927	1,882,724
Other equity	(5,628)	(2,423)	117,235	(78,309)
Total equity	171,296	133,974	5,421,505	3,993,781
Total liabilities and equity	206,171	167,142	6,525,309	4,982,511

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

For twelve months ended December 31, 2014 and 2013	USD in Thousands		NTD in Thousands	
	Dec 31, 2014	Dec 31, 2013	Dec 31, 2014	Dec 31, 2013
Cash flows from operating activities				
Income before income tax for the year	44,607	25,595	1,351,298	759,570
Depreciation and amortization	1,481	1,238	44,877	36,746
Share-based compensation cost	2,634	2,028	79,839	60,217
Interest income	(30)	(57)	(923)	(1,706)
Income and expenses having no effect on cash flows	4,085	3,209	123,793	95,257
Accounts receivable	50	(10,637)	1,587	(317,081)
Inventories	(5,954)	(920)	(188,428)	(27,426)
Other assets	(2,860)	(1,662)	(90,510)	(49,537)
Net changes in assets relating to operating activities	(8,764)	(13,219)	(277,351)	(394,044)
Accounts payable	(5,517)	9,267	(174,610)	276,243
Other payables	2,608	25	82,545	754
Other current liabilities	1,364	469	43,176	13,991
Net changes in liabilities relating to operating activities	(1,545)	9,761	(48,889)	290,988
Cash generated from operations	38,383	25,347	1,148,851	751,771
Interest received	32	56	958	1,661
Income taxes paid	(112)	(822)	(3,401)	(24,409)
Net cash provided by operating activities	38,303	24,580	1,146,408	729,023
Cash flows from investing activities				
Increase in available-for-sale financial assets - current	(7)	-	(207)	-
Acquisition of equipment and computer software	(2,230)	(1,474)	(67,603)	(43,765)
Increase in refundable deposits	(27)	(98)	(842)	(2,909)
Net cash used in investing activities	(2,264)	(1,572)	(68,652)	(46,674)
Cash flows from financing activities				
Proceeds from exercise of employee stock options	1,251	1,056	37,908	31,341
Purchase of treasury shares	(1,374)	(2,332)	(41,920)	(69,629)
Treasury shares reissued to employees	1,374	2,332	41,920	69,629
Distribution of cash dividends	(7,140)	(6,144)	(210,628)	(181,239)
Net cash used in financing activities	(5,889)	(5,088)	(172,720)	(149,898)
Effect of exchange rate changes on cash and cash equivalents	(835)	108	236,317	80,418
Increase in cash and cash equivalents	29,315	18,028	1,141,352	612,869
Cash and cash equivalents at beginning of year	116,038	98,010	3,459,081	2,846,212
Cash and cash equivalents at end of year	145,353	116,038	4,600,434	3,459,081