

Parade Technologies, Ltd. and Subsidiaries.

The following consolidated balance sheets of Parade Technologies, Ltd. and its subsidiaries as of December 31, 2015 and 2014 and the related consolidated statements of comprehensive income, and cash flows for the twelve months ended December 31, 2015 and 2014 have been reviewed and audited by independent accountants, PricewaterhouseCoopers, Taiwan.

The reader is advised that these 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.

Audited Consolidated Statements of Comprehensive Income For twelve months ended December 31, 2015 and 2014	USD in Thousands		NTD in Thousands	
	2015	2014	2015	2014
Revenue	225,927	205,392	7,189,471	6,225,291
Cost of goods sold	134,768	120,616	4,289,253	3,656,094
Gross profit	91,159	84,776	2,900,218	2,569,197
Research & development expenses	32,352	24,161	1,031,362	732,331
Sales & marketing expenses	12,578	9,857	400,942	298,916
General & administrative expenses	8,124	7,121	258,008	215,900
Total operating expenses	53,054	41,139	1,690,312	1,247,147
Operating income	38,105	43,637	1,209,906	1,322,050
Non-operating income and expenses	908	970	28,970	29,248
Income before income taxes	39,013	44,607	1,238,876	1,351,298
Income tax expenses	2,980	4,141	94,530	125,555
Net income	36,033	40,466	1,144,346	1,225,743
EPS - Basic (In Dollar)	\$0.48	\$0.54	\$15.30	\$16.48
Shares used in computing EPS-Basic (In thousands)	74,806	74,364	74,806	74,364
EPS - Diluted (In Dollar)	\$0.47	\$0.53	\$15.00	\$16.15
Shares used in computing EPS-Diluted (In thousands)	76,297	75,883	76,297	75,883

Audited Consolidated Balance Sheets As of December 31, 2015 and 2014	USD in Thousands		NTD in Thousands	
	2015	2014	2015	2014
Current assets				
Cash & cash equivalents	87,961	145,353	2,887,751	4,600,434
Available-for-sale-financial assets - current	-	1,086	-	34,365
Accounts receivable, net	38,162	34,275	1,252,871	1,084,808
Inventories	18,696	13,643	613,776	431,792
Other current assets	8,046	6,142	264,159	194,387
Total current assets	152,865	200,499	5,018,557	6,345,786
Property, plant and equipment, net	4,828	3,850	158,494	121,864
Intangible assets	91,062	197	2,989,576	6,228
Deferred income tax assets	1,185	123	38,893	3,880
Other non-current assets	1,103	1,502	36,223	47,551
Total non-current assets	98,178	5,672	3,223,186	179,523
Total assets	251,043	206,171	8,241,743	6,525,309
Current liabilities				
Accounts payable	21,379	10,794	701,881	341,624
Other payables	12,101	11,129	397,268	352,228
Current income tax liabilities	12,536	9,213	411,561	291,588
Other current liabilities	8,218	3,739	269,787	118,364
Total current liabilities	54,234	34,875	1,780,497	1,103,804
Equity				
Ordinary shares	25,070	24,871	760,751	754,604
Capital reserves	60,024	55,167	1,804,206	1,651,739
Retained earnings	120,702	96,886	3,663,574	2,897,927
Other equity	(7,502)	(5,628)	281,120	117,235
Treasury shares	(1,485)	-	(48,405)	-
Total equity	196,809	171,296	6,461,246	5,421,505
Total liabilities and equity	251,043	206,171	8,241,743	6,525,309

Audited Consolidated Statements of Cash Flows For twelve months ended December 31, 2015 and 2014	USD in Thousands		NTD in Thousands	
	2015	2014	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax for the year	39,013	44,607	1,238,876	1,351,298
Depreciation and amortization	4,422	1,407	140,349	42,626
Loss on disposal of equipment	47	74	1,479	2,251
Share-based compensation cost	3,257	2,634	103,370	79,840
Interest income	(54)	(30)	(1,718)	(923)
Income and expenses having no effect on cash flows	7,672	4,085	243,480	123,794
Accounts receivable	(3,887)	50	(127,619)	1,587
Inventories	(5,053)	(5,954)	(165,886)	(188,428)
Other current assets	(1,830)	(3,443)	(60,095)	(108,959)
Other non-current assets	583	583	19,137	18,449
Net changes in assets relating to operating activities	(10,187)	(8,764)	(334,463)	(277,351)
Accounts payable	10,585	(5,517)	347,521	(174,610)
Other payables	885	2,608	29,167	82,545
Other current liabilities	4,478	1,364	147,011	43,176
Net changes in liabilities relating to operating activities	15,948	(1,545)	523,699	(48,889)
Cash provided by operations	52,446	38,383	1,671,592	1,148,852
Interest received	59	32	1,857	958
Income taxes paid	(787)	(112)	(24,967)	(3,401)
Net cash provided by operating activities	51,718	38,303	1,648,482	1,146,409
CASH FLOWS FROM INVESTING ACTIVITIES				
Dncrease (increase) in available-for-sale financial assets - current	1,086	(7)	33,507	(207)
Acquisition of equipment	(2,391)	(2,204)	(75,898)	(66,832)
Proceeds from disposal of equipment	-	-	-	6
Acquisition of intangible assets	(2,303)	(26)	(73,099)	(776)
Increase in refundable deposits	(185)	(27)	(6,036)	(842)
Acquisition of business combinations	(100,329)	-	(3,168,405)	-
Net cash used in investing activities	(104,122)	(2,264)	(3,289,931)	(68,651)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from exercise of employee stock options	411	1,251	13,051	37,908
Purchase of treasury shares	(12,220)	(1,374)	(125,902)	(41,920)
Treasury shares reissued to employees	(3,946)	1,374	77,497	41,920
Cash dividends paid	2,461	(7,143)	(378,811)	(210,727)
Cash dividend recovered from cancellation of share-based compensation	3	3	92	99
Net cash used in financing activities	(13,291)	(5,889)	(414,073)	(172,720)
Effect of exchange rate changes on cash and cash equivalents	8,303	(835)	342,839	236,315
(Decrease) Increase in cash and cash equivalents	(57,392)	29,315	(1,712,683)	1,141,353
Cash and cash equivalents at beginning of year	145,353	116,038	4,600,434	3,459,081
Cash and cash equivalents at end of year	87,961	145,353	2,887,751	4,600,434