

## 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		Sequential Quarter		Three Months ended	
	Mar 31, 2017	Dec 31, 2016	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Dec 31, 2016	Mar 31, 2017	Mar 31, 2016
Revenue	75,641	77,017	75,641	70,631	2,351,687	2,446,822	2,351,687	2,340,738
Cost of goods sold	45,384	45,963	45,384	41,576	1,410,995	1,460,249	1,410,995	1,377,840
Gross profit	30,257	31,054	30,257	29,055	940,692	986,573	940,692	962,898
Research & development expenses	11,033	11,212	11,033	10,838	343,003	356,194	343,003	359,186
Sales & marketing expenses	3,892	4,129	3,892	4,202	121,015	131,176	121,015	139,240
General & administrative expenses	2,358	2,268	2,358	2,248	73,308	72,066	73,308	74,513
Total operating expenses	17,283	17,609	17,283	17,288	537,326	559,436	537,326	572,939
Operating income	12,974	13,445	12,974	11,767	403,366	427,137	403,366	389,959
Non-operating income and expenses	15	215	15	(2)	457	6,836	457	(69)
Income before income taxes	12,989	13,660	12,989	11,765	403,823	433,973	403,823	389,890
Income tax expense	1,038	2,760	1,038	976	32,256	87,684	32,256	32,346
<b>Net income</b>	<b>11,951</b>	<b>10,900</b>	<b>11,951</b>	<b>10,789</b>	<b>371,567</b>	<b>346,289</b>	<b>371,567</b>	<b>357,544</b>
EPS - Basic (In Dollar)	\$0.16	\$0.14	\$0.16	\$0.14	\$4.92	\$4.52	\$4.92	\$4.77
Shares used in computing EPS-Basic (In thousands)	75,506	76,667	75,506	74,921	75,506	76,667	75,506	74,921
EPS - Diluted (In Dollar)	\$0.15	\$0.14	\$0.15	\$0.14	\$4.78	\$4.40	\$4.78	\$4.68
Shares used in computing EPS-Diluted (In thousands)	77,807	78,652	77,807	76,335	77,807	78,652	77,807	76,335

### UNAUDITED CONSOLIDATED BALANCE SHEETS

As of March 31, 2017 and 2016

	USD in Thousands		NTD in Thousands	
	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016
<b>Current assets</b>				
Cash & cash equivalents	131,227	94,535	3,980,102	3,043,098
Accounts receivable, net	44,589	41,693	1,352,382	1,342,092
Inventories, net	39,480	26,128	1,197,425	841,062
Other current assets	7,464	11,161	226,389	359,270
Total current assets	222,760	173,517	6,756,298	5,585,522
<b>Non-current assets</b>				
Property, plant and equipment, net	5,283	4,732	160,255	152,332
Intangible assets	91,133	89,972	2,764,054	2,896,207
Deferred income tax assets	2,157	1,185	65,421	38,129
Other non-current assets	995	1,024	30,180	32,949
Total non-current assets	99,568	96,913	3,019,910	3,119,617
<b>Total Assets</b>	<b>322,328</b>	<b>270,430</b>	<b>9,776,208</b>	<b>8,705,139</b>
<b>Current Liabilities</b>				
Accounts payable	33,901	31,847	1,028,205	1,025,154
Other payables	14,558	10,723	441,554	345,166
Current tax liabilities	17,765	13,242	538,827	426,248
Other current liabilities	10,116	5,987	306,794	192,733
Total current liabilities	76,340	61,799	2,315,380	1,989,301
<b>Equity</b>				
Ordinary shares	25,466	25,070	773,321	760,750
Capital reserves	71,196	60,309	2,160,472	1,813,697
Retained earnings	162,438	131,497	5,009,849	4,021,274
Other equity	(12,996)	(6,760)	(479,284)	168,522
Treasury shares	(116)	(1,485)	(3,530)	(48,405)
Total equity	245,988	208,631	7,460,828	6,715,838
<b>Total liabilities and equity</b>	<b>322,328</b>	<b>270,430</b>	<b>9,776,208</b>	<b>8,705,139</b>

### UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

For three months ended March 31, 2017 and 2016

	USD in Thousands		NTD in Thousands	
	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016
<b>Cash flows from operating activities</b>				
Income before income tax for the period	12,989	11,765	403,823	389,890
Depreciation and amortization	2,302	1,967	71,568	65,194
Share-based compensation cost	1,288	895	40,037	29,654
Interest income	(12)	(10)	(367)	(318)
Income and expenses having no effect on cash flows	3,578	2,852	111,238	94,530
Accounts receivable	2,969	(3,530)	90,058	(113,645)
Inventories	(13,151)	(7,433)	(398,857)	(239,250)
Other current assets	67	(3,151)	2,033	(101,598)
Other non-current assets	-	146	-	4,691
Net changes in assets relating to operating activities	(10,115)	(13,968)	(306,766)	(449,802)
Accounts payable	3,875	10,468	117,530	336,955
Other payables	(2,336)	(1,378)	(70,866)	(44,358)
Other current liabilities	403	(2,230)	12,215	(71,795)
Net changes in liabilities relating to operating activities	1,942	6,860	58,879	220,802
Cash provided by operations	8,394	7,509	267,174	255,420
Interest received	10	9	299	301
Interest payable	(221)	(208)	(6,866)	(6,886)
<b>Net cash provided by operating activities</b>	<b>8,183</b>	<b>7,310</b>	<b>260,607</b>	<b>248,835</b>
<b>Cash flows from investing activities</b>				
Acquisition of equipment	(1,322)	(454)	(41,096)	(15,062)
Acquisition of intangible assets	(547)	(299)	(17,008)	(9,909)
Increase in refundable deposits	(150)	(66)	(4,555)	(2,123)
<b>Net cash used in investing activities</b>	<b>(2,019)</b>	<b>(819)</b>	<b>(62,659)</b>	<b>(27,094)</b>
<b>Cash flows from financing activities</b>				
Proceeds from exercise of employee stock options	103	58	3,207	1,912
Purchase of treasury shares	(116)	-	(3,530)	-
Cash dividend regain from canceled share-based compensation	2	5	74	152
<b>Net cash (used in) provided by financing activities</b>	<b>(11)</b>	<b>63</b>	<b>(249)</b>	<b>2,064</b>
Effect of exchange rate changes on cash and cash equivalents	87	20	(248,436)	(68,458)
(Decrease) increase in cash and cash equivalents	6,240	6,574	(50,737)	155,347
Cash and cash equivalents at beginning of period	124,987	87,961	4,030,839	2,887,751
Cash and cash equivalents at end of period	<b>131,227</b>	<b>94,535</b>	<b>3,980,102</b>	<b>3,043,098</b>