

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 USS 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	
	Jun 30, 2017	Mar 31, 2017	Jun 30, 2017	Jun 30, 2016	Jun 30, 2017	Jun 30, 2016	Jun 30, 2017	Mar 31, 2017	Jun 30, 2017	Jun 30, 2016	Jun 30, 2017	Jun 30, 2016
Revenue	85,915	75,641	85,915	68,783	161,556	139,414	2,599,780	2,351,687	2,599,780	2,229,934	4,951,467	4,570,672
Cost of goods sold	51,426	45,384	51,426	40,621	96,810	82,197	1,556,152	1,410,995	1,556,152	1,316,940	2,967,147	2,694,780
Gross profit	34,489	30,257	34,489	28,162	64,746	57,217	1,043,628	940,692	1,043,628	912,994	1,984,320	1,875,892
Research & development expenses	11,278	11,033	11,278	11,056	22,311	21,894	341,279	343,003	341,279	358,430	684,282	717,616
Sales & marketing expenses	4,124	3,892	4,124	4,232	8,016	8,434	124,787	121,015	124,787	137,224	245,802	276,464
General & administrative expenses	2,541	2,358	2,541	2,163	4,899	4,411	76,886	73,308	76,886	70,088	150,194	144,601
Total operating expenses	17,943	17,283	17,943	17,451	35,226	34,739	542,952	537,326	542,952	565,742	1,080,278	1,138,681
Operating income	16,546	12,974	16,546	10,711	29,520	22,478	500,676	403,366	500,676	347,252	904,042	737,211
Non-operating income and expenses	1	15	1	34	16	32	44	457	44	1,087	501	1,018
Income before income taxes	16,547	12,989	16,547	10,745	29,536	22,510	500,720	403,823	500,720	348,339	904,543	738,229
Income tax expense	1,722	1,038	1,722	(20)	2,760	956	52,117	32,256	52,117	(649)	84,373	31,697
Net income	14,825	11,951	14,825	10,765	26,776	21,554	448,603	371,567	448,603	348,988	820,170	706,532
EPS - Basic (In Dollar)	\$0.20	\$0.16	\$0.20	\$0.14	\$0.35	\$0.29	\$5.95	\$4.92	\$5.95	\$4.66	\$10.87	\$9.43
Shares used in computing EPS-Basic (In thousands)	75,444	75,506	75,444	74,940	75,480	74,941	75,444	75,506	75,444	74,940	75,480	74,941
EPS - Diluted (In Dollar)	\$0.19	\$0.15	\$0.19	\$0.14	\$0.34	\$0.28	\$5.74	\$4.78	\$5.74	\$4.56	\$10.47	\$9.23
Shares used in computing EPS-Diluted (In thousands)	78,103	77,807	78,103	76,527	78,366	76,536	78,103	77,807	78,103	76,527	78,366	76,536

UNAUDITED CONSOLIDATED BALANCE SHEETS

As of June 30, 2017 and 2016

	USD in Thousands		NTD in Thousands	
	Jun 30, 2017	Jun 30, 2016	Jun 30, 2017	Jun 30, 2016
Current assets				
Cash & cash equivalents	146,676	108,063	4,461,882	3,488,262
Accounts receivable, net	41,249	34,883	1,254,785	1,126,026
Inventories, net	41,300	27,442	1,256,354	885,834
Other current assets	10,047	9,826	305,636	317,188
Total current assets	239,272	180,214	7,278,657	5,817,310
Non-current assets				
Property, plant and equipment, net	5,235	4,683	159,254	151,164
Intangible assets	89,454	90,764	2,721,191	2,929,879
Deferred income tax assets	1,941	2,167	59,036	69,949
Other non-current assets	1,000	884	30,426	28,526
Total non-current assets	97,630	98,498	2,969,907	3,179,518
Total Assets	336,902	278,712	10,248,564	8,996,828
Current Liabilities				
Accounts payable	30,999	23,760	942,994	766,972
Other payables	40,432	25,873	1,227,186	843,525
Current tax liabilities	18,838	14,060	573,065	453,862
Other current liabilities	8,818	6,308	268,238	203,612
Total current liabilities	99,087	70,001	3,011,483	2,267,971
Equity				
Ordinary shares	25,487	25,085	773,946	761,228
Capital reserves	71,479	60,753	2,169,037	1,828,255
Retained earnings	154,303	130,689	4,762,763	3,988,371
Other equity	(11,456)	(6,331)	(407,821)	199,408
Treasury shares	(1,998)	(1,485)	(60,844)	(48,405)
Total equity	237,815	208,711	7,237,081	6,728,857
Total liabilities and equity	336,902	278,712	10,248,564	8,996,828

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

For six months ended June 30, 2017 and 2016

	USD in Thousands		NTD in Thousands	
	Jun 30, 2017	Jun 30, 2016	Jun 30, 2017	Jun 30, 2016
Cash flows from operating activities				
Income before income tax for the period	29,536	22,510	904,543	738,229
Depreciation and amortization	4,710	3,977	144,494	130,373
Share-based compensation cost	2,561	1,807	78,577	59,226
Interest income	(26)	(19)	(811)	(628)
Income and expenses having no effect on cash flows	7,245	5,765	222,260	188,971
Accounts receivable	6,309	3,279	191,934	105,856
Inventories	(14,971)	(8,747)	(455,416)	(282,340)
Other current assets	(2,552)	(1,784)	(77,662)	(57,759)
Other non-current assets	-	194	-	6,272
Net changes in assets relating to operating activities	(11,214)	(7,058)	(341,144)	(227,971)
Accounts payable	974	2,381	29,617	76,850
Other payables	575	2,200	17,501	71,015
Other current liabilities	(895)	(1,910)	(27,214)	(61,656)
Net changes in liabilities relating to operating activities	654	2,671	19,904	86,209
Cash provided by operations	26,221	23,888	805,563	785,438
Interest received	23	14	694	464
Interest payable	-	(95)	-	(3,087)
Income taxes paid	(625)	(375)	(19,163)	(12,307)
Net cash provided by operating activities	25,619	23,432	787,094	770,508
Cash flows from investing activities				
Acquisition of equipment	(1,798)	(1,041)	(55,177)	(34,113)
Acquisition of intangible assets	(721)	(2,518)	(22,111)	(82,552)
(Increase) decrease in refundable deposits	(155)	25	(4,726)	819
Net cash used in investing activities	(2,674)	(3,534)	(82,014)	(115,846)
Cash flows from financing activities				
Proceeds from exercise of employee stock options	490	301	15,043	9,857
Purchase of treasury shares	(1,998)	-	(60,844)	-
Cash dividend regain from canceled share-based compensation	4	5	127	158
Net cash (used in) provided by financing activities	(1,504)	306	(45,674)	10,015
Effect of exchange rate changes on cash and cash equivalents	248	(102)	(228,363)	(64,166)
Increase in cash and cash equivalents	21,689	20,102	431,043	600,511
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	146,676	108,063	4,461,882	3,488,262