

## 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, 2018	Dec 31, 2017	Mar 31, 2018	Mar 31, 2017	Mar 31, 2018	Dec 31, 2017	Mar 31, 2018	Mar 31, 2017
Revenue	80,653	88,248	80,653	75,641	2,363,141	2,657,137	2,363,141	2,351,687
Cost of goods sold	47,715	52,528	47,715	45,384	1,398,037	1,581,628	1,398,037	1,410,995
Gross profit	32,939	35,720	32,939	30,257	965,104	1,075,509	965,104	940,692
Research & development expenses	12,202	12,037	12,202	11,033	357,526	362,427	357,526	343,003
Sales & marketing expenses	4,126	4,345	4,126	3,892	120,892	130,829	120,892	121,015
General & administrative expenses	2,752	2,850	2,752	2,358	80,621	85,818	80,621	73,308
Total operating expenses	19,080	19,232	19,080	17,283	559,039	579,074	559,039	537,326
Operating income	13,859	16,488	13,859	12,974	406,065	496,435	406,065	403,366
Non-operating income and expenses	(58)	59	(58)	15	(1,700)	1,780	(1,700)	457
Income before income taxes	13,800	16,547	13,800	12,989	404,365	498,215	404,365	403,823
Income tax (benefit) expense	(10)	2,035	(10)	1,038	(283)	61,273	(283)	32,256
<b>Net income</b>	<b>13,810</b>	<b>14,512</b>	<b>13,810</b>	<b>11,951</b>	<b>404,648</b>	<b>436,942</b>	<b>404,648</b>	<b>371,567</b>
EPS - Basic (In Dollar)	\$0.18	\$0.19	\$0.18	\$0.16	\$5.30	\$5.73	\$5.30	\$4.92
Shares used in computing EPS-Basic (In thousands)	76,287	76,235	76,287	75,506	76,287	76,235	76,287	75,506
EPS - Diluted (In Dollar)	\$0.17	\$0.18	\$0.17	\$0.15	\$5.08	\$5.51	\$5.08	\$4.78
Shares used in computing EPS-Diluted (In thousands)	79,653	79,343	79,653	77,807	79,653	79,343	79,653	77,807

### UNAUDITED CONSOLIDATED BALANCE SHEETS

As of March 31, 2018 and 2017

	USD in Thousands		NTD in Thousands	
	Mar 31, 2018	Mar 31, 2017	Mar 31, 2018	Mar 31, 2017
<b>Current assets</b>				
Cash & cash equivalents	157,611	131,227	4,588,044	3,980,102
Accounts receivable, net	53,763	44,589	1,565,045	1,352,382
Inventories, net	42,948	39,480	1,250,218	1,197,425
Other current assets	12,434	7,464	361,965	226,389
Total current assets	266,756	222,760	7,765,272	6,756,298
<b>Non-current assets</b>				
Property, plant and equipment, net	8,558	5,283	249,114	160,255
Intangible assets	87,265	91,133	2,540,284	2,764,054
Deferred income tax assets	1,592	2,157	46,345	65,421
Other non-current assets	846	995	24,619	30,180
Total non-current assets	98,261	99,568	2,860,362	3,019,910
<b>Total Assets</b>	<b>365,017</b>	<b>322,328</b>	<b>10,625,634</b>	<b>9,776,208</b>
<b>Current Liabilities</b>				
Accounts payable	24,726	33,901	719,763	1,028,205
Other payables	17,140	14,558	498,957	441,554
Current tax liabilities	19,715	17,765	573,908	538,827
Other current liabilities	5,369	10,116	156,285	306,794
Total current liabilities	66,950	76,340	1,948,913	2,315,380
<b>Equity</b>				
Ordinary shares	25,837	25,466	784,525	773,321
Capital reserves	84,799	71,196	2,569,165	2,160,472
Retained earnings	204,742	162,438	6,279,516	5,009,849
Other equity	(17,311)	(12,996)	(956,485)	(479,284)
Treasury shares	-	(116)	-	(3,530)
Total equity	298,067	245,988	8,676,721	7,460,828
<b>Total liabilities and equity</b>	<b>365,017</b>	<b>322,328</b>	<b>10,625,634</b>	<b>9,776,208</b>

### UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

For three months ended March 31, 2018 and 2017

	USD in Thousands		NTD in Thousands	
	Mar 31, 2018	Mar 31, 2017	Mar 31, 2018	Mar 31, 2017
<b>Cash flows from operating activities</b>				
Income before income tax for the period	13,801	12,989	404,365	403,823
Depreciation and amortization	2,791	2,302	81,775	71,568
Share-based compensation cost	1,888	1,288	55,329	40,037
Interest income	(20)	(12)	(584)	(367)
Income and expenses having no effect on cash flows	4,659	3,578	136,520	111,238
Accounts receivable	(1,491)	2,969	(43,397)	90,058
Inventories	(8,673)	(13,151)	(252,482)	(398,857)
Other current assets	(2,745)	67	(79,936)	2,033
Net changes in assets relating to operating activities	(12,909)	(10,115)	(375,815)	(306,766)
Accounts payable	(1,062)	3,875	(30,916)	117,530
Other payables	(3,493)	(2,336)	(101,680)	(70,866)
Other current liabilities	(2,912)	403	(84,754)	12,215
Net changes in liabilities relating to operating activities	(7,467)	1,942	(217,350)	58,879
Cash (used in) provided by operations	(1,916)	8,394	(52,280)	267,174
Interest received	10	10	300	299
Income taxes paid	(219)	(221)	(6,407)	(6,866)
<b>Net cash (used in) provided by operating activities</b>	<b>(2,125)</b>	<b>8,183</b>	<b>(58,387)</b>	<b>260,607</b>
<b>Cash flows from investing activities</b>				
Acquisition of equipment	(451)	(1,322)	(13,216)	(41,096)
Acquisition of intangible assets	(562)	(547)	(16,472)	(17,008)
Increase in refundable deposits	(28)	(150)	(807)	(4,555)
<b>Net cash used in investing activities</b>	<b>(1,041)</b>	<b>(2,019)</b>	<b>(30,495)</b>	<b>(62,659)</b>
<b>Cash flows from financing activities</b>				
Proceeds from exercise of employee stock options	305	103	8,938	3,207
Purchase of treasury shares	-	(116)	-	(3,530)
Cash dividend regain from canceled share-based compensation	10	2	322	74
<b>Net cash provided by (used in) financing activities</b>	<b>315</b>	<b>(11)</b>	<b>9,260</b>	<b>(249)</b>
Effect of exchange rate changes on cash and cash equivalents	407	87	(95,561)	(248,436)
(Decrease) Increase in cash and cash equivalents	(2,444)	6,240	(175,183)	(50,737)
Cash and cash equivalents at beginning of period	160,055	124,987	4,763,227	4,030,839
Cash and cash equivalents at end of period	<b>157,611</b>	<b>131,227</b>	<b>4,588,044</b>	<b>3,980,102</b>