

RICHWAVE TECHNOLOGY CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

	June 30, 2016 (Reviewed)		December 31, 2015 (Audited)		June 30, 2015 (Reviewed)	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 308,630	24	\$ 405,604	36	\$ 96,841	12
Available-for-sale financial assets - current	17	-	19	-	16	-
Trade receivables, net	392,999	30	301,393	27	341,328	40
Other receivables	6,696	1	5,098	-	5,056	1
Inventories	268,882	21	302,846	27	310,044	37
Prepayments	5,082	-	8,479	1	3,497	-
Other financial assets - current	193,650	15	-	-	2,050	-
Other current assets	<u>2,328</u>	-	<u>1,387</u>	-	<u>2,200</u>	-
Total current assets	<u>1,178,284</u>	<u>91</u>	<u>1,024,826</u>	<u>91</u>	<u>761,032</u>	<u>90</u>
NON-CURRENT ASSETS						
Property, plant and equipment	69,602	6	61,546	6	55,233	6
Other intangible assets	16,997	1	8,553	1	13,124	2
Deferred tax assets	20,209	2	22,282	2	11,395	1
Refundable deposits	4,191	-	4,068	-	4,974	1
Other financial assets - non-current	1,090	-	1,090	-	1,076	-
Prepayments for equipment	<u>1,780</u>	-	<u>638</u>	-	-	-
Total non-current assets	<u>113,869</u>	<u>9</u>	<u>98,177</u>	<u>9</u>	<u>85,802</u>	<u>10</u>
TOTAL	<u><u>\$ 1,292,153</u></u>	<u><u>100</u></u>	<u><u>\$ 1,123,003</u></u>	<u><u>100</u></u>	<u><u>\$ 846,834</u></u>	<u><u>100</u></u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings	\$ -	-	\$ -	-	\$ 20,000	3
Trade payables	290,822	23	191,308	17	297,337	35
Accrued profit sharing to employees and bonus to directors and supervisors	17,917	1	10,073	1	812	-
Cash dividends payable	22,454	2	-	-	-	-
Other payables	64,303	5	64,342	6	52,051	6
Current tax liabilities	11,867	1	20,163	2	-	-
Provisions – current	23,446	2	24,326	2	22,731	3
Other current liabilities	<u>1,811</u>	-	<u>1,520</u>	-	<u>1,796</u>	-
Total current liabilities	<u>432,620</u>	<u>34</u>	<u>311,732</u>	<u>28</u>	<u>394,727</u>	<u>47</u>
NON-CURRENT LIABILITIES						
Net defined benefit liabilities- non-current	2,984	-	3,310	-	2,539	-
Guarantee deposits	<u>2,395</u>	-	<u>1,451</u>	-	<u>1,373</u>	-
Total non-current liabilities	<u>5,379</u>	-	<u>4,761</u>	-	<u>3,912</u>	-
Total liabilities	<u>437,999</u>	<u>34</u>	<u>316,493</u>	<u>28</u>	<u>398,639</u>	<u>47</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT						
Share capital						
Ordinary shares	498,976	38	498,976	45	439,976	52
Shares Dividend to be Distributed	<u>49,898</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total share capital	<u>548,874</u>	<u>42</u>	<u>498,976</u>	<u>45</u>	<u>439,976</u>	<u>52</u>
Capital surplus	<u>226,309</u>	<u>18</u>	<u>226,309</u>	<u>20</u>	<u>947</u>	<u>-</u>
Retained earnings						
Legal reserve	8,124	1	-	-	-	-
Special reserve	20	-	-	-	-	-
Unappropriated earnings	<u>70,849</u>	<u>5</u>	<u>81,245</u>	<u>7</u>	<u>7,295</u>	<u>1</u>
Total retained earnings	<u>78,993</u>	<u>6</u>	<u>81,245</u>	<u>7</u>	<u>7,295</u>	<u>1</u>
Other equity	<u>(22)</u>	-	<u>(20)</u>	-	<u>(23)</u>	-
Total equity	<u>854,154</u>	<u>66</u>	<u>806,510</u>	<u>72</u>	<u>448,195</u>	<u>53</u>
TOTAL	<u><u>\$ 1,292,153</u></u>	<u><u>100</u></u>	<u><u>\$ 1,123,003</u></u>	<u><u>100</u></u>	<u><u>\$ 846,834</u></u>	<u><u>100</u></u>

The accompanying notes are an integral part of the parent company only financial statements.

RICHWAVE TECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

(Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2016		2015		2016		2015	
	Amount	%	Amount	%	Amount	%	Amount	%
NET OPERATING REVENUE	\$ 523,202	100	\$ 429,982	100	\$ 999,313	100	\$ 790,941	100
OPERATING COSTS	<u>339,529</u>	<u>65</u>	<u>285,213</u>	<u>66</u>	<u>660,675</u>	<u>66</u>	<u>527,664</u>	<u>66</u>
GROSS PROFIT	<u>183,673</u>	<u>35</u>	<u>144,769</u>	<u>34</u>	<u>338,638</u>	<u>34</u>	<u>263,277</u>	<u>34</u>
OPERATING EXPENSES								
Selling and marketing expenses	31,944	6	20,270	5	57,477	6	41,121	5
General and administrative expenses	34,712	7	16,995	4	56,212	6	34,172	5
Research and development expenses	<u>68,789</u>	<u>13</u>	<u>51,983</u>	<u>12</u>	<u>135,545</u>	<u>13</u>	<u>96,482</u>	<u>12</u>
Total operating expenses	<u>135,445</u>	<u>26</u>	<u>89,248</u>	<u>21</u>	<u>249,234</u>	<u>25</u>	<u>171,775</u>	<u>22</u>
PROFIT FROM OPERATIONS	<u>48,228</u>	<u>9</u>	<u>55,521</u>	<u>13</u>	<u>89,404</u>	<u>9</u>	<u>91,502</u>	<u>12</u>
NON-OPERATING INCOME AND EXPENSES								
Other income	611	-	45	-	1,424	-	60	-
Other gains and losses	1,566	1	(2,250)	(1)	(11,539)	(1)	(6,258)	(1)
Finance costs	<u>-</u>	<u>-</u>	<u>(173)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(436)</u>	<u>-</u>
Total non-operating income and expenses	<u>2,177</u>	<u>1</u>	<u>(2,378)</u>	<u>(1)</u>	<u>(10,115)</u>	<u>(1)</u>	<u>(6,634)</u>	<u>(1)</u>
INCOME BEFORE INCOME TAX	50,405	10	53,143	12	79,289	8	84,868	11
INCOME TAX EXPENSE	<u>(5,281)</u>	<u>(1)</u>	<u>(8,597)</u>	<u>(2)</u>	<u>(9,189)</u>	<u>(1)</u>	<u>(13,559)</u>	<u>(2)</u>
NET INCOME	45,124	9	44,546	10	70,100	7	71,309	9
OTHER COMPREHENSIVE INCOME								
Items that may be reclassified subsequently to profit or loss:								
Unrealized loss on available-for-sale financial assets	<u>(7)</u>	<u>-</u>	<u>(8)</u>	<u>-</u>	<u>(2)</u>	<u>-</u>	<u>(10)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 45,117</u>	<u>9</u>	<u>\$ 44,538</u>	<u>10</u>	<u>\$ 70,098</u>	<u>7</u>	<u>\$ 71,299</u>	<u>9</u>
EARNINGS PER SHARE								
From continuing and discontinued operations								
Basic	<u>\$ 0.82</u>		<u>\$ 0.92</u>		<u>\$ 1.28</u>		<u>\$ 1.48</u>	
Diluted	<u>\$ 0.82</u>		<u>\$ 0.92</u>		<u>\$ 1.27</u>		<u>\$ 1.47</u>	

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RICHWAVE TECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)
(Reviewed, Not Audited)

	Capital Stock				Retained Earnings				
	Share (Thousands)	Share Capital	Share Dividend to be Distributed	Capital Surplus	Legal Reserve	Special Reserve	Unappropri ated earnings (Accumulate d Deficit)	Unrealized Gain (Loss) on Financial Assets	Total Equity
BALANCE AT JANUARY 1, 2015	43,916	\$ 439,156	\$ -	\$ 24,032	\$ -	\$ -	(\$ 87,673)	(\$ 13)	\$ 375,502
Capital surplus used to offset a deficit	-	-	-	(23,659)	-	-	23,659	-	-
Share-based payment transaction	82	820	-	574	-	-	-	-	1,394
Net profit for the six months ended June 30, 2015	-	-	-	-	-	-	71,309	-	71,309
Other comprehensive income for the six months ended June 30, 2015, net of income tax	-	-	-	-	-	-	-	(10)	(10)
BALANCE AT JUNE 30, 2015	<u>43,998</u>	<u>\$ 439,976</u>	<u>\$ -</u>	<u>\$ 947</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,295</u>	<u>(\$ 23)</u>	<u>\$ 448,195</u>
BALANCE AT JANUARY 1, 2016	49,898	\$ 498,976	\$ -	\$ 226,309	\$ -	\$ -	\$ 81,245	(\$ 20)	\$ 806,510
Appropriation of 2015 earnings									
Legal reserve	-	-	-	-	8,124	-	(8,124)	-	-
Special reserve	-	-	-	-	-	20	(20)	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(22,454)	-	(22,454)
Share dividends distributed by the Company	-	-	49,898	-	-	-	(49,898)	-	-
Net profit for the six months ended June 30, 2016	-	-	-	-	-	-	70,100	-	70,100
Other comprehensive income for the six months ended June 30, 2016, net of income tax	-	-	-	-	-	-	-	(2)	(2)
BALANCE AT JUNE 30, 2016	<u>49,898</u>	<u>\$ 498,976</u>	<u>\$ 49,898</u>	<u>\$ 226,309</u>	<u>\$ 8,124</u>	<u>\$ 20</u>	<u>\$ 70,849</u>	<u>(\$ 22)</u>	<u>\$ 854,154</u>

The accompanying notes are an integral part of the parent company only financial statements.

RICHWAVE TECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 79,289	\$ 84,868
Adjustments for:		
Depreciation expense	15,612	14,798
Amortization expense	7,807	7,019
Bad debt (reversal) expense	(1,823)	1,823
Finance costs	-	436
Interest income	(894)	(60)
Write-down of inventories	4,836	13,541
Net loss on foreign currency exchange	379	10,345
Changes in operating assets and liabilities		
Trade receivables	(92,086)	(21,183)
Other receivables	(1,087)	1,951
Inventories	29,128	(93,268)
Prepayments	(1,615)	(1,443)
Other current assets	(941)	(1,625)
Trade payables	100,336	51,301
Accrued profit sharing to employees and bonus to directors and supervisors	7,844	812
Other payables	1,669	6,851
Provisions	(880)	4,349
Other current liabilities	291	555
Net defined benefit liabilities	(326)	(314)
Cash generated from operations	147,539	80,756
Interest received	383	132
Interest paid	-	(478)
Income tax paid	(15,412)	-
Net cash generated from operating activities	<u>132,510</u>	<u>80,410</u>

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RICHWAVE TECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2016	2015
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(\$ 26,596)	(\$ 22,009)
Payments for intangible assets	(11,161)	(13,612)
Increase in other financial assets	(193,650)	(2,050)
Increase in refundable deposits	(<u>123</u>)	(<u>2,373</u>)
Net cash used in investing activities	(<u>231,530</u>)	(<u>40,044</u>)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	-	90,000
Decrease in short-term loans	-	(120,000)
Repayments of long-term borrowings	-	(16,000)
Proceeds from guarantee deposits received	944	-
Refund of guarantee deposits received	-	(4,336)
Proceeds from exercise of employee stock options	<u>-</u>	<u>1,394</u>
Net cash generated from (used in) financing activities	<u>944</u>	(<u>48,942</u>)
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>1,102</u>	(<u>1,017</u>)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(96,974)	(9,593)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>405,604</u>	<u>106,434</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 308,630</u>	<u>\$ 96,841</u>

The accompanying notes are an integral part of the parent company only financial statements.

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