

RICHWAVE TECHNOLOGY CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

	March 31, 2016 (Reviewed)		December 31, 2015 (Audited)		March 31, 2015 (Reviewed)	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 478,771	39	\$ 405,604	36	\$ 98,276	12
Available-for-sale financial assets - current	24	-	19	-	24	-
Trade receivables, net	343,044	28	301,393	27	316,329	40
Other receivables	7,439	-	5,098	-	8,332	1
Inventories	295,509	24	302,846	27	276,082	35
Prepayments	8,569	1	8,479	1	3,795	-
Other financial assets - current	-	-	-	-	2,072	-
Other current assets	1,981	-	1,387	-	254	-
Total current assets	1,135,337	92	1,024,826	91	705,164	88
NON-CURRENT ASSETS						
Property, plant and equipment	58,284	5	61,546	6	55,723	7
Other intangible assets	8,773	1	8,553	1	13,349	2
Deferred tax assets	20,548	2	22,282	2	19,992	3
Refundable deposits	4,191	-	4,068	-	2,573	-
Other financial assets - non-current	1,090	-	1,090	-	1,076	-
Other non-current assets	3,440	-	638	-	-	-
Total non-current assets	96,326	8	98,177	9	92,713	12
TOTAL	<u>\$ 1,231,663</u>	<u>100</u>	<u>\$ 1,123,003</u>	<u>100</u>	<u>\$ 797,877</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings	\$ -	-	\$ -	-	\$ 30,000	4
Trade payables	283,390	23	191,308	17	266,911	34
Accrued profit sharing to employees and bonus to directors and supervisors	12,931	1	10,073	1	-	-
Other payables	53,015	4	64,342	6	56,712	7
Current tax liabilities	22,308	2	20,163	2	-	-
Provisions – current	22,178	2	24,326	2	19,350	2
Current portion of long-term borrowings	-	-	-	-	13,000	2
Other current liabilities	1,805	-	1,520	-	1,312	-
Total current liabilities	395,627	32	311,732	28	387,285	49
NON-CURRENT LIABILITIES						
Net defined benefit liabilities- non-current	3,122	-	3,310	-	2,677	-
Guarantee deposits	1,423	-	1,451	-	5,652	1
Total non-current liabilities	4,545	-	4,761	-	8,329	1
Total liabilities	400,172	32	316,493	28	395,614	50
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT						
Share Capital						
Ordinary shares	498,976	41	498,976	45	439,156	55
Capital surplus	226,309	18	226,309	20	24,032	3
Retained earnings						
Unappropriated earnings (Accumulated deficit)	106,221	9	81,245	7	(60,910)	(8)
Other equity	(15)	-	(20)	-	(15)	-
Total equity	831,491	68	806,510	72	402,263	50
TOTAL	<u>\$ 1,231,663</u>	<u>100</u>	<u>\$ 1,123,003</u>	<u>100</u>	<u>\$ 797,877</u>	<u>100</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 March 31			
	2016		2015	
	Amount	%	Amount	%
NET OPERATING REVENUE	\$ 476,111	100	\$ 360,959	100
OPERATING COSTS	<u>321,146</u>	<u>67</u>	<u>242,451</u>	<u>67</u>
GROSS PROFIT	<u>154,965</u>	<u>33</u>	<u>118,508</u>	<u>33</u>
OPERATING EXPENSES				
Selling and marketing expenses	25,533	5	20,213	6
General and administrative expenses	21,500	5	15,682	4
Research and development expenses	<u>66,756</u>	<u>14</u>	<u>46,632</u>	<u>13</u>
Total operating expenses	<u>113,789</u>	<u>24</u>	<u>82,527</u>	<u>23</u>
PROFIT FROM OPERATIONS	<u>41,176</u>	<u>9</u>	<u>35,981</u>	<u>10</u>
NON-OPERATING INCOME AND EXPENSES				
Other income	813	-	15	-
Other gains and losses	(13,105)	(3)	(4,008)	(1)
Finance costs	<u>-</u>	<u>-</u>	<u>(263)</u>	<u>-</u>
Total non-operating income and expenses	<u>(12,292)</u>	<u>(3)</u>	<u>(4,256)</u>	<u>(1)</u>
INCOME BEFORE INCOME TAX	28,884	6	31,725	9
INCOME TAX EXPENSE	<u>(3,908)</u>	<u>(1)</u>	<u>(4,962)</u>	<u>(2)</u>
NET INCOME	24,976	5	26,763	7
OTHER COMPREHENSIVE INCOME				
Items that may be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on available-for-sale financial assets	<u>5</u>	<u>-</u>	<u>(2)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 24,981</u>	<u>5</u>	<u>\$ 26,761</u>	<u>7</u>
EARNINGS PER SHARE				
From continuing and discontinued operations				
Basic	<u>\$ 0.50</u>		<u>\$ 0.61</u>	
Diluted	<u>\$ 0.50</u>		<u>\$ 0.61</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)

	<u>Capital Stock</u>			Unappropriated earnings (Accumulated Deficit)	Unrealized Gain (Loss) on Financial Assets	Total Equity
	Share (Thousands)	Share Capital	Capital Surplus			
BALANCE AT JANUARY 1, 2015	43,916	\$ 439,156	\$ 24,032	(\$ 87,673)	(\$ 13)	\$ 375,502
Net profit for the three months ended March 31, 2015	-	-	-	26,763	-	26,763
Other comprehensive income for the three months ended March 31, 2015, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	(<u>2</u>)	(<u>2</u>)
BALANCE AT MARCH 31, 2015	<u>43,916</u>	<u>\$ 439,156</u>	<u>\$ 24,032</u>	<u>(\$ 60,910)</u>	<u>(\$ 15)</u>	<u>\$ 402,263</u>
BALANCE AT JANUARY 1, 2016	49,898	\$ 498,976	\$ 226,309	\$ 81,245	(\$ 20)	\$ 806,510
Net profit for the three months ended March 31, 2016	-	-	-	24,976	-	24,976
Other comprehensive income for the three months ended March 31, 2016, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>
BALANCE AT MARCH 31, 2016	<u>49,898</u>	<u>\$ 498,976</u>	<u>\$ 226,309</u>	<u>\$ 106,221</u>	<u>(\$ 15)</u>	<u>\$ 831,491</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 Three Months Ended March 31	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 28,884	\$ 31,725
Adjustments for:		
Depreciation expense	7,658	7,144
Amortization expense	3,675	3,421
Bad debt reversal	(1,823)	-
Finance costs	-	263
Interest income	(283)	(15)
Write-down of inventories	-	5,880
Reversal of write-down of inventories	(1,350)	-
Net loss on foreign currency exchange	4,400	10,896
Changes in operating assets and liabilities		
Trade receivables	(49,329)	4,659
Other receivables	(2,355)	(1,253)
Inventories	8,687	(51,645)
Prepayments	(76)	(1,741)
Other current assets	(594)	321
Trade payables	96,889	20,875
Accrued profit sharing to employees and bonus to directors and supervisors	2,858	-
Other payables	(918)	2,758
Provisions	(2,148)	968
Other current liabilities	285	71
Net defined benefit liabilities	(188)	(176)
Cash generated from operations	94,272	34,151
Interest received	297	15
Interest paid	-	(295)
Income tax paid	(29)	-
Net cash generated from operating activities	<u>94,540</u>	<u>33,871</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 Three Months Ended March 31	
	2016	2015
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(\$ 17,484)	(\$ 6,101)
Payments for intangible assets	(4,032)	(10,239)
Increase in other financial assets	-	(2,072)
Increase in refundable deposits	(123)	-
Decrease in refundable deposits	<u>-</u>	<u>28</u>
Net cash used in investing activities	(<u>21,639</u>)	(<u>18,384</u>)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	-	60,000
Decrease in short-term loans	-	(80,000)
Repayments of long-term borrowings	-	(3,000)
Refund of guarantee deposits received	(<u>28</u>)	(<u>57</u>)
Net cash used in financing activities	(<u>28</u>)	(<u>23,057</u>)
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>294</u>	(<u>588</u>)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	73,167	(8,158)
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>\$ 478,771</u>	<u>\$ 98,276</u>

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

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