

RICHWAVE TECHNOLOGY CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

	March 31, 2015 (Reviewed)		December 31, 2014 (Audited)		March 31, 2014 (Reviewed)	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash	\$ 98,276	12	\$ 106,434	14	\$ 70,551	9
Available-for-sale financial assets - current	24	-	26	-	33	-
Trade receivables, net	316,329	40	331,296	43	355,184	47
Other receivables	8,332	1	7,079	1	6,307	1
Inventories	276,082	35	230,317	30	234,439	31
Prepayments	3,795	-	2,054	-	2,983	-
Other financial assets - current	2,072	-	-	-	2,212	-
Other current assets	<u>254</u>	-	<u>575</u>	-	<u>1,512</u>	-
Total current assets	<u>705,164</u>	<u>88</u>	<u>677,781</u>	<u>88</u>	<u>673,221</u>	<u>88</u>
NON-CURRENT ASSETS						
Property, plant and equipment	55,723	7	49,099	7	39,162	5
Other intangible assets	13,349	2	12,924	2	13,965	2
Deferred tax assets	19,992	3	24,954	3	34,429	5
Refundable deposits	2,573	-	2,601	-	2,607	-
Other financial assets - non-current	<u>1,076</u>	-	<u>1,076</u>	-	<u>2,064</u>	-
Total non-current assets	<u>92,713</u>	<u>12</u>	<u>90,654</u>	<u>12</u>	<u>92,227</u>	<u>12</u>
TOTAL	<u>\$ 797,877</u>	<u>100</u>	<u>\$ 768,435</u>	<u>100</u>	<u>\$ 765,448</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings	\$ 30,000	4	\$ 50,000	6	\$ 130,000	17
Trade payables	266,911	34	246,036	32	230,358	30
Other payables	56,712	7	52,712	7	40,527	5
Provisions – current	19,350	2	18,382	2	12,001	2
Current portion of long-term borrowings	13,000	2	12,000	2	23,041	3
Other current liabilities	<u>1,312</u>	-	<u>1,241</u>	-	<u>1,829</u>	-
Total current liabilities	<u>387,285</u>	<u>49</u>	<u>380,371</u>	<u>49</u>	<u>437,756</u>	<u>57</u>
NON-CURRENT LIABILITIES						
Long-term borrowings	-	-	4,000	1	24,608	3
Net defined benefit liabilities - non-current	2,677	-	2,853	-	2,278	1
Guarantee deposits	<u>5,652</u>	<u>1</u>	<u>5,709</u>	<u>1</u>	<u>7,017</u>	<u>1</u>
Total non-current liabilities	<u>8,329</u>	<u>1</u>	<u>12,562</u>	<u>2</u>	<u>33,903</u>	<u>5</u>
Total liabilities	<u>395,614</u>	<u>50</u>	<u>392,933</u>	<u>51</u>	<u>471,659</u>	<u>62</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT						
Share Capital						
Ordinary shares	<u>439,156</u>	<u>55</u>	<u>439,156</u>	<u>57</u>	<u>419,296</u>	<u>55</u>
Capital surplus	<u>24,032</u>	<u>3</u>	<u>24,032</u>	<u>3</u>	<u>24,825</u>	<u>3</u>
Retained earnings						
Accumulated deficit	<u>(60,910)</u>	<u>(8)</u>	<u>(87,673)</u>	<u>(11)</u>	<u>(150,326)</u>	<u>(20)</u>
Other equity	<u>(15)</u>	-	<u>(13)</u>	-	<u>(6)</u>	-
Total equity	<u>402,263</u>	<u>50</u>	<u>375,502</u>	<u>49</u>	<u>293,789</u>	<u>38</u>
TOTAL	<u>\$ 797,877</u>	<u>100</u>	<u>\$ 768,435</u>	<u>100</u>	<u>\$ 765,448</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			
	2015		2014	
	Amount	%	Amount	%
NET OPERATING REVENUE	\$ 360,959	100	\$ 324,650	100
OPERATING COSTS	<u>242,451</u>	<u>67</u>	<u>244,402</u>	<u>75</u>
GROSS PROFIT	<u>118,508</u>	<u>33</u>	<u>80,248</u>	<u>25</u>
OPERATING EXPENSES				
Selling and marketing expenses	20,213	6	15,697	5
General and administrative expenses	15,682	4	8,695	3
Research and development expenses	<u>46,632</u>	<u>13</u>	<u>48,823</u>	<u>15</u>
Total operating expenses	<u>82,527</u>	<u>23</u>	<u>73,215</u>	<u>23</u>
PROFIT FROM OPERATIONS	<u>35,981</u>	<u>10</u>	<u>7,033</u>	<u>2</u>
NON-OPERATING INCOME AND EXPENSES				
Other income	15	-	249	-
Other gains and losses	(4,008)	(1)	4,899	2
Finance costs	(<u>263</u>)	<u>-</u>	(<u>654</u>)	<u>-</u>
Total non-operating income and expenses	(<u>4,256</u>)	(<u>1</u>)	<u>4,494</u>	<u>2</u>
INCOME BEFORE INCOME TAX	31,725	9	11,527	4
INCOME TAX EXPENSE	(<u>4,962</u>)	(<u>2</u>)	(<u>1,847</u>)	(<u>1</u>)
NET INCOME	<u>26,763</u>	<u>7</u>	<u>9,680</u>	<u>3</u>
OTHER COMPREHENSIVE INCOME				
Items that may be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on available-for-sale financial assets	(<u>2</u>)	<u>-</u>	<u>2</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 26,761</u>	<u>7</u>	<u>\$ 9,682</u>	<u>3</u>
EARNINGS PER SHARE				
From continuing and discontinued operations				
Basic	<u>\$ 0.61</u>		<u>\$ 0.23</u>	
Diluted	<u>\$ 0.61</u>		<u>\$ 0.22</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>				Unrealized Gain (Loss) on Financial Assets	Total Equity
	Share (Thousands)	Share Capital	Capital Surplus	Accumulated Deficit		
BALANCE AT JANUARY 1, 2014	41,930	\$ 419,296	\$ 24,559	(\$ 160,006)	(\$ 8)	\$ 283,841
Share-based payment transaction	-	-	266	-	-	266
Net profit for the three months ended March 31, 2014	-	-	-	9,680	-	9,680
Other comprehensive income for the three months ended March 31, 2014, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
BALANCE AT MARCH 31, 2014	<u>41,930</u>	<u>\$ 419,296</u>	<u>\$ 24,825</u>	<u>(\$ 150,326)</u>	<u>(\$ 6)</u>	<u>\$ 293,789</u>
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>

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	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 31,725	\$ 11,527
Adjustments for:		
Depreciation expense	7,144	6,292
Amortization expense	3,421	4,922
Compensation cost of employee share options	-	266
Finance costs	263	654
Interest income	(15)	(22)
Write-down of inventories	5,880	2,523
Net (gain) loss on foreign currency exchange	10,896	(3,200)
Changes in operating assets and liabilities		
Trade receivables	4,659	20,622
Other receivables	(1,253)	(6,211)
Inventories	(51,645)	15,154
Prepayments	(1,741)	(1,682)
Other current assets	321	5,132
Trade payables	20,875	(33,526)
Other payables	2,758	7,213
Provisions	968	(3,000)
Other current liabilities	71	899
Net defined benefit liabilities	(176)	(60)
Cash generated from operations	34,151	27,503
Interest received	15	22
Interest paid	(295)	(800)
Net cash generated from operating activities	<u>33,871</u>	<u>26,725</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	
	2015	2014
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(\$ 6,101)	(\$ 6,172)
Payments for intangible assets	(10,239)	(10,404)
Increase in other financial assets	(2,072)	(5)
Increase in refundable deposits	-	(4)
Decrease in refundable deposits	<u>28</u>	<u>-</u>
Net cash used in investing activities	(<u>18,384</u>)	(<u>16,585</u>)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	60,000	278,929
Decrease in short-term loans	(80,000)	(248,929)
Repayments of long-term borrowings	(3,000)	(17,324)
Proceeds from guarantee deposits received	-	128
Refund of guarantee deposits received	(<u>57</u>)	<u>-</u>
Net cash generated from (used in) financing activities	(<u>23,057</u>)	<u>12,804</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(<u>588</u>)	<u>2,852</u>
NET INCREASE (DECREASE) IN CASH	(8,158)	25,796
CASH AT THE BEGINNING OF THE PERIOD	<u>106,434</u>	<u>44,755</u>
CASH AT THE END OF THE PERIOD	<u>\$ 98,276</u>	<u>\$ 70,551</u>

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