

RICHWAVE TECHNOLOGY CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

	March 31, 2018 (Reviewed)		December 31, 2017 (Audited)		March 31, 2017 (Reviewed)	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash	\$ 439,762	27	\$ 175,046	11	\$ 448,374	32
Financial assets at fair value through other comprehensive income - current	15	-	-	-	-	-
Available-for-sale financial assets - current	-	-	17	-	17	-
Trade receivables, net	606,373	38	693,257	42	469,788	34
Other receivables	12,525	1	5,366	-	13,170	1
Inventories	400,018	25	458,736	28	348,338	25
Prepayments	6,330	-	6,389	-	6,197	1
Other financial assets - current	-	-	180,000	11	-	-
Other current assets	3,690	-	3,445	-	2,188	-
Total current assets	1,468,713	91	1,522,256	92	1,288,072	93
NON-CURRENT ASSETS						
Financial assets at amortized cost - non-current	4,115	-	-	-	-	-
Property, plant and equipment	67,701	4	62,110	4	57,429	4
Other intangible assets	29,798	2	24,375	2	12,125	1
Deferred tax assets	29,376	2	27,235	2	25,179	2
Prepayments for equipment	4,751	-	572	-	1,565	-
Refundable deposits	5,811	1	5,543	-	4,889	-
Other financial assets - non-current	-	-	4,115	-	1,104	-
Total non-current assets	141,552	9	123,950	8	102,291	7
TOTAL	\$ 1,610,265	100	\$ 1,646,206	100	\$ 1,390,363	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Trade payables	\$ 334,914	21	\$ 431,112	26	\$ 347,914	25
Accrued profit sharing to employees and bonus to directors and supervisors	20,598	1	16,034	1	16,983	1
Other payables	75,262	5	84,128	5	71,452	5
Current tax liabilities	44,493	3	34,115	2	19,757	2
Provisions – current	-	-	58,505	4	25,925	2
Refund liabilities - current	71,765	4	-	-	-	-
Other current liabilities	2,527	-	2,982	-	1,820	-
Total current liabilities	549,559	34	626,876	38	483,851	35
NON-CURRENT LIABILITIES						
Net defined benefit liabilities- non-current	170	-	621	-	3,656	-
Guarantee deposits	2,160	-	2,208	-	2,251	-
Total non-current liabilities	2,330	-	2,829	-	5,907	-
Total liabilities	551,889	34	629,705	38	489,758	35
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT						
Share capital						
Ordinary shares	548,874	34	548,874	33	548,874	39
Capital surplus	266,748	17	260,971	16	243,640	18
Retained earnings						
Legal reserve	23,088	1	23,088	2	8,124	1
Special reserve	23	-	23	-	20	-
Unappropriated earnings	219,667	14	183,567	11	99,969	7
Total retained earnings	242,778	15	206,678	13	108,113	8
Other equity	(24)	-	(22)	-	(22)	-
Total equity	1,058,376	66	1,016,501	62	900,605	65
TOTAL	\$ 1,610,265	100	\$ 1,646,206	100	\$ 1,390,363	100

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 (Loss) Per Share)

(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2018		2017	
	Amount	%	Amount	%
NET OPERATING REVENUE	\$ 662,271	100	\$ 590,852	100
OPERATING COSTS	<u>456,896</u>	<u>69</u>	<u>371,760</u>	<u>63</u>
GROSS PROFIT	<u>205,375</u>	<u>31</u>	<u>219,092</u>	<u>37</u>
OPERATING EXPENSES				
Selling and marketing expenses	43,764	7	35,749	6
General and administrative expenses	29,515	5	55,726	10
Research and development expenses	<u>81,736</u>	<u>12</u>	<u>79,177</u>	<u>13</u>
Total operating expenses	<u>155,015</u>	<u>24</u>	<u>170,652</u>	<u>29</u>
PROFIT FROM OPERATIONS	<u>50,360</u>	<u>7</u>	<u>48,440</u>	<u>8</u>
NON-OPERATING INCOME AND EXPENSES				
Other income	216	-	23	-
Other gains and losses	(6,000)	(1)	(107,089)	(18)
Finance costs	(<u>239</u>)	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating income and expenses	(<u>6,023</u>)	(<u>1</u>)	(<u>107,066</u>)	(<u>18</u>)
INCOME (LOSS) BEFORE INCOME TAX	44,337	6	(58,626)	(10)
INCOME TAX (EXPENSE) BENEFIT	(<u>8,237</u>)	(<u>1</u>)	<u>8,950</u>	<u>2</u>
NET INCOME (LOSS)	<u>36,100</u>	<u>5</u>	(<u>49,676</u>)	(<u>8</u>)
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized loss on investments in equity instruments designated as at fair value through other comprehensive income	(2)	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Unrealized gain on available-for-sale financial assets	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>
Other comprehensive (loss) income for the period, net of income tax	(<u>2</u>)	<u>-</u>	<u>1</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ 36,098</u>	<u>5</u>	(<u>\$ 49,675</u>)	(<u>8</u>)
EARNINGS (LOSS) PER SHARE				
From continuing and discontinued operations				
Basic	<u>\$ 0.66</u>		(<u>\$ 0.91</u>)	
Diluted	<u>\$ 0.65</u>		(<u>\$ 0.91</u>)	

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

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			Other Equity			
	Share (Thousands)	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated earnings	Unrealized (Loss) Gain on Financial Assets	Unrealized Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Total Equity
BALANCE AT JANUARY 1, 2017	54,887	\$ 548,874	\$ 237,863	\$ 8,124	\$ 20	\$ 149,645	(\$ 23)	\$ -	(\$ 23)	\$ 944,503
Net loss for the three months ended March 31, 2017	-	-	-	-	-	(49,676)	-	-	-	(49,676)
Other comprehensive income for the three months ended March 31, 2017, net of income tax	-	-	-	-	-	-	-	-	1	1
Compensation cost of employee stock options	-	-	5,777	-	-	-	-	-	-	5,777
BALANCE AT MARCH 31, 2017	54,887	\$ 548,874	\$ 243,640	\$ 8,124	\$ 20	\$ 99,969	(\$ 22)	\$ -	(\$ 22)	\$ 900,605
BALANCE AT JANUARY 1, 2018	54,887	\$ 548,874	\$ 260,971	\$ 23,088	\$ 23	\$ 183,567	(\$ 22)	-	(\$ 22)	\$1,016,501
Effect of retrospective application and retrospective restatement	-	-	-	-	-	-	22	(22)	-	-
BALANCE AT JANUARY 1, 2018 AS RESTATED	54,887	548,874	260,971	23,088	23	183,567	-	(22)	(22)	1,016,501
Net profit for the three months ended March 31, 2018	-	-	-	-	-	36,100	-	-	-	36,100
Other comprehensive income for the three months ended March 31, 2018, net of income tax	-	-	-	-	-	-	-	(2)	(2)	(2)
Compensation cost of employee stock options	-	-	5,777	-	-	-	-	-	-	5,777
BALANCE AT MARCH 31, 2018	54,887	\$ 548,874	\$ 266,748	\$ 23,088	\$ 23	\$ 219,667	\$ -	(\$ 24)	(\$ 24)	\$1,058,376

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	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (Loss) before income tax	\$ 44,337	(\$ 58,626)
Adjustments for:		
Depreciation expense	9,407	8,571
Amortization expense	4,178	4,226
Finance costs	239	-
Interest income	(213)	(22)
Compensation cost of employee stock options	5,777	5,777
Write-down of inventories	5,193	-
Net loss on foreign currency exchange	4,026	26,541
Changes in operating assets and liabilities		
Trade receivables	87,747	(23,242)
Other receivables	(6,962)	(4,655)
Inventories	53,525	(69,260)
Prepayments	59	1,920
Other current assets	(245)	(209)
Trade payables	(97,297)	19,875
Other payables	(5,431)	8,110
Refund liabilities	71,765	-
Provisions	(58,505)	(2,757)
Accrued profit sharing to employees and bonus to directors and supervisors	4,564	-
Other current liabilities	(455)	78
Net defined benefit liabilities	(451)	(388)
Cash generated from operations	121,258	(84,061)
Interest received	16	125
Income tax paid	(239)	-
Net cash generated from (used in) operating activities	<u>121,035</u>	<u>(83,936)</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	
	2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(\$ 18,127)	(\$ 5,750)
Increase (Decrease) in refundable deposits	(268)	50
Payments for intangible assets	(14,086)	(4,985)
Decrease in other financial assets	<u>180,000</u>	<u>-</u>
Net cash generated from (used in) investing activities	<u>147,519</u>	<u>(10,685)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (Refund of) guarantee deposits received	<u>1</u>	<u>(7)</u>
Net cash generated from (used in) financing activities	<u>1</u>	<u>(7)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(3,839)</u>	<u>(15,024)</u>
NET INCREASE (DECREASE) IN CASH	264,716	(109,652)
CASH AT THE BEGINNING OF THE PERIOD	<u>175,046</u>	<u>558,026</u>
CASH AT THE END OF THE PERIOD	<u>\$ 439,762</u>	<u>\$ 448,374</u>

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