

RICHWAVE TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

	March 31, 2022 (Reviewed)		December 31, 2021 (Audited)		March 31, 2021 (Reviewed)	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 1,193,213	34	\$ 641,340	19	\$ 841,522	21
Trade receivables, net	831,509	24	752,673	23	1,435,233	36
Other receivables	11,285	-	9,511	-	43,459	1
Inventories	1,057,468	30	1,373,460	42	1,393,491	35
Prepayments	25,081	1	27,586	1	18,766	-
Other current assets	<u>8,957</u>	<u>-</u>	<u>6,527</u>	<u>-</u>	<u>7,469</u>	<u>-</u>
Total current assets	<u>3,127,513</u>	<u>89</u>	<u>2,811,097</u>	<u>85</u>	<u>3,739,940</u>	<u>93</u>
NON-CURRENT ASSETS						
Financial assets at amortized cost - non-current	19,900	1	110,000	3	10,000	-
Property, plant and equipment	188,163	5	192,678	6	133,207	4
Right-of-use assets	51,161	1	59,461	2	42,898	1
Other intangible assets	23,595	1	24,934	1	20,564	1
Deferred tax assets	93,292	3	83,269	3	38,996	1
Prepayments for equipment	8,172	-	8,902	-	6,280	-
Refundable deposits	8,677	-	12,786	-	12,151	-
Net defined benefit assets - non-current	<u>189</u>	<u>-</u>	<u>38</u>	<u>-</u>	<u>925</u>	<u>-</u>
Total non-current assets	<u>393,149</u>	<u>11</u>	<u>492,068</u>	<u>15</u>	<u>265,021</u>	<u>7</u>
TOTAL	<u><u>\$ 3,520,662</u></u>	<u><u>100</u></u>	<u><u>\$ 3,303,165</u></u>	<u><u>100</u></u>	<u><u>\$ 4,004,961</u></u>	<u><u>100</u></u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term bank loans	\$ 430,000	12	\$ 200,000	6	\$ -	-
Trade payables	263,813	8	239,208	7	893,633	22
Accrued profit sharing to employees and bonus to directors	52,301	2	52,111	2	130,837	3
Other payables	112,910	3	155,918	5	184,377	5
Current tax liabilities	14,872	-	10,803	-	191,591	5
Lease liabilities - current	30,422	1	31,932	1	19,652	-
Refund liabilities - current	175,252	5	171,618	5	102,266	3
Other current liabilities	<u>4,536</u>	<u>-</u>	<u>10,700</u>	<u>-</u>	<u>10,642</u>	<u>-</u>
Total current liabilities	<u>1,084,106</u>	<u>31</u>	<u>872,290</u>	<u>26</u>	<u>1,532,998</u>	<u>38</u>
NON-CURRENT LIABILITIES						
Net defined benefit liabilities	4,724	-	-	-	1,399	-
Lease liabilities - non-current	21,060	1	28,246	1	23,779	1
Guarantee deposits	<u>4,928</u>	<u>-</u>	<u>4,765</u>	<u>-</u>	<u>4,913</u>	<u>-</u>
Total non-current liabilities	<u>30,712</u>	<u>1</u>	<u>33,011</u>	<u>1</u>	<u>30,091</u>	<u>1</u>
Total liabilities	<u>1,114,818</u>	<u>32</u>	<u>905,301</u>	<u>27</u>	<u>1,563,089</u>	<u>39</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT						
Share capital						
Ordinary shares	<u>884,689</u>	<u>25</u>	<u>884,689</u>	<u>27</u>	<u>631,921</u>	<u>16</u>
Capital surplus	<u>419,878</u>	<u>12</u>	<u>416,354</u>	<u>13</u>	<u>415,180</u>	<u>10</u>
Retained earnings						
Legal reserve	160,670	4	160,670	5	74,098	2
Special reserve	1,101	-	1,101	-	402	-
Unappropriated earnings	<u>939,554</u>	<u>27</u>	<u>936,423</u>	<u>28</u>	<u>1,321,346</u>	<u>33</u>
Total retained earnings	<u>1,101,325</u>	<u>31</u>	<u>1,098,194</u>	<u>33</u>	<u>1,395,846</u>	<u>35</u>
Other equity	<u>(48)</u>	<u>-</u>	<u>(1,373)</u>	<u>-</u>	<u>(1,075)</u>	<u>-</u>
Total equity	<u>2,405,844</u>	<u>68</u>	<u>2,397,864</u>	<u>73</u>	<u>2,441,872</u>	<u>61</u>
TOTAL	<u><u>\$ 3,520,662</u></u>	<u><u>100</u></u>	<u><u>\$ 3,303,165</u></u>	<u><u>100</u></u>	<u><u>\$ 4,004,961</u></u>	<u><u>100</u></u>

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated April 28, 2022)

RICHWAVE TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED 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			
	2022		2021	
	Amount	%	Amount	%
NET OPERATING REVENUE	\$ 862,691	100	\$ 1,741,479	100
OPERATING COSTS	<u>643,379</u>	<u>74</u>	<u>1,164,559</u>	<u>67</u>
GROSS PROFIT	<u>219,312</u>	<u>26</u>	<u>576,920</u>	<u>33</u>
OPERATING EXPENSES				
Selling and marketing expenses	53,625	6	70,507	4
General and administrative expenses	63,241	8	61,243	3
Research and development expenses	132,116	15	145,248	8
Expected credit gain	<u>321</u>	<u>-</u>	<u>(1,059)</u>	<u>-</u>
Total operating expenses	<u>249,303</u>	<u>29</u>	<u>275,939</u>	<u>15</u>
PROFIT (LOSS) FROM OPERATIONS	<u>(29,991)</u>	<u>(3)</u>	<u>300,981</u>	<u>18</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	457	-	399	-
Other income	251	-	183	-
Other gains and losses	31,794	4	4,402	-
Finance costs	<u>(518)</u>	<u>-</u>	<u>(166)</u>	<u>-</u>
Total non-operating income and expenses	<u>31,984</u>	<u>4</u>	<u>4,818</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	1,993	1	305,799	18
INCOME TAX (EXPENSE) BENEFIT	<u>1,138</u>	<u>-</u>	<u>(49,238)</u>	<u>(3)</u>
NET PROFIT FOR THE PERIOD	<u>3,131</u>	<u>1</u>	<u>256,561</u>	<u>15</u>
OTHER COMPREHENSIVE INCOME				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>1,325</u>	<u>-</u>	<u>25</u>	<u>-</u>
Other comprehensive income for the period, net of income tax	<u>1,325</u>	<u>-</u>	<u>25</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 4,456</u>	<u>1</u>	<u>\$ 256,586</u>	<u>15</u>
EARNINGS (LOSS) PER SHARE				
From continuing and discontinued operations				
Basic	<u>\$ 0.04</u>		<u>\$ 2.90</u>	
Diluted	<u>\$ 0.04</u>		<u>\$ 2.89</u>	

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(With Deloitte & Touche review report dated April 28, 2022)

RICHWAVE TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars, Except Dividends Per Share)
(Reviewed, Not Audited)

	Share Capital			Retained Earnings			Other Equity			
	Share (Thousands)	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated earnings	Unrealized Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Foreign Currency Translation Reserve	Total	Total Equity
BALANCE AT JANUARY 1, 2021	63,192	\$ 631,921	\$ 415,180	\$ 74,098	\$ 402	\$1,064,785	\$ (14)	\$ (1,086)	\$ (1,100)	\$2,185,286
Net profit for the three months ended March 31, 2021	-	-	-	-	-	256,561	-	-	-	256,561
Other comprehensive income for the three months ended March 31, 2021, net of income tax	-	-	-	-	-	-	-	25	25	25
BALANCE AT MARCH 31, 2021	<u>63,192</u>	<u>\$ 631,921</u>	<u>\$ 415,180</u>	<u>\$ 74,098</u>	<u>\$ 402</u>	<u>\$1,321,346</u>	<u>\$ (14)</u>	<u>\$ (1,061)</u>	<u>\$ (1,075)</u>	<u>\$2,441,872</u>
BALANCE AT JANUARY 1, 2022	88,469	\$ 884,689	\$ 416,354	\$ 160,670	\$ 1,101	\$ 936,423	\$ (14)	\$ (1,359)	\$ (1,373)	\$2,397,864
Net profit for the three months ended March 31, 2022	-	-	-	-	-	3,131	-	-	-	3,131
Other comprehensive income for the three months ended March 31, 2022, net of income tax	-	-	-	-	-	-	-	1,325	1,325	1,325
Compensation cost of employee stock options	-	-	3,524	-	-	-	-	-	-	3,524
BALANCE AT MARCH 31, 2022	<u>88,469</u>	<u>\$ 884,689</u>	<u>\$ 419,878</u>	<u>\$ 160,670</u>	<u>\$ 1,101</u>	<u>\$ 939,554</u>	<u>\$ (14)</u>	<u>\$ (34)</u>	<u>\$ (48)</u>	<u>\$2,405,844</u>

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(With Deloitte & Touche review report dated April 28, 2022)

RICHWAVE TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax for the period	\$ 1,993	\$ 305,799
Adjustments for:		
Depreciation expense	25,661	19,672
Amortization expense	6,631	7,689
Expected credit loss (reversed)	321	(1,059)
Finance costs	518	166
Interest income	(457)	(399)
Compensation cost of employee stock options	3,524	-
Profit from lease modification	(627)	-
Write-down (Reversal) of inventories	51,562	(3,870)
Net gain on foreign currency exchange	(27,745)	(7,054)
Changes in operating assets and liabilities		
Trade receivables	(59,986)	(162,475)
Other receivables	(1,632)	(14,078)
Inventories	264,430	(109,201)
Prepayments	2,505	(5,852)
Other current assets	(2,430)	(2,289)
Net defined benefit assets	(151)	(151)
Trade payables	22,086	(87,020)
Accrued profit sharing to employees and bonus to directors	190	30,244
Other payables	(28,740)	71,640
Refund liabilities	3,634	16,877
Contract liabilities	(4,389)	(4,726)
Other current liabilities	<u>(1,763)</u>	<u>3,152</u>
Cash generated from operations	255,135	57,065
Interest received	315	436
Interest paid	(671)	(166)
Income tax paid	<u>(92)</u>	<u>(27)</u>
Net cash generated from operating activities	<u>254,687</u>	<u>57,308</u>

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RICHWAVE TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	\$ (9,900)	\$ (7,000)
Proceeds from sale of financial assets at fair value through other comprehensive income	100,000	-
Payments for property, plant and equipment	(16,111)	(20,658)
Decrease (Increase) in refundable deposits	4,109	(2,057)
Payments for intangible assets	<u>(15,781)</u>	<u>(24,696)</u>
Net cash from (used) in investing activities	<u>(62,317)</u>	<u>(54,411)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	430,000	-
Decrease in short-term bank loans	(200,000)	-
Repayments of Lease principal	(7,931)	(6,457)
Refund of guarantee deposits received	<u>-</u>	<u>1</u>
Net cash from (used) in financing activities	<u>222,069</u>	<u>(6,456)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>12,800</u>	<u>816</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	551,873	(2,743)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>641,340</u>	<u>844,265</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u><u>\$ 1,193,213</u></u>	<u><u>\$ 841,522</u></u>

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