

RICHWAVE TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2022 (Reviewed)		December 31, 2021 (Audited)		June 30, 2021 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents	\$ 1,338,881	36	\$ 641,340	19	\$ 879,591	21
Trade receivables, net	960,669	26	752,673	23	1,415,179	34
Other receivables	24,453	1	9,511	-	25,753	1
Inventories	956,263	26	1,373,460	42	1,502,154	36
Prepayments	49,965	1	27,586	1	22,481	1
Other current assets	10,652	-	6,527	-	9,090	-
Total current assets	<u>3,340,883</u>	<u>90</u>	<u>2,811,097</u>	<u>85</u>	<u>3,854,248</u>	<u>93</u>
NON-CURRENT ASSETS						
Financial assets at amortized cost - non-current	12,900	-	110,000	3	10,000	-
Property, plant and equipment	184,626	5	192,678	6	134,791	3
Right-of-use assets	43,086	1	59,461	2	69,609	2
Other intangible assets	31,704	1	24,934	1	21,640	1
Deferred tax assets	103,411	3	83,269	3	51,307	1
Prepayments for equipment	6,618	-	8,902	-	5,506	-
Refundable deposits	8,983	-	12,786	-	12,907	-
Net defined benefit assets - non-current	340	-	38	-	1,076	-
Total non-current assets	<u>391,668</u>	<u>10</u>	<u>492,068</u>	<u>15</u>	<u>306,836</u>	<u>7</u>
TOTAL	<u>\$ 3,732,551</u>	<u>100</u>	<u>\$ 3,303,165</u>	<u>100</u>	<u>\$ 4,161,084</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term bank loans	\$ 430,000	12	\$ 200,000	6	\$ -	-
Trade payables	396,708	11	239,208	7	868,599	21
Accrued profit sharing to employees and bonus to directors	56,175	1	52,111	2	158,241	4
Cash dividends payable	309,642	8	-	-	-	-
Other payables	114,653	3	155,918	5	132,337	3
Current tax liabilities	17,299	-	10,803	-	92,765	2
Lease liabilities - current	29,430	1	31,932	1	30,967	1
Refund liabilities - current	208,163	6	171,618	5	131,937	3
Other current liabilities	6,645	-	10,700	-	9,210	-
Total current liabilities	<u>1,568,715</u>	<u>42</u>	<u>872,290</u>	<u>26</u>	<u>1,424,056</u>	<u>34</u>
NON-CURRENT LIABILITIES						
Deferred tax liabilities	6,500	-	-	-	-	-
Lease liabilities - non-current	14,258	1	28,246	1	39,102	1
Guarantee deposits	5,118	-	4,765	-	4,797	-
Total non-current liabilities	<u>25,876</u>	<u>1</u>	<u>33,011</u>	<u>1</u>	<u>43,899</u>	<u>1</u>
Total liabilities	<u>1,594,591</u>	<u>43</u>	<u>905,301</u>	<u>27</u>	<u>1,467,955</u>	<u>35</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT						
Share capital						
Ordinary shares	884,689	24	884,689	27	631,921	15
Capital surplus	423,402	11	416,354	13	415,180	10
Retained earnings						
Legal reserve	207,114	5	160,670	5	74,098	2
Special reserve	1,373	-	1,101	-	402	-
Unappropriated earnings	621,136	17	936,423	28	1,573,007	38
Total retained earnings	829,623	22	1,098,194	33	1,647,507	40
Other equity	246	-	(1,373)	-	(1,479)	-
Total equity	<u>2,137,960</u>	<u>57</u>	<u>2,397,864</u>	<u>73</u>	<u>2,693,129</u>	<u>65</u>
TOTAL	<u>\$ 3,732,551</u>	<u>100</u>	<u>\$ 3,303,165</u>	<u>100</u>	<u>\$ 4,161,084</u>	<u>100</u>

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

RICHWAVE TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED 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			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
NET OPERATING REVENUE	\$ 876,461	100	\$ 1,734,916	100	\$ 1,739,152	100	\$ 3,476,395	100
OPERATING COSTS	<u>600,224</u>	<u>68</u>	<u>1,181,212</u>	<u>68</u>	<u>1,243,603</u>	<u>72</u>	<u>2,345,771</u>	<u>67</u>
GROSS PROFIT	<u>276,237</u>	<u>32</u>	<u>553,704</u>	<u>32</u>	<u>495,549</u>	<u>28</u>	<u>1,130,624</u>	<u>33</u>
OPERATING EXPENSES								
Selling and marketing expenses	51,600	6	65,319	4	105,225	6	135,826	4
General and administrative expenses	56,024	6	66,765	4	119,265	7	128,008	4
Research and development expenses	158,160	18	131,937	7	290,276	17	277,185	8
Expected credit (gain) loss	<u>3,984</u>	<u>1</u>	<u>240</u>	<u>-</u>	<u>4,305</u>	<u>-</u>	<u>(819)</u>	<u>-</u>
Total operating expenses	<u>269,768</u>	<u>31</u>	<u>264,261</u>	<u>15</u>	<u>519,071</u>	<u>30</u>	<u>540,200</u>	<u>16</u>
PROFIT (LOSS) FROM OPERATIONS	<u>6,469</u>	<u>1</u>	<u>289,443</u>	<u>17</u>	<u>(23,522)</u>	<u>(2)</u>	<u>590,424</u>	<u>17</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	2,277	-	638	-	2,734	-	1,037	-
Other income	289	-	259	-	540	-	442	-
Other gains and losses	31,416	3	(13,063)	(1)	63,210	4	(8,661)	-
Finance costs	<u>(1,336)</u>	<u>-</u>	<u>(186)</u>	<u>-</u>	<u>(1,854)</u>	<u>-</u>	<u>(352)</u>	<u>-</u>
Total non-operating income and expenses	<u>32,646</u>	<u>3</u>	<u>(12,352)</u>	<u>(1)</u>	<u>64,630</u>	<u>4</u>	<u>(7,534)</u>	<u>-</u>
INCOME BEFORE INCOME TAX	39,115	4	277,091	16	41,108	2	582,890	17
INCOME TAX EXPENSE	<u>(1,175)</u>	<u>-</u>	<u>(25,430)</u>	<u>(2)</u>	<u>(37)</u>	<u>-</u>	<u>(74,668)</u>	<u>(2)</u>
NET INCOME	<u>37,940</u>	<u>4</u>	<u>251,661</u>	<u>14</u>	<u>41,071</u>	<u>2</u>	<u>508,222</u>	<u>15</u>
OTHER COMPREHENSIVE INCOME								
Items that may be reclassified subsequently to profit or loss:								
Exchange differences arising on translation of foreign operations	<u>294</u>	<u>-</u>	<u>(404)</u>	<u>-</u>	<u>1,619</u>	<u>-</u>	<u>(379)</u>	<u>-</u>
Other comprehensive income (loss) for the period, net of income tax	<u>294</u>	<u>-</u>	<u>(404)</u>	<u>-</u>	<u>1,619</u>	<u>-</u>	<u>(379)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 38,234</u>	<u>4</u>	<u>\$ 251,257</u>	<u>14</u>	<u>\$ 42,690</u>	<u>2</u>	<u>\$ 507,843</u>	<u>15</u>
EARNINGS PER SHARE								
Basic	<u>\$ 0.43</u>		<u>\$ 2.84</u>		<u>\$ 0.46</u>		<u>\$ 5.74</u>	
Diluted	<u>\$ 0.43</u>		<u>\$ 2.84</u>		<u>\$ 0.46</u>		<u>\$ 5.73</u>	

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated July 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		Total	Total Equity
	Number of Shares (In Thousands)	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Unrealized Valuation Gain / (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Exchange Differences on Translation of the Financial Statements of Foreign Operations		
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 six months ended June 30, 2021	-	-	-	-	-	508,222	-	-	-	508,222
Other comprehensive loss for the six months ended June 30, 2021 , net of income tax	-	-	-	-	-	-	-	(379)	(379)	(379)
BALANCE AT JUNE 30, 2021	<u>63,192</u>	<u>\$ 631,921</u>	<u>\$ 415,180</u>	<u>\$ 74,098</u>	<u>\$ 402</u>	<u>\$ 1,573,007</u>	<u>\$ (14)</u>	<u>\$ (1,465)</u>	<u>\$ (1,479)</u>	<u>\$ 2,693,129</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
Appropriation of 2021 earnings										
Legal reserve	-	-	-	46,444	-	(46,444)	-	-	-	-
Special reserve	-	-	-	-	272	(272)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(309,642)	-	-	-	(309,642)
Net profit for the six months ended June 30, 2022	-	-	-	-	-	41,071	-	-	-	41,071
Other comprehensive loss for the six months ended June 30, 2022 , net of income tax	-	-	-	-	-	-	-	1,619	1,619	1,619
Share-based payment expenses recognized	-	-	7,048	-	-	-	-	-	-	7,048
BALANCE AT JUNE 30, 2022	<u>88,469</u>	<u>\$ 884,689</u>	<u>\$ 423,402</u>	<u>\$ 207,114</u>	<u>\$ 1,373</u>	<u>\$ 621,136</u>	<u>\$ (14)</u>	<u>\$ 260</u>	<u>\$ 246</u>	<u>\$ 2,137,960</u>

The accompanying notes are an integral part of the consolidated financial statements.

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

RICHWAVE TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended	
	June 30	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax for the period	\$ 41,108	\$ 582,890
Adjustments for:		
Depreciation expense	51,797	40,158
Amortization expense	13,535	14,247
Expected credit loss (reversed)	4,305	(819)
Finance costs	1,854	352
Interest income	(2,734)	(1,037)
Compensation cost of employee stock options	7,048	-
Profit from lease modification	(627)	-
Write-down of inventories	69,388	22,818
Net gain (loss) on foreign currency exchange	(36,374)	2,997
Loss on disposal of property, plant and equipment	20	-
Changes in operating assets and liabilities		
Trade receivables	(202,354)	(155,100)
Other receivables	(14,165)	3,563
Inventories	347,809	(244,552)
Net defined benefit assets	(302)	(302)
Prepayments	(22,379)	(9,567)
Other current assets	(4,125)	(3,910)
Trade payables	155,543	(107,111)
Other payables	(28,879)	18,294
Contract liabilities	(4,059)	(2,862)
Refund liabilities	36,545	46,548
Accrued profit sharing to employees and bonus to directors	4,064	57,648
Other current liabilities	4	(144)
Cash generated from operations	417,022	264,111
Interest received	1,957	1,139
Interest paid	(1,933)	(352)
Income tax paid	(7,183)	(137,993)
Net cash generated from operating activities	<u>409,863</u>	<u>126,905</u>

(Continued)

RICHWAVE TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended	
	June 30	
	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal (Purchase) of financial assets at amortized cost	\$ 97,100	\$ (7,000)
Payments for property, plant and equipment	(27,513)	(32,661)
Decrease (Increase) in refundable deposits	3,803	(2,813)
Payments for intangible assets	(30,726)	(32,395)
Proceeds from disposal of property, plant and equipment	<u>14</u>	<u>-</u>
Net cash from (used) in investing activities	<u>42,678</u>	<u>(74,869)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	860,000	-
Decrease in short-term bank loans	(630,000)	-
Increase in guarantee deposits received	-	1
Repayment of the principal portion of lease liabilities	<u>(15,594)</u>	<u>(14,174)</u>
Net cash from (used) in financing activities	<u>214,406</u>	<u>(14,173)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>30,594</u>	<u>(2,537)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	697,541	35,326
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	<u>641,340</u>	<u>844,265</u>
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u>\$ 1,338,881</u>	<u>\$ 879,591</u>

The accompanying notes are an integral part of the consolidated financial statements.

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

(Concluded)