

**RichWave Technology Corporation**  
**2022 Annual Shareholders' Meeting Minutes**  
**(English Translation for Reference Only)**

Time: 10:00 a.m., Thursday, May 26, 2022

Venue: 1F., No. 399, Ruiguang Road, Neihu District, Taipei City (International Multi-Functional Conference Room, Liberty Square)

Manner of convening the meeting: Physical shareholders' meeting

The Number of Shares of Attendance:

Attending shareholders and proxy represented 55,600,369 shares (Including 30,671,996 shares which attended through electronic voting) accounting for 62.84% of 88,846,906 shares, the Company's total outstanding shares.

Directors Present: Dye-Jyun Ma, Wei-Kang Teng, Chia-Ying Ma, Jyh-Horng Wen, Chiang-Lin Chang

Other Present: Su-Li Fang, CPA of Deloitte & Touche

Chairman: Dye-Jyun Ma, the Chairman of the Board of Directors

Recorder: Wei-Che Hsu

**1. Call Meeting to Order:** The aggregate shareholding of the shareholders present constituted a quorum. The Chairman called the meeting to order.

**2.Chairman's Remarks:** Omitted.

**3.Report Items**

Report I: The 2021 Business Report is hereby presented for review. (please refer to Attachment 1)

Report II: The 2021 Audit Committee Review Report is hereby presented for review. (Please refer to Attachment 2).

Report III: The profit sharing remuneration to employees and directors for 2021 is hereby presented for review.

Explanation: In accordance with Article 24 of the Company's "Articles of Incorporation", the pre-tax profit before the distribution of employee and director's profit sharing remuneration for the year was NT\$579,016,723. In accordance with the regulations, the amount of employee's profit sharing remuneration, was not less

than 8% and the amount of directors' profit sharing remuneration not more than 1% was NT\$46,321,338 and NT\$5,790,167, respectively, all paid in cash. These amounts are the same as the estimated amount of expenses recognized in 2021.

#### 4. Acknowledgement

**Acknowledgement I** Proposed by the Board of Directors  
 Subject: The Company's 2021 Business Report and financial statements are hereby submitted for your adoption.

Explanation: 1. The Company's 2021 balance sheet, statement of comprehensive income, statement of changes in equity, and statement of cash flows were approved by the 6th Board of Directors at their 20th meeting held on February 24, 2022, and have been audited by CPA Tung-Hui Yeh and CPA Cheng-Chih Lin of Deloitte and Touche. The aforementioned reports and the Business Report were submitted to the Audit Committee for review, which has issued a written review report on record.

2. The Business Report, the CPA Review Report, and the aforementioned financial statements are attached herein (please refer to Attachment 1 and Attachment 3).

Resolution: The result is as follows:

Shares represented at the time of voting: 55,599,369

Voting Results	% of the total represented share present
Votes in favor: 48,291,030 votes (including electronic voting 23,480,657 votes)	86.86%
Votes against: 45,508 votes (including electronic voting 45,508 votes)	0.08%
Votes invalid: 0 votes	0.00%
Votes abstained: 7,262,831 votes (including electronic voting 7,145,831 votes)	13.06%

It was resolved that the above proposal be approved as proposed.

**Acknowledgement II** Proposed by the Board of Directors  
 Subject: The Company's 2021 earnings distribution proposal is hereby submitted for your adoption.

- Explanation: 1. The Company's beginning undistributed earnings for 2021 amounted to NT\$471,977,328 and the after-tax earnings for 2021 amounted to NT\$465,515,795, plus NT\$(1,072,038) for the remeasurement of the defined benefit plan included in retained earnings and the provision of NT\$(46,444,376) for 10% of legal reserve and the provision of special reserve of NT\$(272,660) in accordance with the law, so the available-for-distribution earnings for the period amounted to NT\$889,704,049.
2. Considering the capital adequacy of the Company, no stock dividends will be distributed for 2021.
3. The Company's 2021 earnings distribution is as follows:

Richwave Technology Corp.  
Earnings distribution schedule

2021

Unit: NTD

Item	Amount	
Undistributed earnings at the beginning of the period		\$471,977,328
Net profit after tax for the period	\$465,515,795	
Remeasurement of the defined benefit plan included in retained earnings	(1,072,038)	
Total amount of net profit after tax for the period and other items than net profit after tax for the period adjusted to the undistributed earnings of the year		464,443,757
Provision of 10% of legal reserve		(46,444,376)
Provision of special reserve in accordance with the law		(272,660)
Available-for-distribution earnings for the period		889,704,049
Distribution items:		
Shareholders' bonuses-Cash dividends (\$3.5 per share)	(\$309,641,171)	(309,641,171)
Undistributed earnings at the end of the period		\$580,062,878

Chairperson: Dye-Jyun Ma    Managerial Officer: Shih-Chi Wang    Accounting Officer: Wei-Che Hsu

Remark:

- (1) The distribution of cash dividends is calculated up to NT\$1 (unconditionally rounded down to the nearest NT\$1). For the sum of the fractional amounts that are less than NT\$1, they will be adjusted

one by one in the order of the amount below the decimal point from the largest to the smallest and the shareholder account number from the first to the last until the sum matches the total amount of cash dividend distribution.

- (2) The Board of Directors is authorized to determine the base date of dividend distribution and the payment date after the adoption of the shareholders' meeting.
- (3) If there is a change in the number of shares in circulation due to a change in the Company's capital stock, and the dividend distribution rate needs to be revised as a result, it is proposed that the Board of Directors is authorized by the shareholders' meeting to handle the matter at its sole discretion.
- (4) The earnings of 2021 shall take precedence for the amount of the earnings distribution.

Resolution: The result is as follows:

Shares represented at the time of voting: 55,599,369

Voting Results	% of the total represented share present
Votes in favor: 48,292,987 votes (including electronic voting 23,482,614 votes)	86.86%
Votes against: 47,942 votes (including electronic voting 47,942 votes)	0.08%
Votes invalid: 0 votes	0.00%
Votes abstained: 7,258,440 votes (including electronic voting 7,141,440 votes)	13.06%

It was resolved that the above proposal be approved as proposed.

## 5. Discussion

### Discussion I

Proposed by the Board of Directors

Subject: The amendments to certain provisions of the "Articles of Incorporation" are hereby submitted for your approval.

Explanation: 1. In order to make the manner of convening shareholders' meetings more flexible, and in accordance with Article 172-2, Paragraph 1 of the Company Act, the Company's Articles of Incorporation expressly provide that shareholders' meetings may be convened by video conference or other means announced by the central competent authority. Therefore, certain provisions of the Company's "Articles of

Incorporation” have been amended.

2. The comparison of the provisions before and after the amendments to the Company’s “Articles of Incorporation” is attached herein (please refer to Attachment 4 ).

Resolution: The result is as follows:

Shares represented at the time of voting: 55,599,369

Voting Results	% of the total represented share present
Votes in favor: 47,923,630 votes (including electronic voting 23,113,257 votes)	86.20%
Votes against: 383,398 votes (including electronic voting 383,398 votes)	0.68%
Votes invalid: 0 votes	0.00%
Votes abstained: 7,292,341 votes (including electronic voting 7,175,341 votes)	13.12%

It was resolved that the above proposal be approved as proposed.

## Discussion II

Proposed by the Board of Directors

Subject: The amendments to certain provisions of the “Procedures for the Acquisition or Disposal of Assets” are hereby submitted for your approval.

- Explanation: 1. Certain provisions of the “Procedures for the Acquisition or Disposal of Assets” have been amended in accordance with the provisions of the law.
2. The comparison of the provisions before and after the amendments to the Company’s “Procedures for the Acquisition or Disposal of Assets” is attached herein (please refer to Attachment 5).

Resolution: The result is as follows:

Shares represented at the time of voting: 55,599,369

Voting Results	% of the total represented share present
Votes in favor: 48,289,400 votes (including electronic voting 23,479,027 votes)	86.86%
Votes against: 42,055 votes (including electronic voting 42,055 votes)	0.07%
Votes invalid: 0 votes	0.00%
Votes abstained: 7,267,914 votes (including electronic voting 7,150,914 votes)	13.07%

It was resolved that the above proposal be approved as proposed.

## 6.Election

Subject: Election of directors.

Proposed by the Board of Directors

- Explanation: 1. The term of office of the current directors and independent directors of the Company will expire on May 23, 2022, and the Company intends to hold a general re-election in conjunction with this regular shareholders' meeting.
2. In accordance with Article 17 of the Company's Articles of Incorporation, the Company shall have seven to nine directors. Nine directors (including four independent directors) are to be elected for a term of three years under a candidate nomination system and are eligible for re-election. The term of office of the new directors will be from May 26, 2022 to May 25, 2025, and the term of office of the original directors will be until the completion of this regular shareholders' meeting.
3. List of Candidates for All Directors (including Independent Directors) (please refer to Attachment 6 ).
4. The election shall be conducted in accordance with the "Procedures for Election of Directors" of the Company.

Election Results:

List of directors elected at the 2022 annual shareholders' meeting

Shareholder account number ( or ID no. )	Name	Elected Number of Votes
50	Dye-Jyun Ma	59,251,434
3	Shih-Chi Wang	48,138,860
A10177****	Ching-Hwa Wang	47,303,009
8	Wei-Kung Deng	47,297,845
9	Tzu-Hsiang Liu	47,283,703

List of independent directors elected at the 2022 annual shareholders' meeting

Shareholder account number ( or ID no. )	Name	Elected Number of Votes
V10090****	Jyh-Horng Wen	46,286,686
R10285****	Chiang-Lin Chang	45,212,074
Q10297****	Chia-Ying Ma	45,211,588
F10291****	Wen-Hsiang Lu	45,211,024

## 7. Other Proposals

Subject: The release of new directors from the non-compete clause is hereby submitted for approval. Proposed by the Board of Directors

Explanation: 1. According to Article 209 of the Company Act, “A director who performs acts for himself/herself or for another person that falls within the scope of the company’s business shall explain to the shareholders’ meeting the important contents of his/her acts and obtain permission”.

2. In order to leverage the expertise and experience of the Company’s directors, a proposal to release the new directors elected by the 2022 regular shareholders’ meeting from the non-compete clause is hereby submitted for the approval of this regular shareholders’ meeting.

3. The content of the proposed release of new directors from the non-compete clause (please refer to Attachment 7).

Resolution: The result is as follows:

Shares represented at the time of voting: 55,600,369

Voting Results		% of the total represented share present
Votes in favor: (including electronic voting	44,134,711 votes 19,324,338 votes)	79.38%
Votes against: (including electronic voting	4,148,464 votes 4,148,464 votes)	7.46%
Votes invalid:	0 votes	0.00%
Votes abstained: (including electronic voting	7,317,194 votes 7,199,194 votes)	13.16%

It was resolved that the above proposal be approved as proposed.

**8. Extempore Motions:** None.

**9. Adjournment:** 10:36AM

## Letter to Shareholders

I wish to thank the shareholders for your support in the past year. For years, RichWave has continuously launched new WiFi wireless communication IC products and focused on using its innovation, technologies, and unique market positioning to create products with market differentiation. We believe that RichWave will maintain its unique foothold in the market with a diverse range of wireless applications and we remain confident in future development.

## I. 2020 Business Report :

## (1) 、 Consolidated operating results

Unit: NT\$ thousands

ITEM	YEAR		Amount of increase (decrease)	%
	2021	2020		
Operating revenue	5,316,267	5,350,200	( 33,933)	( 0.6%)
Gross operating profit	1,546,032	1,898,627	(352,595)	(18.6%)
Profit from operations	533,608	1,007,952	(474,344)	(47.1%)
Profit before income tax	526,906	1,017,107	(490,201)	(48.2%)
Net profit for the year	465,517	866,216	(400,699)	(46.3%)
Total comprehensive income for the year	464,172	865,023	(400,851)	(46.3%)

## (2) 、 Budget execution :

No financial projections will be made public in 2020, so there is no budget to be reached.

## (3) 、 Consolidated financial structure, solvency and profitability analysis :

		2021	2020
Financial structure (%)	Liabilities to assets ratio	27.41	40.31
	Long-term working capital to real estate, plants and equipment ratio	1,261.63	1,713.23
Solvency (%)	Current ratio	322.27	235.44
	Quick ratio	160.90	146.19
Profitability	Return on assets (%)	13.40	28.69
	Return on equity (%)	20.31	48.75
	Ratio of net profit before tax to paid-in capital (%)	59.56	160.95
	Net profit margin (%)	8.76	16.19
	Earnings per share (NT\$)	5.26	9.87



**(4) · Research and development :**

	2021	2020
Research and development expenses	539,010	513,922
Operating revenue	5,316,267	5,350,200
Research and development expenses as a percentage of operating income	10.1%	9.6%

**(I) 2021 Business Strategy**

RichWave will uphold sustainability in its business strategy and focus on core business operations. We shall abide by regulatory requirements and change our business targets with flexibility in accordance with changes in the environment. With an experienced management team, we shall continue to maintain profitability and growth of the Company in a business environment with rapid changes.

**(II) Expected Sales Volume and Its Basis**

In 2021, RichWave shall continue to expand channels and expand the market scale and market share. Based on the current information we have obtained regarding the conditions and production capacity of customers, we plan to sell 15 to 24 million units. Due to the rapid changes in the market and trade environment, we shall closely monitor the market conditions to determine subsequent sales strategies.

**(III) Major Production & Sales Policies**

The Company's production and sales strategy in 2021 will continue to focus on aggressive market development and expansion of customer base and application areas. With our core product design capabilities, we will continue to compete head-on with foreign companies with long-held market shares to create profits for both the Company and shareholders.

**(IV) Future Development Strategy**

The mobile communication and wireless communication industry are expected to continue their rapid development in 2021. RichWave has launched a diverse range of products and created a comprehensive product line for WiFi 6 products. We expect RichWave to achieve continuous growth in the global WiFi RF IC market.

**(V) Impact of the External Competitive Environment, Regulatory Environment, and Overall Business Environment**

(1) Impact from Exchange Rate Changes:

RichWave's sales revenue and procurement expenditures are mostly denominated in USD and we use foreign-currency assets to offset foreign-currency liabilities to achieve natural hedging. RichWave also closely monitors information on exchange rate changes and exchange rate developments in order to adjust foreign-currency assets and liabilities in accordance with developments in the global macroeconomic environment, exchange rates, and future capital demand. These measures are taken to evade exchange rate risks and reduce the impact of exchange rate changes on the Company's profit and loss.

(2) Risks Associated with Over-Concentration in Purchase or Sale and Response Measures:

RichWave's procurement is concentrated due to concerns in product quality and preferred purchasing price, though RichWave maintains at least two suppliers for its main materials avoid risks resulting from over-concentration in purchasing. In addition, the concentration of RichWave's sales is mainly due to the distributors' sales to customers in Taiwan and China. To mitigate the risks of over-concentration of sales, RichWave also actively develops customers with long-term cooperation and carefully selects customers of excellent financial background to lower the risks of over-concentration of sales.

(3) The Impacts of Changes of Important Domestic and Foreign Policies and Laws on the Company's Finances and Business, and the Countermeasures:

RichWave complies with all related domestic and foreign laws and regulations in day-to-day operations and continuously pays close attention to domestic and foreign policy development trends and changes in legislation to fully understand changes in the market environment. Therefore, the Company's finance and business have not been affected by major changes in government policies and laws at home and abroad in the most recent year.

(4) Overall Business Environment

RichWave continuously monitors technological changes and developments in the industry and quickly gains information on industry developments. RichWave continuously enhances its R&D capabilities, applies for patent protection for various

innovative concepts and design developments, and actively expands future market applications to counter the impact of technological changes and industry changes on the Company.

Finally, RichWave's management team would like to thank the shareholders once again for the long-term support and we hope that they can continue to provide encouragement and information in the new year. RichWave will also continue to uphold our mission for maximizing profits for shareholders.

I would like to wish all our shareholders good fortune and health.

Chairman of the Board: Dye-Jyun Ma

President: Shih-Chi Wang

Chief Accounting Officer: Wei-Che Hsu

## **Attachment 2**

### **Audit Committee's Audit Report**

The Company's Board of Directors prepared the 2021 Business Report, financial statements, and earnings distribution table. The financial statements were audited by Tung-Hui Yeh, CPA, and Cheng-Chih Lin, CPA, of Deloitte, Taiwan and they have prepared an Audit Report. The Audit Report was reviewed by the Audit Committee who found them to be compliant with regulations. The Audit Report is therefore provided in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act and filed for your review.

To

2022 General Shareholders' Meeting of RichWave Technology Corporation

RichWave Technology Corporation

Convener of the Audit Committee:  
Chia-Ying Ma

February 24, 2022

### INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Richwave Technology Corp.

#### Opinion

We have audited the accompanying consolidated financial statements of Richwave Technology Corp. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

#### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Revenue Recognition

According to auditing standards in the Republic of China, there is an inherent risk of fraud in revenue recognition. Management may be under pressure to achieve their targets and attempt to inflate sales figures. The risk of authenticity of sales revenue for customers with sales growth and significant transaction amount is relatively high, giving rise to the risk of inflated sales. Therefore, revenue recognition has been identified as a key audit matter for the year ended December 31, 2021. In response to the aforementioned key audit matter, we understood the Group's internal controls on the approval of sales orders and its delivery procedures, tested the operating effectiveness of these controls, selected samples of and tested the validity of occurrence of the sales transactions, checked for discrepancies

between the counterparties of the sales transactions and the parties paying off the receivables, as well as for abnormalities in the payments received after the reporting period. For the accounting policies on revenue recognition, please refer to Note 4 (I) of the consolidated financial statements.

### **Other Matter**

We have also audited the parent company only financial statement of Richwave Technology Corp. as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Tung-Hui Yeh and Cheng-Chih Lin.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 24, 2022

Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The*

*standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*



# RICHWAVE TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 6 and 26)	\$ 641,340	19	\$ 844,265	23
Accounts receivable, net (Notes 8 and 26)	752,673	23	1,253,538	34
Other receivables (Notes 8 and 26)	9,511	-	29,418	1
Inventories (Note 9)	1,373,460	42	1,280,420	35
Prepayments (Note 14)	27,586	1	12,914	1
Other current assets (Note 14)	6,527	-	5,180	-
Total current assets	<u>2,811,097</u>	<u>85</u>	<u>3,425,735</u>	<u>94</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at amortized cost - non-current (Notes 7, 26 and 28)	110,000	3	3,000	-
Property, plant and equipment (Note 11)	192,678	6	128,771	4
Right-of-use assets (Notes 12)	59,461	2	33,002	1
Other intangible assets (Note 13)	24,934	1	18,551	-
Deferred tax assets (Note 22)	83,269	3	36,453	1
Prepaid equipment	8,902	-	4,828	-
Refundable deposits (Note 26)	12,786	-	10,094	-
Net defined benefit assets - non-current (Note 18)	38	-	774	-
Total non-current assets	<u>492,068</u>	<u>15</u>	<u>235,473</u>	<u>6</u>
<b>TOTAL</b>	<u>\$ 3,303,165</u>	<u>100</u>	<u>\$ 3,661,208</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 15 and 26)	\$ 200,000	6	\$ -	-
Accounts payable (Notes 16 and 26)	239,208	7	969,310	27
Accrued compensation of employees and remuneration of directors (Notes 21 and 26)	52,111	2	100,593	3
Other payables (Notes 17 and 26)	155,918	5	129,581	4
Current tax liabilities (Note 22)	10,803	-	141,236	4
Lease liabilities - current (Notes 12 and 26)	31,932	1	17,030	-
Refund liabilities - current (Notes 20 and 26)	171,618	5	85,093	2
Other current liabilities (Notes 17)	10,700	-	12,216	-
Total current liabilities	<u>872,290</u>	<u>26</u>	<u>1,455,059</u>	<u>40</u>
<b>NON-CURRENT LIABILITIES</b>				
Lease liabilities - non-current (Notes 12 and 26)	28,246	1	15,960	-
Guarantee deposits (Note 26)	4,765	-	4,903	-
Total non-current liabilities	<u>33,011</u>	<u>1</u>	<u>20,863</u>	<u>-</u>
Total liabilities	<u>905,301</u>	<u>27</u>	<u>1,475,922</u>	<u>40</u>
<b>EQUITY (Note 19)</b>				
Share capital				
Ordinary shares	884,689	27	631,921	17
Capital surplus	416,354	13	415,180	12
Retained earnings				
Legal reserve	160,670	5	74,098	2
Special reserve	1,101	-	402	-
Unappropriated earnings	936,423	28	1,064,785	29
Total retained earnings	<u>1,098,194</u>	<u>33</u>	<u>1,139,285</u>	<u>31</u>
Other equity	(1,373)	-	(1,100)	-
Total equity	<u>2,397,864</u>	<u>73</u>	<u>2,185,286</u>	<u>60</u>
<b>TOTAL</b>	<u>\$ 3,303,165</u>	<u>100</u>	<u>\$ 3,661,208</u>	<u>100</u>

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

# RICHWAVE TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars, Except Earnings Per Share, in New Taiwan Dollars)

	2021		2020	
	Amount	%	Amount	%
NET REVENUE (Note 20)	\$ 5,316,267	100	\$ 5,350,200	100
OPERATING COSTS (Notes 9 and 21)	<u>3,770,235</u>	<u>71</u>	<u>3,451,573</u>	<u>64</u>
GROSS PROFIT	<u>1,546,032</u>	<u>29</u>	<u>1,898,627</u>	<u>36</u>
OPERATING EXPENSES (Notes 18 and 21)				
Selling and marketing expenses	233,442	4	197,407	4
General and administrative expenses	240,954	5	179,951	3
Research and development expenses	539,010	10	513,922	10
Expected credit gain (Note 8)	<u>(982)</u>	<u>-</u>	<u>(605)</u>	<u>-</u>
Total operating expenses	<u>1,012,424</u>	<u>19</u>	<u>890,675</u>	<u>17</u>
PROFIT FROM OPERATIONS	<u>533,608</u>	<u>10</u>	<u>1,007,952</u>	<u>19</u>
NON-OPERATING INCOME AND EXPENSES (Note 21)				
Interest income	1,940	-	774	-
Other income	2,317	-	3,089	-
Other gains and losses	(9,754)	-	6,314	-
Finance costs	<u>(1,205)</u>	<u>-</u>	<u>(1,022)</u>	<u>-</u>
Total non-operating income and expenses	<u>(6,702)</u>	<u>-</u>	<u>9,155</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	526,906	10	1,017,107	19
INCOME TAX EXPENSE (Note 22)	<u>61,389</u>	<u>1</u>	<u>150,891</u>	<u>3</u>
NET PROFIT FOR THE YEAR	<u>465,517</u>	<u>9</u>	<u>866,216</u>	<u>16</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 18)	(1,340)	-	(608)	-
Unrealized gain on investments in equity instruments designated as at fair value through other comprehensive income (Note 19)	-	-	5	-
Income tax related to items that will not be reclassified subsequently to profit or loss (Note 22)	268	-	122	-

(Continued)

## RICHWAVE TECHNOLOGY CORP. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars, Except Earnings Per Share, in New Taiwan Dollars)

	2021		2020	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations (Note 19)	\$ (273)	-	\$ (712)	-
Other comprehensive loss for the year, net of income tax	(1,345)	-	(1,193)	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>\$ 464,172</u>	<u>9</u>	<u>\$ 865,023</u>	<u>16</u>
<b>EARNINGS PER SHARE (Note 23)</b>				
Basic	<u>\$ 5.26</u>		<u>\$ 9.87</u>	
Diluted	<u>\$ 5.25</u>		<u>\$ 9.77</u>	

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

(Concluded)

**RICHWAVE TECHNOLOGY CORP. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

	Share Capital				Retained Earnings			Other Equity		Total	Total Equity
	Number of Shares (In Thousands)	Ordinary Shares	Capital Collected in Advance	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, 2020	61,878	\$ 618,781	\$ 730	\$ 355,743	\$ 55,024	\$ 74	\$ 338,651	\$ (28)	\$ (374)	\$ (402)	\$ 1,368,601
Appropriation of 2019 earnings											
Legal reserve	-	-	-	-	19,074	-	(19,074)	-	-	-	-
Special reserve	-	-	-	-	-	328	(328)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(120,185)	-	-	-	(120,185)
Net profit for the year ended December 31, 2020	-	-	-	-	-	-	866,216	-	-	-	866,216
Other comprehensive loss for the year ended December 31, 2020 , net of income tax	-	-	-	-	-	-	(486)	5	(712)	(707)	(1,193)
Issuance of ordinary shares under employee share options	1,314	13,140	(730)	57,831	-	-	-	-	-	-	70,241
Share-based payment expenses recognized	-	-	-	1,606	-	-	-	-	-	-	1,606
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	(9)	9	-	9	-
BALANCE AT DECEMBER 31, 2020	63,192	631,921	-	415,180	74,098	402	1,064,785	(14)	(1,086)	(1,100)	2,185,286
Appropriation of 2020 earnings											
Legal reserve	-	-	-	-	86,572	-	(86,572)	-	-	-	-
Special reserve	-	-	-	-	-	699	(699)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(252,768)	-	-	-	(252,768)
Share dividends distributed by the Company	25,277	252,768	-	-	-	-	(252,768)	-	-	-	-
Net profit for the year ended December 31, 2021	-	-	-	-	-	-	465,517	-	-	-	465,517
Other comprehensive loss for the year ended December 31, 2021 , net of income tax	-	-	-	-	-	-	(1,072)	-	(273)	(273)	(1,345)
Share-based payment expenses recognized	-	-	-	1,174	-	-	-	-	-	-	1,174
BALANCE AT DECEMBER 31, 2021	88,469	\$ 884,689	\$ -	\$ 416,354	\$ 160,670	\$ 1,101	\$ 936,423	\$ (14)	\$ (1,359)	\$ (1,373)	\$ 2,397,864

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

## RICHWAVE TECHNOLOGY CORP. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax for the year	\$ 526,906	\$ 1,017,107
Adjustments for:		
Depreciation expense	88,414	69,402
Amortization expense	27,059	27,750
Expected credit loss reversed	(982)	(605)
Finance costs	1,205	1,022
Interest income	(1,940)	(774)
Share-based payment expenses recognized	1,174	1,606
Profit from lease modification	(4)	-
Write-down of inventories	136,140	4,888
Net loss on foreign currency exchange	4,488	1,705
Changes in operating assets and liabilities:		
Accounts receivable	507,680	(490,445)
Other receivables	19,785	(11,410)
Inventories	(229,180)	(685,801)
Net defined benefit assets	(604)	(608)
Prepayments	(14,672)	(9,261)
Other current assets	(1,347)	242
Accounts payable	(735,763)	324,314
Other payables	34,101	12,737
Accrued compensation of employees and remuneration of directors	(48,482)	76,486
Refund liabilities	86,229	(24,513)
Contract liabilities	(4,025)	6,411
Other current liabilities	<u>2,509</u>	<u>995</u>
Cash generated from operations	398,691	321,248
Interest received	2,062	626
Interest paid	(1,028)	(1,358)
Income tax paid	<u>(238,370)</u>	<u>(35,188)</u>
Net cash generated from operating activities	<u>161,355</u>	<u>285,328</u>

(Continued)

## RICHWAVE TECHNOLOGY CORP. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at amortized cost	\$ (107,000)	\$ 1,138
Proceeds from sale of financial assets at fair value through other comprehensive income	-	16
Purchase of property, plant and equipment	(126,097)	(68,560)
Purchase of other intangible assets	(38,669)	(15,062)
Increase in refundable deposits	<u>(2,692)</u>	<u>(2,091)</u>
Net cash used in investing activities	<u>(274,458)</u>	<u>(84,559)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	400,000	119,870
Decrease in short-term borrowings	(200,000)	(181,190)
Decrease in guarantee deposits	-	(657)
Repayment of the principal portion of lease liabilities	(32,003)	(24,283)
Cash dividends paid	(252,768)	(120,185)
Proceeds from the issuance of ordinary shares under employee share options	<u>-</u>	<u>70,241</u>
Net cash used in financing activities	<u>(84,771)</u>	<u>(136,204)</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<u>(5,051)</u>	<u>651</u>
<b>NET INCREASE ( DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(202,925)	65,216
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>844,265</u>	<u>779,049</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 641,340</u>	<u>\$ 844,265</u>

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

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Richwave Technology Corp.

### **Opinion**

We have audited the accompanying parent company only financial statements of Richwave Technology Corp. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2021 and 2020, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of the Company as of December 31, 2021 and 2020, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the parent company only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matter of the Company's parent company only financial statements is described as follows:

#### Revenue Recognition

According to auditing standards in the Republic of China, there is an inherent risk of fraud in revenue recognition. Management may be under pressure to achieve their targets and attempt to inflate sales figures. The risk of authenticity of sales revenue for customers with sales growth and significant transaction amount is relatively high, giving rise to the risk of inflated sales. Therefore, revenue recognition has been identified as a key audit matter for the year ended December 31, 2021. In response to the aforementioned key audit matter, we understood the Company's internal controls on the approval of sales orders and its delivery procedures, tested the operating effectiveness of these controls, selected samples of and tested the validity of occurrence of the sales transactions, checked for discrepancies between the counterparties of the sales transactions and the parties paying off the

receivables, as well as for abnormalities in the payments received after the reporting period. For the accounting policies on revenue recognition, please refer to Note 4 (I) of the parent company only financial statements.

### **Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements**

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.



5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the parent company only financial information of entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Tung-Hui Yeh and Cheng-Chih Lin.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 24, 2022

Notice to Readers

*The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail.*

# RICHWAVE TECHNOLOGY CORP.

## PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 6 and 26)	\$ 618,543	19	\$ 830,771	23
Accounts receivable, net (Notes 8 and 26)	752,673	23	1,253,538	34
Other receivables (Notes 8 and 26)	7,877	-	29,418	1
Inventories (Note 9)	1,373,460	41	1,280,420	35
Prepayments (Note 14)	24,351	1	12,914	-
Other current assets (Note 14)	6,527	-	5,180	-
Total current assets	<u>2,783,431</u>	<u>84</u>	<u>3,412,241</u>	<u>93</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at amortized cost - non-current (Notes 7, 26 and 28)	110,000	3	3,000	-
Investments accounted for using the equity method (Note 10)	36,508	1	13,494	-
Property, plant and equipment (Note 11)	190,251	6	128,771	4
Right-of-use assets (Notes 12)	51,381	2	33,002	1
Other intangible assets (Note 13)	24,934	1	18,551	1
Deferred tax assets (Note 22)	83,269	3	36,453	1
Prepaid equipment	8,620	-	4,828	-
Refundable deposits (Note 26)	12,786	-	10,094	-
Net defined benefit assets - non-current (Note 18)	38	-	774	-
Total non-current assets	<u>517,787</u>	<u>16</u>	<u>248,967</u>	<u>7</u>
<b>TOTAL</b>	<u>\$ 3,301,218</u>	<u>100</u>	<u>\$ 3,661,208</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 15 and 26)	\$ 200,000	6	\$ -	-
Accounts payable (Notes 16 and 26)	239,208	7	969,310	27
Accrued compensation of employees and remuneration of directors (Notes 21 and 26)	52,111	2	100,593	3
Other payables (Notes 17 and 26)	153,760	5	129,581	4
Other payables from related parties (Notes 26 and 27)	8,300	-	-	-
Current tax liabilities (Note 22)	10,803	-	141,236	4
Lease liabilities - current (Notes 12 and 26)	26,460	1	17,030	-
Refund liabilities - current (Notes 20 and 26)	171,618	5	85,093	2
Other current liabilities (Notes 17)	10,700	-	12,216	-
Total current liabilities	<u>872,960</u>	<u>26</u>	<u>1,455,059</u>	<u>40</u>
<b>NON-CURRENT LIABILITIES</b>				
Lease liabilities - non-current (Notes 12 and 26)	25,629	1	15,960	-
Guarantee deposits (Note 26)	4,765	-	4,903	-
Total non-current liabilities	<u>30,394</u>	<u>1</u>	<u>20,863</u>	<u>-</u>
Total liabilities	<u>903,354</u>	<u>27</u>	<u>1,475,922</u>	<u>40</u>
<b>EQUITY (Note 19)</b>				
Share capital				
Ordinary shares	884,689	27	631,921	17
Capital surplus	416,354	13	415,180	12
Retained earnings				
Legal reserve	160,670	5	74,098	2
Special reserve	1,101	-	402	-
Unappropriated earnings	936,423	28	1,064,785	29
Total retained earnings	1,098,194	33	1,139,285	31
Other equity	(1,373)	-	(1,100)	-
Total equity	<u>2,397,864</u>	<u>73</u>	<u>2,185,286</u>	<u>60</u>
<b>TOTAL</b>	<u>\$ 3,301,218</u>	<u>100</u>	<u>\$ 3,661,208</u>	<u>100</u>

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

## RICHWAVE TECHNOLOGY CORP.

### PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars, Except Earnings Per Share, in New Taiwan Dollars)

	2021		2020	
	Amount	%	Amount	%
NET REVENUE (Note 20)	\$ 5,316,267	100	\$ 5,350,200	100
OPERATING COSTS (Notes 9 and 21)	<u>3,770,235</u>	<u>71</u>	<u>3,451,573</u>	<u>64</u>
GROSS PROFIT	<u>1,546,032</u>	<u>29</u>	<u>1,898,627</u>	<u>36</u>
OPERATING EXPENSES (Notes 18 and 21)				
Selling and marketing expenses	237,106	5	197,370	4
General and administrative expenses	232,964	4	179,899	3
Research and development expenses	539,010	10	513,922	10
Expected credit gain (Note 8)	<u>(982)</u>	<u>-</u>	<u>(605)</u>	<u>-</u>
Total operating expenses	<u>1,008,098</u>	<u>19</u>	<u>890,586</u>	<u>17</u>
PROFIT FROM OPERATIONS	<u>537,934</u>	<u>10</u>	<u>1,008,041</u>	<u>19</u>
NON-OPERATING INCOME AND EXPENSES (Note 21)				
Interest income	1,939	-	773	-
Other income	2,317	-	3,089	-
Other gains and losses	(9,569)	-	6,314	-
Finance costs	(1,162)	-	(1,022)	-
Share of loss of subsidiaries	<u>(4,553)</u>	<u>-</u>	<u>(88)</u>	<u>-</u>
Total non-operating income and expenses	<u>(11,028)</u>	<u>-</u>	<u>9,066</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	526,906	10	1,017,107	19
INCOME TAX EXPENSE (Note 22)	<u>61,389</u>	<u>1</u>	<u>150,891</u>	<u>3</u>
NET PROFIT FOR THE YEAR	<u>465,517</u>	<u>9</u>	<u>866,216</u>	<u>16</u>

(Continued)

## RICHWAVE TECHNOLOGY CORP.

### PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars, Except Earnings Per Share, in New Taiwan Dollars)

	2021		2020	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 18)	\$ (1,340)	-	\$ (608)	-
Unrealized gain on investments in equity instruments designated as at fair value through other comprehensive income (Note 19)	-	-	5	-
Income tax related to items that will not be reclassified subsequently to profit or loss (Note 22)	268	-	122	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations (Note 19)	<u>(273)</u>	<u>-</u>	<u>(712)</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>(1,345)</u>	<u>-</u>	<u>(1,193)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 464,172</u>	<u>9</u>	<u>\$ 865,023</u>	<u>16</u>
EARNINGS PER SHARE (Note 23)				
Basic	<u>\$ 5.26</u>		<u>\$ 9.87</u>	
Diluted	<u>\$ 5.25</u>		<u>\$ 9.77</u>	

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

(Concluded)

**RICHWAVE TECHNOLOGY CORP.**

**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

	Share Capital				Retained Earnings			Other Equity		Total	Total Equity
	Number of Shares (In Thousands)	Ordinary Shares	Capital Collected in Advance	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, 2020	61,878	\$ 618,781	\$ 730	\$ 355,743	\$ 55,024	\$ 74	\$ 338,651	\$ (28)	\$ (374)	\$ (402)	\$ 1,368,601
Appropriation of 2019 earnings											
Legal reserve	-	-	-	-	19,074	-	(19,074)	-	-	-	-
Special reserve	-	-	-	-	-	328	(328)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(120,185)	-	-	-	(120,185)
Net profit for the year ended December 31, 2020	-	-	-	-	-	-	866,216	-	-	-	866,216
Other comprehensive loss for the year ended December 31, 2020 , net of income tax	-	-	-	-	-	-	(486)	5	(712)	(707)	(1,193)
Issuance of ordinary shares under employee share options	1,314	13,140	(730)	57,831	-	-	-	-	-	-	70,241
Share-based payment expenses recognized	-	-	-	1,606	-	-	-	-	-	-	1,606
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	(9)	9	-	9	-
BALANCE AT DECEMBER 31, 2020	63,192	631,921	-	415,180	74,098	402	1,064,785	(14)	(1,086)	(1,100)	2,185,286
Appropriation of 2020 earnings											
Legal reserve	-	-	-	-	86,572	-	(86,572)	-	-	-	-
Special reserve	-	-	-	-	-	699	(699)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(252,768)	-	-	-	(252,768)
Share dividends distributed by the Company	25,277	252,768	-	-	-	-	(252,768)	-	-	-	-
Net profit for the year ended December 31, 2021	-	-	-	-	-	-	465,517	-	-	-	465,517
Other comprehensive loss for the year ended December 31, 2021 , net of income tax	-	-	-	-	-	-	(1,072)	-	(273)	(273)	(1,345)
Share-based payment expenses recognized	-	-	-	1,174	-	-	-	-	-	-	1,174
BALANCE AT DECEMBER 31, 2021	88,469	\$ 884,689	\$ -	\$ 416,354	\$ 160,670	\$ 1,101	\$ 936,423	\$ (14)	\$ (1,359)	\$ (1,373)	\$ 2,397,864

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

# RICHWAVE TECHNOLOGY CORP.

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax for the year	\$ 526,906	\$ 1,017,107
Adjustments for:		
Depreciation expense	84,337	69,402
Amortization expense	27,059	27,750
Expected credit loss reversed	(982)	(605)
Finance costs	1,162	1,022
Interest income	(1,939)	(773)
Share-based payment expenses recognized	1,174	1,606
Profit from lease modification	(4)	-
Share of loss of subsidiaries	4,553	88
Write-down of inventories	136,140	4,888
Net loss on foreign currency exchange	5,186	2,417
Changes in operating assets and liabilities:		
Accounts receivable	507,680	(490,445)
Other receivables	21,419	(11,410)
Inventories	(229,180)	(685,801)
Net defined benefit assets	(604)	(608)
Prepayments	(11,437)	(9,261)
Other current assets	(1,347)	242
Accounts payable	(735,763)	324,314
Other payables	40,243	12,737
Accrued compensation of employees and remuneration of directors	(48,482)	76,486
Refund liabilities	86,229	(24,513)
Contract liabilities	(4,025)	6,411
Other current liabilities	2,509	995
Cash generated from operations	410,834	322,049
Interest received	2,061	625
Interest paid	(985)	(1,358)
Income tax paid	(238,370)	(35,188)
Net cash generated from operating activities	<u>173,540</u>	<u>286,128</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at amortized cost	(107,000)	1,138
Proceeds from sale of financial assets at fair value through other comprehensive income	-	16
Acquisition of investments accounted for using equity method	(27,840)	-
Purchase of property, plant and equipment	(123,777)	(68,560)
Purchase of other intangible assets	(38,669)	(15,062)
Increase in refundable deposits	(2,692)	(2,091)
Net cash used in investing activities	<u>(299,978)</u>	<u>(84,559)</u>

(Continued)

## **RICHWAVE TECHNOLOGY CORP.**

### **PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)**

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	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	\$ 400,000	\$ 119,870
Decrease in short-term borrowings	(200,000)	(181,190)
Decrease in guarantee deposits	-	(657)
Repayment of the principal portion of lease liabilities	(27,972)	(24,283)
Cash dividends paid	(252,768)	(120,185)
Proceeds from the issuance of ordinary shares under employee share options	<u>-</u>	<u>70,241</u>
Net cash used in financing activities	<u>(80,740)</u>	<u>(136,204)</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<u>(5,050)</u>	<u>651</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(212,228)	66,016
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>830,771</u>	<u>764,755</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 618,543</u>	<u>\$ 830,771</u>

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

## Attachment 4

### RichWave Technology Corporation

#### Articles of Incorporation

#### Comparison Table of Amended Articles

Article number	Current provisions	Amended provisions	Reference and reason for the amendment
Article 10	<p>Shareholders' meetings of the Corporation are of two types, namely: (1) regular meetings and (2) special meetings. Regular meetings shall be convened, by the Board of Directors, within six (6) months after the close of each fiscal year. Special meetings shall be convened in accordance with the relevant laws, rules and regulations.</p>	<p>Shareholders' meetings of the Corporation are of two types, namely: (1) regular meetings and (2) special meetings. Regular meetings shall be convened, by the Board of Directors, within six (6) months after the close of each fiscal year. Special meetings shall be convened in accordance with the relevant laws, rules and regulations.</p> <p><u>The company's shareholders meeting may be held by video conference or other methods announced by the competent authority.</u></p>	<p>Conform to the amendments to related regulations and business needs.</p>
Article 25	<p>If there is any profit after closing of books, the company shall first defray tax due, cover losses in the past years and set aside ten percent (10%) of it as legal reserve, except that the accumulated legal capital reserve has equaled the total capital of the Corporation. Then set aside or reserve a special reserve in accordance with relative regulations. The rest of the profit plus the profit in the previous years are the profits available for dividends, could be adopt a proposal for distribution by Directors of Board.</p> <p>The Corporation's principal of profit dividend is steady and balancing. Profits may be distributed in total after taking into consideration profit earning situation, financial structure, future business development, future profit and the need of capital. The profits of this Corporation may be distributed by way of cash dividend and/or stock dividend. The ratio for stock dividend shall not less than 10% of total distribution.</p>	<p>If there is any profit after closing of books, the company shall first defray tax due, cover losses in the past years and set aside ten percent (10%) of it as legal reserve, except that the accumulated legal capital reserve has equaled the total capital of the Corporation. Then set aside or reserve a special reserve in accordance with relative regulations. The rest of the profit plus the profit in the previous years are the profits available for dividends, could be adopt a proposal for distribution by Directors of Board.</p> <p>The Corporation's principal of profit dividend is steady and balancing. Profits may be distributed in total after taking into consideration profit earning situation, financial structure, future business development, future profit and the need of capital. The profits of this Corporation may be distributed by way of cash dividend or stock dividend. The ratio for stock dividend shall not less than 10% of total distribution.</p>	<p>Revised in accordance with the amendment of the regulations</p>



Article number	Current provisions	Amended provisions	Reference and reason for the amendment
Article 28	These Articles of Incorporation are agreed to and signed on December 31, 2003, and the first Amendment was amended on January 30, 2004, the second Amendment on June 30, 2009, the third Amendment on June 04, 2010, the fourth Amendment on June 03, 2011, the fifth Amendment on June 06, 2012, the sixth Amendment on May 27, 2016, the seventh Amendment on May 26, 2017, the eighth Amendment on May 24, 2019, the ninth Amendment on May 29, 2020, the tenth Amendment on May 27, 2021	These Articles of Incorporation are agreed to and signed on December 31, 2003, and the first Amendment was amended on January 30, 2004, the second Amendment on June 30, 2009, the third Amendment on June 04, 2010, the fourth Amendment on June 03, 2011, the fifth Amendment on June 06, 2012, the sixth Amendment on May 27, 2016, the seventh Amendment on May 26, 2017, the eighth Amendment on May 24, 2019, the ninth Amendment on May 29, 2020, the tenth Amendment on May 27, 2021, <u>the eleventh Amendment on May 26, 2022</u>	Added the amendment date and number of times

## Attachment 5

### RichWave Technology Corporation

#### Regulations Governing the Acquisition and Disposal of Assets

#### Comparison Table of Amended Articles

Article number	Current provisions	Amended provisions	Reference and reason for the amendment
Article 5	<p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>2. May not be a related party or de facto related party of any party to the transaction.</p> <p>3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p>	<p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>2. May not be a related party or de facto related party of any party to the transaction.</p> <p>3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the self-regulatory rules of the industry</u></p>	Conform to the amendments to related regulations.

Article number	Current provisions	Amended provisions	Reference and reason for the amendment
	<p>1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>2. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>3. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</p>	<p><u>associations to which they belong and with</u> the following provisions:</p> <p>1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>2. When <u>conducting</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>3. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate and reasonable</u>, and that they have complied with applicable laws and regulations.</p>	
Article 9	<p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>1. Where due to special circumstances it is necessary to give a limited price,</p>	<p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>1. Where due to special circumstances it is necessary to give a limited price,</p>	Conform to the amendments to related regulations.

Article number	Current provisions	Amended provisions	Reference and reason for the amendment
	<p>specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the R.O.C Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>Except where a limited price, specified</p>	<p>specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>Except where a limited price, specified price, or special price is employed by a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for</p>	

Article number	Current provisions	Amended provisions	Reference and reason for the amendment
	price, or special price is employed by a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the report, and the certified public accountant's opinion under subparagraph 3 of the preceding paragraph, shall be obtained within 2 weeks counting inclusively from the date of occurrence	the delay, the appraisal report shall be obtained within 2 weeks counting inclusively from the date of occurrence, and the certified public accountant's opinion under subparagraph 3 of the preceding paragraph shall be obtained within 2 weeks counting inclusively from the day the appraisal report is obtained.	
Article 10	The company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).	The company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).	Conform to the amendments to related regulations.
Article 11	The company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply	The company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.	Conform to the amendments to related regulations.

Article number	Current provisions	Amended provisions	Reference and reason for the amendment
	with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.		
Article 15	<p>The company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the audit committee:</p> <ol style="list-style-type: none"> <li>1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</li> <li>2. The reason for choosing the related party as a transaction counterparty.</li> <li>3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 16 and Article 17.</li> <li>4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</li> <li>5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the</li> </ol>	<p>The company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the committee:</p> <ol style="list-style-type: none"> <li>1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</li> <li>2. The reason for choosing the related party as a transaction counterparty.</li> <li>3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 16 and Article 17.</li> <li>4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</li> <li>5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the</li> </ol>	

Article number	Current provisions	Amended provisions	Reference and reason for the amendment
	<p>funds utilization.</p> <p>6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 31, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the audit committee need not be counted toward the transaction amount.</p> <p>With respect to the types of transactions listed below, when to be conducted between the company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to Article 7, paragraph 1, subparagraph 3 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <ol style="list-style-type: none"> <li>1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</li> <li>2. Acquisition or disposal of real property right-of-use assets held for business use.</li> </ol> <p>Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent</p>	<p>funds utilization.</p> <p>6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>With respect to the types of transactions listed below, when to be conducted between the company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to Article 7, paragraph 1, subparagraph 3 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <ol style="list-style-type: none"> <li>1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</li> <li>2. Acquisition or disposal of real property right-of-use assets held for business use.</li> </ol> <p>Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>Where an audit committee has been established in accordance with the provisions of the Act, the matters for which paragraph 1 requires recognition by the supervisors shall first be approved by one-half or more of all audit committee members and then</p>	

Article number	Current provisions	Amended provisions	Reference and reason for the amendment
	<p>director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>Where an audit committee has been established in accordance with the provisions of the Act, shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 4 and 5.</p>	<p>submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 4 and 5.</p> <p>If the company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the public company's total assets, the public company shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the company and its parent company or subsidiaries or between its subsidiaries.</p> <p>The calculation of the transaction amounts referred to in <u>paragraph 1 and the preceding paragraph</u> shall be made in accordance with Article 31, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the <u>shareholders meeting</u> or board of directors and recognized by the supervisors need not be counted toward the transaction amount.</p>	
Article 31	<p>Under any of the following circumstances, the company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:</p> <p>1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or</p>	<p>Under any of the following circumstances, the company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:</p> <p>1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or</p>	



Article number	Current provisions	Amended provisions	Reference and reason for the amendment
	<p>NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>2. Merger, demerger, acquisition, or transfer of shares.</p> <p>3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>A. For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>B. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>5. Acquisition or disposal by the company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.</p> <p>6. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging</p>	<p>NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>2. Merger, demerger, acquisition, or transfer of shares.</p> <p>3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>A. For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>B. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>5. Acquisition or disposal by the company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.</p> <p>6. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging</p>	

Article number	Current provisions	Amended provisions	Reference and reason for the amendment
	<p>others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>A. Trading of domestic government bonds.</p> <p>B. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>C. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The amount of transactions above shall be calculated as follows:</p> <ol style="list-style-type: none"> <li>1. The amount of any individual transaction.</li> <li>2. The cumulative transaction amount of acquisitions and disposals of the same</li> </ol>	<p>others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>A. Trading of domestic government bonds <u>or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</u></p> <p>B. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of <u>foreign government bonds, or</u> ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, <u>or subscription or redemption of exchange traded notes,</u> or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>C. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The amount of transactions above shall be calculated as follows:</p>	

Article number	Current provisions	Amended provisions	Reference and reason for the amendment
	<p>type of underlying asset with the same transaction counterparty within the preceding year.</p> <p>3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.</p> <p>4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p> <p>The company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p>When the company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within of such error or omission.</p> <p>The company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.</p>	<p>1. The amount of any individual transaction.</p> <p>2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.</p> <p>3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.</p> <p>4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p> <p>The company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p>When the company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within of such error or omission.</p> <p>The company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities</p>	

Article number	Current provisions	Amended provisions	Reference and reason for the amendment
		underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.	
Article 36	<p>This Regulation was resolved on June 13, 2014.</p> <p>These Regulations were first resolved on June 28, 2018.</p> <p>These Regulations were second resolved on May 24, 2019.</p>	<p>This Regulation was resolved on June 13, 2014.</p> <p>These Regulations were first resolved on June 28, 2018.</p> <p>These Regulations were second resolved on May 24, 2019.</p> <p><u>These Regulations were third resolved on May 26, 2022.</u></p>	Added the amendment date and number of times

## Richwave Technology Corp.

## List of Candidates for All Directors (including Independent Directors) for the 7th term

## Candidates for directors:

Name of the account or the individual	Dye-Jyun Ma	Shih-Chi Wang	Ching-Hwa Wang	Wei-Kung Deng	Tzu-Hsiang Liu
Academic Qualifications	Ph.D. in Electrical Engineering, University of Maryland, USA	Ph.D. in Electrical Engineering, University of Maryland, USA	Ph.D. in Electrical Engineering, University of Southern California, USA	Ph.D., Graduate Institute of Electrical Engineering, National Taiwan University	M.S., National Chiao Tung University
Experience	Professor and Chair, Department of Electrical Engineering, National Chung Hsing University Vice President, Richtek Technology Corporation	Associate Professor, Institute of Electrical Engineering, Feng Chia University Director, Technology Research and Development Division, Winbond Electronics Corp. Senior Project Manager, Taiwan Semiconductor Manufacturing Company Director, ALi Corporation	GaAs Operation Manager, Hughes Aircraft Co., USA Senior Manager, Intel Corporation, USA President, Advanced Wireless Semiconductor Company	Assistant Manager of Technology, National Chung-Shan Institute of Science & Technology Assistant Manager of Technology, Taiwan Semiconductor Manufacturing Company Manager, Research and Development Department, ALi Corporation	Assistant Manager, Electronics Research Institute, Industrial Technology Research Institute Assistant Manager of Technology, Taiwan Semiconductor Manufacturing Company Manager, ALi Corporation
Current Position	Chairman and CEO, Richwave Technology Corp. Legal representative, Shenzhen Ying Hong Technology Limited Director, Minerva Technology Corporation	President, Richwave Technology Corp.	None	Senior Vice President of Research and Development, Richwave Technology Corp. Director, AEGIS LINK CORP., USA	Vice President, Richwave Technology Corp.
Shares held	2,720,540 shares	3,606,757 shares	0 shares	587,409 shares	562,109 shares

**Candidates for independent directors:**

	Jyh-Horng Wen	Chiang-Lin Chang	Chia-Ying Ma	Wen-Hsiang Lu
Academic Qualifications	Ph.D., Graduate Institute of Electrical Engineering, National Taiwan University	B.S., Department of Electronic Engineering, National Chiao Tung University	Ph.D., College of Business and Economics, Lehigh University, USA	Ph.D. in Technology Management, Institute of Technology Management, College of Business, National Chengchi University
Experience	<p>Chair, Department of Electrical Engineering, Tunghai University</p> <p>Full-time Professor of Department of Electrical Engineering and Communication Engineering and Director of Center for Telecommunication Research, National Chung Cheng University</p> <p>Full-time Associate Professor, Department of Electrical Engineering, National Chung Cheng University</p> <p>Standing Committee Member, Communications Promotion Committee, Academia-Industry Consortium for Southern Taiwan Science Park</p> <p>Part-time Convener, Technical Committee for the Ability Appraisal of Telecom Professional and Technical Talents of the Telecom National Projects</p> <p>Part-time Member, Subcommittee for NCC Building Telecom Equipment Review and Certification Institution Evaluation</p> <p>Part-time Advisory Member, “Engineering and Technology Education Certification”, Department of Computer Science and Information Engineering, Da-Yeh University</p> <p>Part-time Screening Member, “WiMAX Acceleration Project” for the Industry Development Industry Technology Program, Department of Industrial Technology, Ministry of Economic Affairs</p> <p>Part-time Advisory Member, Digital Campus for Important School Affairs, Life and Learning Project for the 2006 Academic Year, Nan Kai Institute of Technology</p> <p>Part-time Advisor, Campus Electricity Informatization Advisory Group for the Ministry of Education, Taiwan Green Productivity Foundation</p> <p>Part-time Secondary Review Member and Part-time Examination Member, Telecom Discipline, National Science Council (NSC)</p> <p>Evaluation Member, University Institutional Evaluation, the Higher Education Evaluation and Accreditation Council of Taiwan</p> <p>Evaluation Member, the Evaluation Committee for the First Cycle of the Department of Electrical and Electronic Engineering, the Higher Education Evaluation and Accreditation Council of Taiwan</p> <p>Professor and General Director, the Institute of Communications Engineering,</p>	<p>Vice President of Marketing and Chief Technology Officer of Taiwan, Northeast Asia Region of Alcatel</p> <p>Executive Vice President, the Unizyx Holding Corporation</p> <p>President, MitraStar Technology Corp.</p>	<p>Full-time Professor, Department of Accounting, Soochow University</p> <p>Director of Research and Development, Soochow University</p> <p>Chief Secretary, Soochow University</p> <p>Chair, Department of Accounting, Soochow University</p> <p>Adjunct Professor, Department of Public Finance, National Chengchi University</p> <p>Adjunct Professor, Department of Information Science and Accounting, National Chung Cheng University</p> <p>Adjunct Professor, Department of Biological Science &amp; Technology, National Chiao Tung University</p>	<p>Adviser and Director of Economic Section, Taipei Representative Office in the Republic of Singapore</p> <p>Deputy Director, Intellectual Property Office, Ministry of Economic Affairs</p> <p>Prosecutor, Taipei, Shilin and Hualien District Prosecutor Offices, Taiwan</p> <p>Judge, Civil and Criminal Court, Banqiao and Shilin District Courts, Taiwan</p> <p>Distinguished Professor, Peking University, University of Chinese Academy of Sciences, Nanjing Normal University</p>

	Jyh-Horng Wen	Chiang-Lin Chang	Chia-Ying Ma	Wen-Hsiang Lu
	<p>National Chi Nan University</p> <p>IEEE ComSoc Tainan Chapter Vice-Chair, Chair (part-time)</p> <p>Part-time Advisory Member, Tainan Science Park Incubation Center, Industrial Development Bureau, Ministry of Economic Affairs</p> <p>Research Assistant, Health Physics Section, Institute of Nuclear Energy Research</p> <p>Senior Technician, Digital Transmission Division, Institute of Telecommunications, Ministry of Transportation and Communications</p> <p>Part-time Director, Taichung Branch of the Chinese Institute of Electrical Engineering</p> <p>Part-time Director, Supervisor, Executive Director, and Executive Supervisor, Taiwanese Association for Consumer Electronics</p>			
Current Position	<p>Full-time Professor, Department of Electrical Engineering, Tunghai University</p> <p>Part-time Supervisor of the 7th Term, Taiwanese Association for Consumer Electronics</p> <p>Part-time Examination Member, Communications Engineering Program, Ministry of Science and Technology</p>	None	<p>Full-time Professor, Department of Accounting, Soochow University</p> <p>Director (Legal Representative of Corporation), Union Insurance Company</p> <p>Independent Director, Medeon Biodesign Inc.</p> <p>Independent Director, Tsc Auto ID Technology Co., Ltd.</p> <p>Independent Director, Lida Holdings Limited</p>	<p>Managing Attorney, Lu Wen-Xiang Law Firm</p> <p>Arbitrator, Chinese Arbitration Association, Taipei</p> <p>Senior Advisor, Cornerstone Intellectual Property Foundation</p> <p>Adjunct Professor, Institute of Law, Soochow University</p> <p>Adjunct Professor, Institute of Intellectual Property Rights, Xiamen University</p>
Shares held	0 shares	0 shares	0 shares	0 shares

**Attachment 7**

**Richwave Technology Corp.**

**List of New Directors Released from Non-Compete Clause**

Title	Name	Concurrent position(s) in other companies now
Independent director	Chia-Ying Ma	Director (Legal Representative of Corporation), Union Insurance Company Independent Director, Medeon Biodesign Inc. Independent Director, Tsc Auto ID Technology Co., Ltd. Independent Director, Lida Holdings Limited