ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	September 30, 2016 (Reviewed)		December 31, 2015 (Audited)		September 30, 2015 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents	$ 997,580	65	$ 830,329	69	$ 836,005	69
Available-for-sale financial assets-current	125,535	8	59,927	5	60,167	5
Accounts receivable, net	285,835	19	200,626	17	217,419	18
Receivables from related parties	335	-	148	-	112	-
Other receivables	3,906	-	1,993	-	2,243	-
Inventories	61,905	4	42,976	3	42,296	3
Prepayments	4,277	1	3,477	-	4,458	-
Other	520	-	-	-	-	-
Total current assets	1,479,893	97	1,139,476	94	1,162,700	95
NONCURRENT ASSETS						
Property, plant and equipment	27,896	2	44,766	4	47,995	4
Intangible assets	13,881	1	19,269	2	7,319	1
Deferred income tax assets	5,476	-	1,621	-	-	-
Refundable deposits	3,107	-	1,896	-	1,901	-
Total noncurrent assets	50,360	3	67,552	6	57,215	5
TOTAL	$ 1,530,253	100	$ 1,207,028	100	$ 1,219,915	100

	September 30, 2016 (Reviewed)		December 31, 2015 (Audited)		September 30, 2015 (Reviewed)	
LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES						
Short-term borrowings	$ 195,000	13	$ -	-	$ 120,000	10
Accounts payable	46,247	3	34,507	3	30,733	2
Accrued profit sharing bonus to employees and compensation to directors	36,080	2	46,655	4	31,484	3
Other payables	15,908	1	9,326	1	14,335	1
Income tax payable	61,998	4	41,800	3	28,441	2
Provisions	26,460	2	19,022	2	19,090	2
Other current liabilities	1,126	-	478	-	2,215	-
Total current liabilities	382,819	25	151,788	13	246,298	20
NON-CURRENT LIABILITIES						
Deferred tax liabilities	-	-	-	-	321	-
Total liabilities	382,819	25	151,788	13	246,619	20
SHAREHOLDERS' EQUITY						
Capital						
Capital stock	317,881	21	316,721	26	316,721	26
Capital surplus	318,253	21	277,116	23	277,116	23
Retained earnings						
Legal reserve	120,419	8	86,428	7	86,428	7
Unappropriated earnings	394,235	25	384,019	32	303,347	25
Total retained earnings	514,654	33	470,447	39	389,775	32
Others	(3,354)	-	(9,044)	(1)	(10,316)	(1)
Total equity	1,147,434	75	1,055,240	87	973,296	80
TOTAL	$ 1,530,253	100	$ 1,207,028	100	$ 1,219,915	100

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

STATEMENTS OF INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2016		2015		2016		2015	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Sales revenue	$ 382,626	100	$ 284,705	100	$ 969,675	100	$ 726,719	99
Other operating revenue	-	-	898	-	1,629	-	7,548	1
Total operating revenue	382,626	100	285,603	100	971,304	100	734,267	100
COST OF REVENUE	169,409	44	123,044	43	425,573	44	322,903	44
GROSS PROFIT	213,217	56	162,559	57	545,731	56	411,364	56
OPERATING EXPENSES								
Marketing	9,295	2	6,723	3	20,828	2	17,056	2
General and administrative	15,580	4	11,485	4	43,131	4	31,858	5
Research and development	33,212	9	34,791	12	97,377	10	87,280	12
Total operating expenses	58,087	15	52,999	19	161,336	16	136,194	19
PROFIT FROM OPERATIONS	155,130	41	109,560	38	384,395	40	275,170	37
NON-OPERATING INCOME AND EXPENSES								
Other gains and losses	(15,164)	(4)	21,712	8	(23,910)	(2)	14,291	2
Other income	1,531	-	2,817	1	4,781	-	7,717	1
Finance costs	(451)	-	(279)	-	(454)	-	(358)	-
Total non-operating income and expenses	(14,084)	(4)	24,250	9	(19,583)	(2)	21,650	3
INCOME BEFORE INCOME TAX	141,046	37	133,810	47	364,812	38	296,820	40
INCOME TAX EXPENSE	23,981	7	16,691	6	67,229	7	37,584	5
NET INCOME	117,065	30	117,119	41	297,583	31	259,236	35
OTHER COMPREHENSIVE INCOME								
Items that may be reclassified subsequently to profit or loss:								
Unrealized (losses) gains on available-for-sale financial assets	(388)	-	287	-	1,712	-	107	-
Exchange differences on translating foreign operations	(155)	-	-	-	(155)	-	-	-
Total other comprehensive income	(543)	-	287	-	1,557	-	107	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 116,522	30	$ 117,406	41	$ 299,140	31	$ 259,343	35
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	$ 117,065	31	$ 117,119	41	$ 297,583	31	$ 259,236	35

(Continued)

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

STATEMENTS OF INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2016		2015		2016		2015	
	Amount	%	Amount	%	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	$ 116,522	30	$ 117,406	41	$ 299,140	31	$ 259,343	35
EARNINGS PER SHARE								
Diluted earnings per share	$ 3.68		$ 3.69		$ 9.35		$ 8.17	
Basic earnings per share	$ 3.69		$ 3.71		$ 9.40		$ 8.23	

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)
(Reviewed, Not Audited)

	Capital Stock - Common Stock			Retained Earnings		Others			
	Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Unappropriated Earnings	Employee Unearned Compensation	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) From Available-for-sale Financial Assets	Total Equity
BALANCE, JANUARY 1, 2015	26,295	$ 262,959	$ 246,206	$ 58,358	$ 308,844	$ (15,701)	$ -	$ -	$ 860,666
Appropriations of prior year's earnings									
Legal reserve	-	-	-	28,070	(28,070)	-	-	-	-
Cash dividends to shareholders - NT$7.00 per share	-	-	-	-	(184,071)	-	-	-	(184,071)
Stock dividends to shareholders - NT$2.00 per share	5,259	52,592	-	-	(52,592)	-	-	-	-
Employee stock bonus	117	1,170	30,910	-	-	-	-	-	32,080
Net income for the nine months ended September 30, 2015	-	-	-	-	259,236	-	-	-	259,236
Other comprehensive income after tax	-	-	-	-	-	-	-	107	107
Comprehensive income for the nine months ended September 30, 2015	-	-	-	-	259,236	-	-	107	259,343
Compensation cost of restricted stock for employees	-	-	-	-	-	5,278	-	-	5,278
BALANCE, SEPTEMBER 30, 2015	31,671	$ 316,721	$ 277,116	$ 86,428	$ 303,347	$ (10,423)	$ -	$ 107	$ 973,296
BALANCE, JANUARY 1, 2016	31,671	$ 316,721	$ 277,116	$ 86,428	$ 384,019	$ (8,911)	$ -	$ (133)	$ 1,055,240
Appropriations of prior year's earnings									
Legal reserve	-	-	-	33,991	(33,991)	-	-	-	-
Cash dividends to shareholders - NT$8.00 per share	-	-	-	-	(253,376)	-	-	-	(253,376)
Employee Stock Bonus	116	1,160	41,137	-	-	-	-	-	42,297
Net income for the nine months ended September 30, 2016	-	-	-	-	297,583	-	-	-	297,583
Other comprehensive income after tax	-	-	-	-	-	-	(155)	1,712	1,557
Comprehensive income for the nine months ended September 30, 2016	-	-	-	-	297,583	-	(155)	1,712	299,140
Compensation cost of restricted stock for employees	-	-	-	-	-	4,133	-	-	4,133
BALANCE, SEPTEMBER 30, 2016	31,787	$ 317,881	$ 318,253	$ 120,419	$ 394,235	$ (4,778)	$ (155)	$ 1,579	$ 1,147,434

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2016	**2015**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 364,812	$ 296,820
Adjustments for:		
Depreciation expense	23,520	11,999
Amortization expense	6,478	14,031
Finance costs	454	358
Interest income	(4,233)	(6,814)
Gain on disposal of investments	(43)	-
Compensation cost	4,133	5,278
Loss (gain) on inventories	2,018	(423)
Recognition (reversal) of provisions	25,836	16,658
Loss (gain) on foreign currency exchange, net	12,578	(10,810)
Changes in operating assets and liabilities:		
Accounts receivable, net		
Related parties included	(85,110)	(44,323)
Other receivables	(2,061)	(269)
Inventories	(20,947)	4,077
Prepayments	(800)	(266)
Other current assents	(520)	-
Accounts payable	11,447	(2,805)
Accrued profit sharing bonus to employees and compensation to directors	31,722	28,873
Other payables	6,483	2,265
Provisions	(18,398)	(14,785)
Other current liabilities	648	1,811
Cash generated from operations	358,017	301,675
Interest paid	(355)	(327)
Income taxes paid	(50,886)	(48,324)
Net cash generated by operating activities	306,776	253,024
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for available-for-sale financial assets	(78,911)	(60,060)
Proceeds from disposal of available-for-sale financial assets	15,058	-
Interest received	4,380	6,772
Payments for Property, plant and equipment	(6,650)	(45,442)
Payments for Intangible assets	(1,090)	(130)
Increase in Refundable deposits	(1,211)	-
Net cash used in investing activities	(68,424)	(98,860)
CASH FLOWS FROM FINANCING ACTIVITIES		

(Continued)

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2016	**2015**
Increase in short-term loans	195,000	75,000
Dividends paid to owners of the Company	(253,376)	(184,071)
Net cash used in financing activities	(58,376)	(109,071)
CHANGES OF EXCHANGE RATES IN CASH AND CASH EQUIVALENTS	(12,725)	10,770
NET INCREASE IN CASH AND CASH EQUIVALENTS	167,251	55,863
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	830,329	780,142
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 997,580	$ 836,005

(Concluded)