ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2018 (Reviewed)		December 31, 2017 (Audited)		March 31, 2017 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents	$ 900,752	33	$ 853,936	32	$ 915,443	35
Financial assets at fair value through profit or loss - current	298,916	11	-	-	-	-
Available-for-sale financial assets - current	-	-	277,531	11	223,304	9
Accounts receivable, net	384,479	14	360,932	14	307,339	12
Receivables from related parties	1,810	-	2,520	-	401	-
Other receivables	4,309	-	6,758	-	3,706	-
Inventories	114,284	4	90,506	3	84,969	3
Other current assets	11,585	-	7,277	-	12,732	1
Total current assets	1,716,135	62	1,599,460	60	1,547,894	60
NON-CURRENT ASSETS						
Property, plant and equipment	62,939	2	53,213	2	24,284	1
Goodwill	369,040	14	369,040	14	369,040	14
Other Intangible assets	553,312	20	569,545	22	628,508	24
Deferred tax assets	32,509	1	31,699	1	15,422	1
Refundable deposits	5,826	-	5,885	-	5,908	-
Other non-current assets	34,521	1	34,521	1	-	-
Total noncurrent assets	1,058,147	38	1,063,903	40	1,043,162	40
TOTAL	$2,774,282	100	$2,663,363	100	$2,591,056	100

	March 31, 2018 (Reviewed)		December 31, 2017 (Audited)		March 31, 2017 (Reviewed)	
LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES						
Short-term borrowings	$ -	-	$ 50,000	2	$ 170,000	7
Contract liabilities - current	410	-	-	-	-	-
Accounts payable	55,803	2	68,760	3	59,120	2
Payable from related parties	29,750	1	8,492	-	-	-
Accrued profit sharing bonus to employees and compensation to directors	23,560	1	67,832	3	18,260	1
Other payables	79,462	3	92,959	3	26,807	1
Current tax liabilities	127,766	4	91,742	3	126,172	5
Provisions	18,182	1	127,695	5	54,594	2
Other current liabilities	89,305	3	3,180	-	581	-
Total current liabilities	424,238	15	510,660	19	455,534	18
NON-CURRENT LIABILITIES						
Deferred tax liabilities	77,425	3	73,967	3	82,826	3
Other non-current liabilities	836	-	789	-	2,160	-
Total non-current liabilities	78,261	3	74,756	3	84,986	3
Total liabilities	502,499	18	585,416	22	540,520	21
SHAREHOLDERS' EQUITY						
Capital						
Capital stock	339,738	12	339,378	13	338,401	13
Employee stock bonus to be distributed	60,906	2	-	-	51,335	2
Total capital	400,644	14	339,378	13	389,736	15
Capital surplus	986,742	36	960,462	36	912,860	35
Retained earnings						
Legal reserve	165,011	6	165,011	6	120,419	5
Special reserve	13,085	-	13,085	-	-	-
Unappropriated earnings	739,190	27	610,179	23	645,368	25
Total retained earnings	917,286	33	788,275	29	765,787	30
Others	(32,889)	(1)	(10,168)	-	(17,847)	(1)
Total equity	2,271,783	82	2,077,947	78	2,050,536	79
TOTAL	$2,774,282	100	$2,663,363	100	$2,591,056	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 March 31			
	2018		2017	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales revenue	$ 538,253	100	$ 452,667	100
Other operating revenue	-	-	309	-
Total operating revenue	538,253	100	452,976	100
OPERATING COSTS	223,656	41	187,840	42
GROSS PROFIT	314,597	59	265,136	58
OPERATING EXPENSES				
Marketing expenses	17,083	3	16,600	4
General and administrative expenses	26,400	5	24,352	5
Research and development expenses	78,253	15	72,755	16
Total operating expenses	121,736	23	113,707	25
PROFIT FROM OPERATIONS	192,861	36	151,429	33
NON-OPERATING INCOME AND EXPENSES				
Other income	3,177	-	1,274	-
Other gains and losses	(25,758)	(5)	(27,902)	(6)
Finance costs	(84)	-	(947)	-
Total non-operating income and expenses	(22,665)	(5)	(27,575)	(6)
INCOME BEFORE INCOME TAX	170,196	31	123,854	27
INCOME TAX EXPENSE	39,548	7	21,057	4
NET INCOME	130,648	24	102,797	23
OTHER COMPREHENSIVE INCOME				
Items reclassified subsequently to profit or loss:				
Exchange differences arising on translating foreign operations	(620)	-	(1,507)	(1)
Unrealized (losses) gains on available-for-sale financial assets	-	-	(5,616)	(1)
Total other comprehensive income	(620)	-	(7,123)	(2)

(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 March 31			
	2018		2017	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 130,028	24	$ 95,674	21
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 130,648	24	$ 102,797	23
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 130,028	24	$ 95,674	21
EARNINGS PER SHARE				
Basic earnings per share	$ 3.85		$ 3.04	
Diluted earnings per share	$ 3.84		$ 3.03	

(Concluded)

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	Employee Bonus to be Distributed	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Employee Unearned Compensation	Exchange Differences Arising on Translation of Foreign Operations	Unrealized Gain (Loss) From Available-for-sale Financial Assets	Total Equity
BALANCE, JANUARY 1, 2017	33,839	$ 338,401	$ -	$ 912,860	$ 120,419	$ -	$ 542,571	$ (16,629)	$ 1,124	$ 2,419	$ 1,901,165
Employee stock bonus	-	-	51,335	-	-	-	-	-	-	-	51,335
Net income for the three months ended March 31, 2017	-	-	-	-	-	-	102,797	-	-	-	102,797
Other comprehensive income after tax	-	-	-	-	-	-	-	-	(1,507)	(5,616)	(7,123)
Comprehensive income for the three months ended March 31, 2017	-	-	-	-	-	-	102,797	-	(1,507)	(5,616)	95,674
Compensation cost of restricted stock for employees	-	-	-	-	-	-	-	2,362	-	-	2,362
BALANCE, MARCH 31, 2017	33,839	$ 338,401	$ 51,335	$ 912,860	$ 120,419	$ -	$ 645,368	$ (14,267)	$ (383)	$ (3,197)	$ 2,050,536
BALANCE, JANUARY 1, 2018	33,937	$ 339,378	$ -	$ 960,462	$ 165,011	$ 13,085	$ 610,179	$ (7,558)	$ (973)	$ (1,637)	$ 2,077,947
Effect of retrospective application	-	-	-	-	-	-	(1,637)	-	-	1,637	-
BALANCE, JANUARY 1, 2018 AS RESTATED	33,937	339,378	-	960,462	165,011	13,085	608,542	(7,558)	(973)	-	2,077,947
Employee stock bonus	-	-	60,906	-	-	-	-	-	-	-	60,906
Issuance of restricted stock under employees share options on February 5, 2018	36	360	-	26,280	-	-	-	(26,640)	-	-	-
Net income for the three months ended March 31, 2018	-	-	-	-	-	-	130,648	-	-	-	130,648
Other comprehensive income after tax	-	-	-	-	-	-	-	-	(620)	-	(620)
Comprehensive income for the three months ended March 31, 2018	-	-	-	-	-	-	130,648	-	(620)	-	130,028
Compensation cost of restricted stock for employees	-	-	-	-	-	-	-	2,902	-	-	2,902
BALANCE, MARCH 31, 2018	33,973	$ 339,738	$ 60,906	$ 986,742	$ 165,011	$ 13,085	$ 739,190	$ (31,296)	$ (1,593)	$ -	$ 2,271,783

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 170,196	$ 123,854
Adjustments for:		
Depreciation expenses	6,368	8,533
Amortization expenses	26,709	25,085
Finance costs	84	947
Interest income	(3,066)	(939)
Net gain on disposal of available-for-sale financial assets	(364)	(242)
Compensation cost	2,902	2,362
Write-down of (reversal of) inventories	471	(50)
Recognition of provisions	1,200	31,146
Net loss on fair value changes of financial assets at fair value through profit or loss	7,556	-
Net loss on foreign currency exchange, net	6,681	22,541
Changes in operating assets and liabilities:		
Accounts receivable, net		
Related parties included	(21,576)	(33,030)
Other receivables	2,412	41,217
Inventories	(24,249)	(4,028)
Other current asset	(4,308)	(6,254)
Contract liabilities	410	-
Accounts payable		
Related parties included	8,152	23,601
Other payables	5,912	4,367
Other current liabilities	86,311	(511)
Provisions	(110,713)	(7,459)
Accrued profit sharing bonus to employees and compensation to directors	16,634	12,249
Other non-current liabilities	47	2,160
Cash generated from operations	177,769	245,549
Interest paid	(112)	(1,055)
Income taxes paid	(876)	(249)
Net cash generated from operating activities	176,781	244,245
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through profit or loss	(89,894)	-
Purchase of available-for-sale financial assets	-	(115,505)
Proceeds from sale of financial assets at fair value through profit or loss	61,317	-
Proceeds from sale of available-for-sale financial assets	-	13,202
Payments for Property, plant and equipment	(14,076)	(5,121)
Decrease (increase) in Refundable deposits	59	(2,059)

(Continued)

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2018	**2017**
Payments for Intangible assets	(31,688)	(2,685)
Interest received	3,103	920
Net cash used in investing activities	(71,179)	(111,248)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	(50,000)	(225,000)
Net cash used in financing activities	(50,000)	(225,000)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(8,786)	(11,920)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	46,816	(103,923)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	853,936	1,019,366
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 900,752	$ 915,443

(Concluded)