ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	September 30, 2018 (Reviewed)		December 31, 2017 (Audited)		September 30, 2017 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents	$ 724,917	27	$ 853,936	32	$ 891,932	34
Financial assets at fair value through profit or loss - current	302,254	11	-	-	-	-
Available-for-sale financial assets - current	-	-	277,531	11	219,293	9
Accounts receivable, net	447,309	17	360,932	14	382,026	15
Receivables from related parties	1,562	-	2,520	-	2,415	-
Other receivables	8,672	-	6,758	-	9,170	-
Inventories	173,084	7	90,506	3	89,566	4
Other current assets	10,521	-	7,277	-	9,136	-
Total current assets	1,668,319	62	1,599,460	60	1,603,538	62
NON-CURRENT ASSETS						
Property, plant and equipment	94,637	4	53,213	2	24,696	1
Goodwill	369,040	14	369,040	14	369,040	14
Other Intangible assets	498,907	18	569,545	22	580,478	22
Deferred tax assets	22,588	1	31,699	1	22,445	1
Refundable deposits	5,801	-	5,885	-	5,891	-
Other non-current assets	38,187	1	34,521	1	-	-
Total noncurrent assets	1,029,160	38	1,063,903	40	1,002,550	38
TOTAL	$2,697,479	100	$2,663,363	100	$2,606,088	100

	September 30, 2018 (Reviewed)		December 31, 2017 (Audited)		September 30, 2017 (Reviewed)	
LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES						
Short-term borrowings	$ -	-	$ 50,000	2	$ 217,000	8
Short-term bills payable	69,982	3	-	-	49,941	2
Accounts payable	50,690	2	68,760	3	58,332	2
Payable from related parties	7,170	-	8,492	-	12,346	1
Accrued profit sharing bonus to employees and compensation to directors	65,090	2	67,832	3	45,201	2
Other payables	80,573	3	92,959	3	48,009	2
Current tax liabilities	76,579	3	91,742	3	57,574	2
Provisions	20,664	1	127,695	5	107,187	4
Other current liabilities	94,215	3	3,180	-	957	-
Total current liabilities	464,963	17	510,660	19	596,547	23
NON-CURRENT LIABILITIES						
Deferred tax liabilities	76,597	3	73,967	3	76,920	3
Other non-current liabilities	1,641	-	789	-	706	-
Total non-current liabilities	78,238	3	74,756	3	77,626	3
Total liabilities	543,201	20	585,416	22	674,173	26
SHAREHOLDERS' EQUITY						
Capital						
Capital stock	340,446	13	339,378	13	339,418	13
Capital surplus	1,046,940	39	960,462	36	962,206	37
Retained earnings						
Legal reserve	218,148	8	165,011	6	165,011	6
Special reserve	10,166	-	13,085	-	13,085	1
Unappropriated earnings	564,620	21	610,179	23	464,833	18
Total retained earnings	792,934	29	788,275	29	642,929	25
Others	(26,042)	(1)	(10,168)	-	(12,638)	(1)
Total equity	2,154,278	80	2,077,947	78	1,931,915	74
TOTAL	$2,697,479	100	$2,663,363	100	$2,606,088	100

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED 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			
	2018		2017		2018		2017	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Sales revenue	$ 583,335	100	$ 499,942	100	$ 1,669,321	100	$ 1,398,068	100
Other operating revenue	-	-	304	-	148	-	763	-
Total operating revenue	583,335	100	500,246	100	1,669,469	100	1,398,831	100
OPERATING COSTS	229,609	39	207,873	42	679,406	41	586,638	42
GROSS PROFIT	353,726	61	292,373	58	990,063	59	812,193	58
OPERATING EXPENSES								
Marketing expenses	18,107	3	14,049	3	53,480	3	49,255	4
General and administrative expenses	18,212	3	22,375	4	68,839	4	73,018	5
Research and development expenses	82,991	15	67,687	14	249,714	15	214,806	15
Total operating expenses	119,310	21	104,111	21	372,033	22	337,079	24
PROFIT FROM OPERATIONS	234,416	40	188,262	37	618,030	37	475,114	34
NON-OPERATING INCOME AND EXPENSES								
Other gains and losses	6,303	1	(3,490)	(1)	18,392	1	(24,116)	(2)
Other income	8,185	1	3,814	1	26,123	2	7,937	-
Finance costs	(627)	-	(829)	-	(711)	-	(2,033)	-
Total non-operating income and expenses	13,861	2	(505)	-	43,804	3	(18,212)	(2)
INCOME BEFORE INCOME TAX	248,277	42	187,757	37	661,834	40	456,902	32
INCOME TAX EXPENSE	53,988	9	31,576	6	145,931	9	70,882	5
NET INCOME	194,289	33	156,181	31	515,903	31	386,020	27
OTHER COMPREHENSIVE INCOME								
Items reclassified subsequently to profit or loss:								
Unrealized (losses) gains on available-for-sale financial assets	-	-	2,704	1	-	-	(3,465)	-
Exchange differences arising on translating foreign operations	(554)	-	(276)	-	(780)	-	(1,923)	-
Total other comprehensive income	(554)	-	2,428	1	(780)	-	(5,388)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 193,735	33	$ 158,609	32	$ 515,123	31	$ 380,632	27
NET INCOME ATTRIBUTABLE TO:								

(Continued)

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED 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			
	2018		2017		2018		2017	
	Amount	%	Amount	%	Amount	%	Amount	%
Owners of the Company	$ 194,289	33	$ 156,181	31	$ 515,903	31	$ 386,020	28
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	$ 193,735	33	$ 158,609	32	$ 515,123	31	$ 380,632	27
EARNINGS PER SHARE								
Basic earnings per share	$ 5.72		$ 4.61		$ 15.19		$ 11.41	
Diluted earnings per share	$ 5.70		$ 4.60		$ 15.13		$ 11.36	

(Concluded)

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED 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	Special Reserve	Unappropriated Earnings	Employee Unearned Compensation	Exchange Differences Arising on Translations 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
Appropriation of prior year's earnings										
Legal reserve	-	-	-	44,592	-	(44,592)	-	-	-	-
Special reserve	-	-	-	-	13,085	(13,085)	-	-	-	-
Cash dividends to shareholders - NT$12.00 per share	-	-	-	-	-	(406,081)	-	-	-	(406,081)
Employee Stock Bonus - Record date: June 19, 2017	106	1,057	50,278	-	-	-	-	-	-	51,335
Write off restricted stock on May 26, 2017	(4)	(40)	(932)	-	-	-	972	-	-	-
Net income for the nine months ended September 30, 2017	-	-	-	-	-	386,020	-	-	-	386,020
Other comprehensive income after tax	-	-	-	-	-	-	-	(1,923)	(3,465)	(5,388)
Comprehensive income for the nine months ended September 30, 2017	-	-	-	-	-	386,020	-	(1,923)	(3,465)	380,632
Compensation cost of restricted stock for employees	-	-	-	-	-	-	4,864	-	-	4,864
BALANCE, SEPTEMBER 30, 2017	33,941	$ 339,418	$ 962,206	$ 165,011	$ 13,085	$ 464,833	$ (10,793)	$ (799)	$ (1,046)	$ 1,931,915
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
Appropriation of prior year's earnings										
Legal reserve	-	-	-	53,137	-	(53,137)	-	-	-	-
Special reserve	-	-	-	-	(2,919)	2,919	-	-	-	-
Cash dividends to shareholders - NT$15.00 per share	-	-	-	-	-	(509,607)	-	-	-	(509,607)
Employee Stock Bonus - Record date: August 7, 2018	71	708	60,198	-	-	-	-	-	-	60,906
Issuance of restricted stock under employees share options on February 5, 2018	36	360	26,280	-	-	-	(26,640)	-	-	-
Net income for the nine months ended September 30, 2018	-	-	-	-	-	515,903	-	-	-	515,903
Other comprehensive income after tax	-	-	-	-	-	-	-	(780)	-	(780)
Comprehensive income for the nine months ended September 30, 2018	-	-	-	-	-	515,903	-	(780)	-	515,123
Compensation cost of restricted stock for employees	-	-	-	-	-	-	9,909	-	-	9,909
BALANCE, SEPTEMBER 30, 2018	34,044	$ 340,446	$ 1,046,940	$ 218,148	$ 10,166	$ 564,620	$ (24,289)	$ (1,753)	$ -	$ 2,154,278

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2018	**2017**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 661,834	$ 456,902
Adjustments for:		
Depreciation expenses	21,094	20,400
Amortization expenses	81,114	75,869
Finance costs	711	2,033
Interest income	(11,338)	(4,893)
Net gain on disposal of available-for-sale financial assets	(364)	(3,573)
Compensation cost	9,909	4,864
Write-down of inventories	2,937	1,034
Recognition of provisions	3,682	90,186
Net (gain) loss on foreign currency exchange, net	(23,166)	7,273
Net loss on fair value changes of financial assets at fair value through profit or loss	4,219	-
Changes in operating assets and liabilities:		
Accounts receivable, net		
Related parties included	(84,419)	(97,979)
Other receivables	(2,071)	35,903
Inventories	(85,515)	(9,709)
Other current assets	(3,244)	(2,658)
Accounts payable		
Related parties included	(19,576)	33,974
Other payables	(5,858)	17,751
Other current liabilities	87,974	(135)
Provisions	(110,713)	(13,326)
Accrued profit sharing bonus to employees and compensations to directors	58,164	39,191
Other non-current liabilities	852	474
Cash generated from operations	586,226	653,581
Interest paid	(739)	(2,047)
Income taxes paid	(149,353)	(131,601)
Net cash generated by operating activities	436,134	519,933
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through profit or loss	(89,894)	-
Proceeds from sale of financial assets at fair value through profit or loss	61,316	-
Purchase of available-for-sale financial assets	-	(200,319)
Proceeds from sale of available-for-sale financial assets	-	107,509
Payments for Property, plant and equipment	(36,820)	(9,521)
Decrease (Increase) in Refundable deposits	84	(2,042)

(Continued)

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2018	**2017**
Payments for Intangible assets	$ (46,354)	$ (5,439)
Interest received	11,495	4,726
Net cash used in from investing activities	(100,173)	(105,086)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term loans	(50,000)	(178,000)
Dividends paid to owners of the Company	(509,607)	(406,081)
Proceeds from short-term bills payable	69,982	49,941
Net cash used in financing activities	(489,625)	(534,140)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	24,645	(8,141)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(129,019)	(127,434)
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	$ 724,917	$ 891,932

(Concluded)