ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2019 (Reviewed)		December 31, 2018 (Audited)		March 31, 2018 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents	$1,001,697	32	$1,093,346	39	$ 900,752	33
Financial assets at fair value through profit or loss - current	111,311	4	89,030	3	298,916	11
Financial assets at amortized cost - current	430,000	14	80,000	3	-	-
Trade receivable, net	429,979	14	398,741	14	384,479	14
Receivables from related parties, net	2,862	-	2,249	-	1,810	-
Other receivables	1,667	-	1,463	-	4,309	-
Inventories	116,948	4	138,841	5	114,284	4
Other current assets	17,056	-	15,646	-	11,585	-
Total current assets	2,111,520	68	1,819,316	64	1,716,135	62
NON-CURRENT ASSETS						
Property, plant and equipment	75,658	3	84,841	3	62,939	2
Right-of-use assets	7,169	-	-	-	-	-
Goodwill	369,040	12	369,040	13	369,040	14
Other Intangible assets, net	450,898	15	472,803	17	553,312	20
Deferred tax assets	37,584	1	35,700	1	32,509	1
Refundable deposits	7,244	-	7,232	-	5,826	-
Other non-current assets	43,742	1	43,743	2	34,521	1
Total non-current assets	991,335	32	1,013,359	36	1,058,147	38
TOTAL	$3,102,855	100	$2,832,675	100	$2,774,282	100

	March 31, 2019 (Reviewed)		December 31, 2018 (Audited)		March 31, 2018 (Reviewed)	
LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES						
Trade payables	$ 61,318	2	$ 35,497	1	$ 55,803	2
Payable to related parties	-	-	17,915	1	29,750	1
Accrued employees' compensation and remuneration of directors	32,111	1	84,365	3	23,560	1
Other payables	34,256	1	42,177	1	79,462	3
Current tax liabilities	163,373	5	113,794	4	127,766	4
Provisions - current	22,771	1	21,670	1	18,182	1
Lease liabilities - current	3,690	-	-	-	-	-
Other current liabilities	114,965	4	108,864	4	89,715	3
Total current liabilities	432,484	14	424,282	15	424,238	15
NON-CURRENT LIABILITIES						
Deferred tax liabilities	75,139	3	77,844	3	77,425	3
Lease liabilities - non-current	3,498	-	-	-	-	-
Other non-current liabilities	1,399	-	1,609	-	836	-
Total non-current liabilities	80,036	3	79,453	3	78,261	3
Total liabilities	512,520	17	503,735	18	502,499	18
SHAREHOLDERS' EQUITY						
Capital						
Capital stock	340,584	11	340,656	12	339,738	12
Employee stock bonus to be distributed	74,991	2	-	-	60,906	2
Total capital	415,575	13	340,656	12	400,644	14
Capital surplus	1,051,575	34	1,056,831	37	986,742	36
Retained earnings						
Legal reserve	218,148	7	218,148	8	165,011	6
Special reserve	10,166	-	10,166	-	13,085	-
Unappropriated earnings	919,429	30	734,639	26	739,190	27
Total retained earnings	1,147,743	37	962,953	34	917,286	33
Other equity	(24,558)	(1)	(31,500)	(1)	(32,889)	(1)
Total equity	2,590,335	83	2,328,940	82	2,271,783	82
TOTAL	$3,102,855	100	$2,832,675	100	$2,774,282	100

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2019		2018	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales	$ 550,971	100	$ 538,253	100
Other operating revenue	154	-	-	-
Total operating revenue	551,125	100	538,253	100
OPERATING COSTS	200,876	36	223,656	41
GROSS PROFIT	350,249	64	314,597	59
OPERATING EXPENSES				
Marketing expenses	16,489	3	17,083	3
General and administrative expenses	27,425	5	26,400	5
Research and development expenses	86,886	16	78,253	15
Total operating expenses	130,800	24	121,736	23
INCOME FROM OPERATIONS	219,449	40	192,861	36
NON-OPERATING INCOME AND EXPENSES				
Other income	4,521	1	3,177	-
Other gains and losses	6,666	1	(25,758)	(5)
Finance costs	(42)	-	(84)	-
Total non-operating income and expenses, net	11,145	2	(22,665)	(5)
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	230,594	42	170,196	31
INCOME TAX EXPENSE	45,804	8	39,548	7
NET INCOME	184,790	34	130,648	24
OTHER COMPREHENSIVE INCOME				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	155	-	(620)	-
Total other comprehensive income	155	-	(620)	-

(Continued)

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2019		2018	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 184,945	34	$ 130,028	24
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 184,790	34	$ 130,648	24
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 184,945	34	$ 130,028	24
EARNINGS PER SHARE				
Basic	$ 5.43		$ 3.85	
Diluted	$ 5.41		$ 3.84	

(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			Other Equity			
	Shares (In Thousands)	Amount	Employee Bonus to be Distributed	Capital Surplus	Legal Reserve	Special 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, 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
BALANCE, JANUARY 1, 2019	34,065	$ 340,656	$ -	$ 1,056,831	$ 218,148	$ 10,166	$ 734,639	$ (30,375)	$ (1,125)	$ -	$ 2,328,940
Employee stock bonus	-	-	74,991	-	-	-	-	-	-	-	74,991
Write - off restricted shares on March 11, 2019	(7)	(72)	-	(5,256)	-	-	-	5,328	-	-	-
Net income for the three months ended March 31, 2019	-	-	-	-	-	-	184,790	-	-	-	184,790
Other comprehensive income after tax	-	-	-	-	-	-	-	-	155	-	155
Comprehensive income for the three months ended March 31, 2019	-	-	-	-	-	-	184,790	-	155	-	184,945
Compensation cost of restricted stock for employees	-	-	-	-	-	-	-	1,459	-	-	1,459
BALANCE, MARCH 31, 2019	34,058	$ 340,584	$ 74,991	$ 1,051,575	$ 218,148	$ 10,166	$ 919,429	$ (23,588)	$ (970)	$ -	$ 2,590,335

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 230,594	$ 170,196
Adjustments for:		
Depreciation expenses	10,263	6,368
Amortization expenses	24,343	26,709
Finance costs	42	84
Interest income	(3,989)	(3,066)
Compensation cost	1,459	2,902
Net gain on disposal of available-for-sale financial assets	-	(364)
Write-down of inventories	2,980	471
Recognition of provisions	1,101	1,200
Net (gain) loss on fair value changes of financial assets at fair value through profit or loss	(4,332)	7,556
Net (gain) loss on foreign currency exchange, net	(3,871)	6,681
Changes in operating assets and liabilities:		
Accounts receivable, net		
Related parties included	(30,223)	(21,576)
Other receivables	(241)	2,412
Inventories	18,913	(24,249)
Other current asset	(1,410)	(4,308)
Accounts payable		
Related parties included	7,712	8,152
Other payables	(2,237)	5,912
Other current liabilities	5,723	86,721
Provisions	-	(110,713)
Accrued profit sharing bonus to employees and compensation to directors	22,737	16,634
Other non-current liabilities	(210)	47
Cash generated from operations	279,354	177,769
Interest paid	-	(112)
Income taxes paid	(814)	(876)
Net cash generated from operating activities	278,540	176,781
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at measured at cost	(350,000)	-
Purchase of financial assets at fair value through profit or loss	(17,949)	(89,894)
Proceeds from sale of financial assets at fair value through profit or loss	-	61,317
Payments for Property, plant and equipment	(63)	(14,076)
Decrease (increase) in Refundable deposits	(11)	59
Payments for Intangible assets	(8,243)	(31,688)
Interest received	4,027	3,103

(Continued)

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2019	**2018**
Net cash used in investing activities	(372,239)	(71,179)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	-	(50,000)
Repayment of the principal portion of lease liabilities	(952)	-
Net cash used in financing activities	(952)	(50,000)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	3,002	(8,786)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(91,649)	46,816
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,093,346	853,936
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 1,001,697	$ 900,752

(Concluded)