ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	June 30, 2019 (Reviewed)		December 31, 2018 (Audited)		June 30, 2018 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents	$1,219,997	37	$1,093,346	39	$1,046,918	36
Financial assets at fair value through profit or loss - current	175,670	5	89,030	3	300,573	10
Financial assets at amortized cost - current	350,000	10	80,000	3	-	-
Trade receivable, net	421,127	13	398,741	14	407,609	14
Receivables from related parties, net	2,083	-	2,249	-	1,222	-
Other receivables	963	-	1,463	-	4,168	-
Inventories	136,800	4	138,841	5	146,454	5
Other current assets	22,637	1	15,646	-	8,977	-
Total current assets	2,329,277	70	1,819,316	64	1,915,921	65
NON-CURRENT ASSETS						
Property, plant and equipment	85,781	3	84,841	3	56,550	2
Right-of use assets	6,240	-	-	-	-	-
Goodwill	369,040	11	369,040	13	369,040	13
Other Intangible assets, net	453,655	14	472,803	17	526,109	18
Deferred tax assets	35,944	1	35,700	1	18,028	1
Refundable deposits	7,260	-	7,232	-	5,854	-
Other non-current assets	43,743	1	43,743	2	34,521	1
Total noncurrent assets	1,001,663	30	1,013,359	36	1,010,102	35
TOTAL	$3,330,940	100	$2,832,675	100	$2,926,023	100

	June 30, 2019 (Reviewed)		December 31, 2018 (Audited)		June 30, 2018 (Reviewed)	
LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES						
Trade payables	$ 117,469	4	$ 35,497	1	$ 73,116	2
Payable to related parties	12,013	-	17,915	1	18,055	-
Accrued employee's compensation and remuneration of directors	54,303	2	84,365	3	47,558	2
Dividend payable	613,051	18	-	-	509,607	17
Other payables	36,257	1	42,177	1	51,065	2
Current tax liabilities	121,641	4	113,794	4	83,573	3
Provisions - current	23,620	1	21,670	1	19,358	1
Lease liabilities - current	3,710	-	-	-	-	-
Other current liabilities	110,845	3	108,864	4	84,991	3
Total current liabilities	1,092,909	33	424,282	15	887,323	30
NON-CURRENT LIABILITIES						
Deferred tax liabilities	72,221	2	77,844	3	80,071	3
Lease liabilities - non-current	2,563	-	-	-	-	-
Other non-current liabilities	1,589	-	1,609	-	1,590	-
Total non-current liabilities	76,373	2	79,453	3	81,661	3
Total liabilities	1,169,282	35	503,735	18	968,984	33
SHAREHOLDERS' EQUITY						
Capital						
Capital stock	340,584	10	340,656	12	339,738	12
Employee stock bonus to be distributed	74,991	2	-	-	60,906	2
Total capital	415,575	12	340,656	12	400,644	14
Capital surplus	1,051,575	32	1,056,831	37	986,742	34
Retained earnings						
Legal reserve	286,740	9	218,148	8	218,148	7
Special reserve	31,499	1	10,166	-	10,166	-
Unappropriated earnings	397,424	12	734,639	26	370,331	13
Total retained earnings	715,663	22	962,953	34	598,645	20
Other equity	(21,155)	(1)	(31,500)	(1)	(28,992)	(1)
Total equity	2,161,658	65	2,328,940	82	1,957,039	67
TOTAL	$3,330,940	100	$2,832,675	100	$2,926,023	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 June 30				For the Six Months Ended June 30			
	2019		2018		2019		2018	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Sales	$ 522,942	100	$ 547,733	100	$ 1,073,913	100	$ 1,085,986	100
Other operating revenue	-	-	148	-	154	-	148	-
Total operating revenue	522,942	100	547,881	100	1,074,067	100	1,086,134	100
OPERATING COSTS	185,472	36	226,141	41	386,348	36	449,797	42
GROSS PROFIT	337,470	64	321,740	59	687,719	64	636,337	58
OPERATING EXPENSES								
Marketing expenses	14,872	3	18,290	3	31,361	3	35,373	3
General and administrative expenses	26,557	5	24,227	5	53,982	5	50,627	5
Research and development expenses	85,283	16	88,470	16	172,169	16	166,723	15
Total operating expenses	126,712	24	130,987	24	257,512	24	252,723	23
PROFIT FROM OPERATIONS	210,758	40	190,753	35	430,207	40	383,614	35
NON-OPERATING INCOME AND EXPENSES								
Other income	3,128	1	14,761	2	7,649	1	17,938	2
Other gains and losses	10,252	2	37,847	7	16,918	1	12,089	1
Finance costs	(37)	-	-	-	(79)	-	(84)	-
Total non-operating income and expenses, net	13,343	3	52,608	9	24,488	2	29,943	3
INCOME BEFORE INCOME TAX	224,101	43	243,361	44	454,695	42	413,557	38
INCOME TAX EXPENSE	43,130	8	52,395	9	88,934	8	91,943	8
NET INCOME	180,971	35	190,966	35	365,761	34	321,614	30
OTHER COMPREHENSIVE INCOME								
Items that may be reclassified subsequently to profit or loss:								
Exchange differences arising on translating foreign operations	249	-	394	-	404	-	(226)	-
Total other comprehensive income	249	-	394	-	404	-	(226)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 181,220	35	$ 191,360	35	$ 366,165	34	$ 321,388	30
NET INCOME ATTRIBUTABLE TO:								
Owners of the Company	$ 180,971	35	$ 190,966	35	$ 365,761	34	$ 321,614	30

(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 June 30				For the Six Months Ended June 30			
	2019		2018		2019		2018	
	Amount	%	Amount	%	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	$ 181,220	35	$ 191,360	35	$ 366,165	34	$ 321,388	30
EARNINGS PER SHARE								
Basic earnings per share	$ 5.32		$ 5.62		$ 10.74		$ 9.48	
Diluted earnings per share	$ 5.32		$ 5.61		$ 10.69		$ 9.45	

(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	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, 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 shareholds - NT$15.00 per share	-	-	-	-	-	-	(509,607)	-	-	-	(509,607)
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 six months ended June 30, 2018	-	-	-	-	-	-	321,614	-	-	-	321,614
Other comprehensive income after tax	-	-	-	-	-	-	-	-	(226)	-	(226)
Comprehensive income for the six months ended June 30, 2018	-	-	-	-	-	-	321,614	-	(226)	-	321,388
Compensation cost of restricted stock for employees	-	-	-	-	-	-	-	6,405	-	-	6,405
BALANCE, JUNE 30, 2018	33,973	$ 339,738	$ 60,906	$ 986,742	$ 218,148	$ 10,166	$ 370,331	$ (27,793)	$ (1,199)	$ -	$ 1,957,039
BALANCE, JANUARY 1, 2019	34,065	$ 340,656	$ -	$ 1,056,831	$ 218,148	$ 10,166	$ 734,639	$ (30,375)	$ (1,125)	$ -	$ 2,328,940
Appropriation of prior year's earnings											
Legal reserve	-	-	-	-	68,592	-	(68,592)	-	-	-	-
Special reserve	-	-	-	-	-	21,333	(21,333)	-	-	-	-
Cash dividends to shareholds - $18.00 per share	-	-	-	-	-	-	(613,051)	-	-	-	(613,051)
Employee stock bonus	-	-	74,991	-	-	-	-	-	-	-	74,991
Write off restricted stock on March 11,2019	(7)	(72)	-	(5,256)	-	-	-	5,328	-	-	-
Net income for the six months ended June 30, 2019	-	-	-	-	-	-	365,761	-	-	-	365,761
Other comprehensive income after tax	-	-	-	-	-	-	-	-	404	-	404
Comprehensive income for the six months ended June 30, 2019	-	-	-	-	-	-	365,761	-	404	-	366,165
Compensation cost of restricted stock for employees	-	-	-	-	-	-	-	4,613	-	-	4,613
BALANCE, JUNE 30, 2019	34,058	$ 340,584	$ 74,991	$ 1,051,575	$ 286,740	$ 31,499	$ 397,424	$ (20,434)	$ (721)	$ -	$ 2,161,658

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

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

	For the six Months Ended June 30	
	2019	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 454,695	$ 413,557
Adjustments for:		
Depreciation expenses	21,268	13,259
Amortization expenses	49,591	53,912
Finance costs	79	84
Interest income	(7,067)	(7,850)
Net gain on disposal of financial assets	(1,700)	(364)
Write-down (reversal) of inventories	(684)	1,638
Recognition of provisions	1,950	2,376
Net (gain) loss on foreign currency exchange, net	(6,617)	(37,753)
Compensation cost	4,613	6,405
Net (gain) loss on fair value changes of financial assets at fair value through profit or loss	(6,628)	5,899
Changes in operating assets and liabilities:		
Accounts receivable, net		
Related parties included	(21,601)	(36,375)
Other receivables	429	2,446
Inventories	2,725	(57,586)
Other current asset	(5,232)	(1,700)
Accounts payable		
Related parties included	76,339	11,651
Other payables	(336)	2,965
Provisions	-	(110,713)
Other current liabilities	1,891	78,298
Accrued profit sharing bonus to employees and compensation to directors	44,929	40,632
Other non-current liabilities	(20)	801
Cash generated from operations	608,624	381,582
Interest paid	-	(112)
Income taxes paid	(86,954)	(80,337)
Net cash generated from operating activities	521,670	301,133
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at measured at cost	(350,000)	-
Proceeds from sale of financial assets at measured at cost	80,000	-
Purchase of financial assets at fair value through profit or loss	(101,942)	(89,894)
Proceeds from sale of financial assets at fair value through profit or loss	23,630	61,317
Interest received	7,139	7,996
Payments for Property, plant and equipment	(21,916)	(29,491)
Payments for Intangible assets	(36,248)	(42,688)
Decrease (increase) in Refundable deposits	(28)	31

(Continued)

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

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

	For the six Months Ended June 30	
	2019	**2018**
Net cash used in investing activities	(399,365)	(92,729)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	-	(50,000)
Repayment of the principal portion of lease liabilities	(1,905)	-
Net cash used in financing activities	(1,905)	(50,000)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	6,251	34,578
NET INCREASE IN CASH AND CASH EQUIVALENTS	126,651	192,982
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	$1,219,997	$1,046,918

(Concluded)