ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	September 30, 2019 (Reviewed)		December 31, 2018 (Audited)		September 30, 2018 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents	$1,468,447	43	$1,093,346	39	$ 724,917	27
Financial assets at fair value through profit or loss - current	157,972	5	89,030	3	302,254	11
Financial assets at amortized cost - current	-	-	80,000	3	-	-
Trade receivable, net	580,500	17	398,741	14	447,309	17
Receivables from related parties, net	1,184	-	2,249	-	1,562	-
Other receivables	6,449	-	1,463	-	8,672	-
Inventories	99,555	3	138,841	5	173,084	7
Other current assets	17,251	-	15,646	-	10,521	-
Total current assets	2,331,358	68	1,819,316	64	1,668,319	62
NON-CURRENT ASSETS						
Property, plant and equipment	103,179	3	84,841	3	94,637	4
Right-of-use assets	101,173	3	-	-	-	-
Goodwill	369,040	11	369,040	13	369,040	14
Other intangible assets, net	469,964	14	472,803	17	498,907	18
Deferred tax assets	37,797	1	35,700	1	22,588	1
Refundable deposits	12,598	-	7,232	-	5,801	-
Other non-current assets	21,212	-	43,743	2	38,187	1
Total noncurrent assets	1,114,963	32	1,013,359	36	1,029,160	38
TOTAL	$3,446,321	100	$2,832,675	100	$2,697,479	100

	September 30, 2019 (Reviewed)		December 31, 2018 (Audited)		September 30, 2018 (Reviewed)	
LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES						
Short-term borrowings	$ 280,000	8	$ -	-	$ -	-
Short-term bills payable	69,982	2	-	-	69,982	3
Trade payables	130,798	4	35,497	1	50,690	2
Payable to related parties	20,826	1	17,915	1	7,170	-
Accrued employee's compensation and remuneration of directors	73,621	2	84,365	3	65,090	2
Other payables	60,213	2	42,177	1	80,573	3
Current tax liabilities	97,960	3	113,794	4	76,579	3
Provisions - current	25,096	1	21,670	1	20,664	1
Lease liabilities - current	19,006	-	-	-	-	-
Other current liabilities	120,775	3	108,864	4	94,215	3
Total current liabilities	898,277	26	424,282	15	464,963	17
NON-CURRENT LIABILITIES						
Deferred tax liabilities	68,730	2	77,844	3	76,597	3
Lease liabilities - non-current	82,195	2	-	-	-	-
Other non-current liabilities	95	-	1,609	-	1,641	-
Total non-current liabilities	151,020	4	79,453	3	78,238	3
Total liabilities	1,049,297	30	503,735	18	543,201	20
SHAREHOLDERS' EQUITY						
Capital						
Capital stock	341,848	10	340,656	12	340,446	13
Capital surplus	1,145,044	33	1,056,831	37	1,046,940	39
Retained earnings						
Legal reserve	286,740	9	218,148	8	218,148	8
Special reserve	31,499	1	10,166	-	10,166	-
Unappropriated earnings	630,086	18	734,639	26	564,620	21
Total retained earnings	948,325	28	962,953	34	792,934	29
Others equity	(38,193)	(1)	(31,500)	(1)	(26,042)	(1)
Total equity	2,397,024	70	2,328,940	82	2,154,278	80
TOTAL	$3,446,321	100	$2,832,675	100	$2,697,479	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			
	2019		2018		2019		2018	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Sales	$ 686,806	100	$ 583,335	100	$ 1,760,719	100	$ 1,669,321	100
Other operating revenue	464	-	-	-	618	-	148	-
Total operating revenue	687,270	100	583,335	100	1,761,337	100	1,669,469	100
OPERATING COSTS	256,140	38	229,609	39	642,488	37	679,406	41
GROSS PROFIT	431,130	62	353,726	61	1,118,849	63	990,063	59
OPERATING EXPENSES								
Marketing expenses	14,795	2	18,107	3	46,156	3	53,480	3
General and administrative expenses	30,110	4	18,212	3	84,092	5	68,839	4
Research and development expenses	100,878	15	82,991	15	273,047	15	249,714	15
Total operating expenses	145,783	21	119,310	21	403,295	23	372,033	22
PROFIT FROM OPERATIONS	285,347	41	234,416	40	715,554	40	618,030	37
NON-OPERATING INCOME AND EXPENSES								
Other income	4,362	1	8,185	1	12,011	1	26,123	2
Other gains and losses	2,045	-	6,303	1	18,963	1	18,392	1
Finance costs	(977)	-	(627)	-	(1,056)	-	(711)	-
Total non-operating income and expenses, net	5,430	1	13,861	2	29,918	2	43,804	3
INCOME BEFORE INCOME TAX	290,777	42	248,277	42	745,472	42	661,834	40
INCOME TAX EXPENSE	58,115	8	53,988	9	147,049	8	145,931	9
NET INCOME	232,662	34	194,289	33	598,423	34	515,903	31
OTHER COMPREHENSIVE INCOME								
Items that may be reclassified subsequently to profit or loss:								
Exchange differences arising on translating foreign operations	(312)	-	(554)	-	92	-	(780)	-
Total other comprehensive income	(312)	-	(554)	-	92	-	(780)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 232,350	34	$ 193,735	33	$ 598,515	34	$ 515,123	31
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			
	2019		2018		2019		2018	
	Amount	%	Amount	%	Amount	%	Amount	%
Owners of the Company	$ 232,662	34	$ 194,289	33	$ 598,423	34	$ 515,903	31
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	$ 232,350	34	$ 193,735	33	$ 598,515	34	$ 515,123	31
EARNINGS PER SHARE								
Basic	$ 6.81		$ 5.72		$ 17.57		$ 15.19	
Diluted	$ 6.80		$ 5.70		$ 17.47		$ 15.13	

(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 AT 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
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 shareholders - NT$18.00 per share	-	-	-	-	-	(613,051)	-	-	-	(613,051)
Employee Stock Bonus - Record date: August 2, 2019	103	1,034	73,957	-	-	-	-	-	-	74,991
Issuance of restricted stock under employees share options on September 10, 2019	28	280	21,867	-	-	-	(22,147)	-	-	-
Cancellation of restricted stock under employees share options on March 11, 2019 and August 5, 2019	(12)	(122)	(7,611)	-	-	-	7,733	-	-	-
Net income for the nine months ended September 30, 2019	-	-	-	-	-	598,423	-	-	-	598,423
Other comprehensive income after tax	-	-	-	-	-	-	-	92	-	92
Comprehensive income for the nine months ended September 30, 2019	-	-	-	-	-	598,423	-	92	-	598,515
Compensation cost of restricted stock for employees	-	-	-	-	-	-	7,629	-	-	7,629
BALANCE, SEPTEMBER 30, 2019	34,184	$ 341,848	$ 1,145,044	$ 286,740	$ 31,499	$ 630,086	$ (37,160)	$ (1,033)	$ -	$ 2,397,024

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	
	2019	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 745,472	$ 661,834
Adjustments for:		
Depreciation expenses	33,269	21,094
Amortization expenses	77,024	81,114
Net (gain) loss on fair value changes of financial assets at fair value through profit or loss	(7,835)	4,219
Finance costs	1,056	711
Interest income	(11,210)	(11,338)
Compensation cost	7,629	9,909
Net gain on disposal of financial assets	(3,378)	(364)
(Reversal) write-down of inventories	(1,961)	2,937
Net gain on foreign currency exchange, net	(6,490)	(23,166)
Recognition of provisions	3,426	3,682
Changes in operating assets and liabilities:		
Accounts receivable, net		
Related parties included	(182,957)	(84,419)
Other receivables	(5,024)	(2,071)
Inventories	41,247	(85,515)
Other current assets	(1,605)	(3,244)
Accounts payable		
Related parties included	99,188	(19,576)
Other payables	8,819	(5,858)
Provisions	-	(110,713)
Other current liabilities	12,231	87,974
Accrued profit sharing bonus to employees and compensation to directors	64,247	58,164
Other non-current liabilities	(1,514)	852
Cash generated from operations	871,634	586,226
Interest paid	(710)	(739)
Income taxes paid	(174,094)	(149,353)
Net cash generated by operating activities	696,830	436,134
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through profit or loss	(110,242)	(89,894)
Proceeds from sale of financial assets at fair value through profit or loss	52,513	61,316
Purchase of financial assets at measured at cost	80,000	-
Payments for property, plant and equipment	(55,331)	(36,820)
(Increase) decrease in refundable deposits	(5,365)	84
Payments for intangible assets	(36,248)	(46,354)
Interest received	11,248	11,495
Net cash used in from investing activities	(63,425)	(100,173)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	280,000	-
Repayments of short-term borrowings	-	(50,000)

(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	
	2019	**2018**
Proceeds from short-term bills payable	69,982	69,982
Repayments of the principal portion of lease liabilities	(2,946)	-
Dividends paid to owners of the Company	(613,051)	(509,607)
Net cash used in financing activities	(266,015)	(489,625)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	7,711	24,645
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	375,101	(129,019)
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	$ 1,468,447	$ 724,917

(Concluded)