

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2021		December 31, 2020		March 31, 2020		LIABILITIES AND EQUITY	March 31, 2021		December 31, 2020		March 31, 2020	
	Reviewed		Audited		Reviewed			Reviewed		Audited		Reviewed	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							CURRENT LIABILITIES						
Cash and cash equivalents	\$ 1,742,387	42	\$ 1,548,713	42	\$ 1,636,418	43	Trade payables	\$ 120,816	3	\$ 87,414	2	\$ 186,538	5
Financial assets at fair value through profit or loss - current	436,308	11	352,850	10	317,578	8	Payables to related parties	-	-	13,208	-	39,900	1
Trade receivable, net	580,747	14	515,341	14	564,688	15	Accrued employees' compensation and remuneration of directors	44,037	1	121,913	3	45,518	1
Receivables from related parties, net	-	-	-	-	1,160	-	Cash dividends payables	892,204	22	-	-	752,946	20
Inventories	135,577	3	166,062	4	151,845	4	Other payables	77,418	2	54,349	2	42,065	1
Prepayments and other current assets	102,781	3	92,218	2	24,072	1	Current tax liabilities	213,471	5	149,615	4	201,763	5
							Provisions - current	34,194	1	32,809	1	28,041	1
Total current assets	2,997,800	73	2,675,184	72	2,695,761	71	Lease liabilities - current	24,268	-	23,939	1	23,951	-
							Other current liabilities	120,943	3	106,349	3	147,642	4
NON-CURRENT ASSETS							Total current liabilities	1,527,351	37	589,596	16	1,468,364	38
Financial assets at fair value through profit or loss - non-current	82,588	2	-	-	-	-	NON-CURRENT LIABILITIES						
Property, plant and equipment	163,941	4	143,889	4	171,128	4	Deferred tax liabilities	49,782	1	49,209	1	62,838	2
Right-of-use assets	84,754	2	89,749	3	109,729	3	Lease liabilities - non-current	56,825	2	61,702	2	80,129	2
Goodwill	369,040	9	369,040	10	369,040	10	Provisions - non-current	6,447	-	6,447	-	6,447	-
Other Intangible assets, net	359,597	9	379,252	10	413,890	11	Total non-current liabilities	113,054	3	117,358	3	149,414	4
Deferred tax assets	43,060	1	40,144	1	44,378	1							
Refundable deposits	10,420	-	10,420	-	10,984	-	Total liabilities	1,640,405	40	706,954	19	1,617,778	42
Other non-current assets	-	-	2,954	-	-	-	SHAREHOLDERS' EQUITY						
Total non-current assets	1,113,400	27	1,035,448	28	1,119,149	29	Capital						
							Share capital	343,155	8	343,200	9	342,248	9
							Stock dividend to distributed	108,367	3	-	-	92,361	3
							Total capital	451,522	11	343,200	9	434,609	12
							Capital surplus	1,269,301	31	1,273,540	34	1,183,201	31
							Retained earnings						
							Legal reserve	369,858	9	369,858	10	286,740	7
							Special reserve	34,592	1	34,592	1	31,499	1
							Unappropriated earnings	383,006	9	1,028,380	28	328,108	9
							Total retained earnings	787,456	19	1,432,830	39	646,347	17
							Other equity	(37,484)	(1)	(45,892)	(1)	(67,025)	(2)
							Total equity	2,470,795	60	3,003,678	81	2,197,132	58
TOTAL	\$ 4,111,200	100	\$ 3,710,632	100	\$ 3,814,910	100	TOTAL	\$ 4,111,200	100	\$ 3,710,632	100	\$ 3,814,910	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			
	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE				
Sale	\$ 750,035	100	\$ 732,219	100
Other operating revenue	<u>480</u>	<u>-</u>	<u>149</u>	<u>-</u>
Total operating revenue	750,515	100	732,368	100
OPERATING COSTS	<u>270,662</u>	<u>36</u>	<u>275,315</u>	<u>38</u>
GROSS PROFIT	<u>479,853</u>	<u>64</u>	<u>457,053</u>	<u>62</u>
OPERATING EXPENSES				
Selling and marketing expenses	16,206	2	18,687	3
General and administrative expenses	35,813	5	32,338	4
Research and development expenses	<u>121,718</u>	<u>16</u>	<u>113,384</u>	<u>15</u>
Total operating expenses	<u>173,737</u>	<u>23</u>	<u>164,409</u>	<u>22</u>
INCOME FROM OPERATIONS	<u>306,116</u>	<u>41</u>	<u>292,644</u>	<u>40</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	1,602	-	3,311	-
Other income	1,603	-	395	-
Other gains and losses	(16)	-	(17,486)	(2)
Finance costs	<u>(425)</u>	<u>-</u>	<u>(542)</u>	<u>-</u>
Total non-operating income and expenses, net	<u>2,764</u>	<u>-</u>	<u>(14,322)</u>	<u>(2)</u>
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	308,880	41	278,322	38
INCOME TAX EXPENSE	<u>62,050</u>	<u>8</u>	<u>60,116</u>	<u>8</u>
NET INCOME FOR THE PERIOD	246,830	33	218,206	30
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating financial statements of foreign operations	<u>(54)</u>	<u>-</u>	<u>(339)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 246,776</u>	<u>33</u>	<u>\$ 217,867</u>	<u>30</u>

(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			
	2021		2020	
	Amount	%	Amount	%
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 246,830	33	\$ 218,206	30
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO:				
Owners of the Company	\$ 246,884	33	\$ 217,867	30
EARNINGS PER SHARE				
Basic	\$ 7.21		\$ 6.39	
Diluted	\$ 7.18		\$ 6.36	

(Concluded)

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY THREE MONTHS ENDED MARCH 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	Share Capital - Ordinary Shares			Capital Surplus	Retained Earnings			Other Equity		Total Equity
	Shares (In Thousands)	Amount	Stock Bonus to be Distributed		Legal Reserve	Special Reserve	Unappropriated Earnings	Employee Unearned Compensation	Exchange Differences on Translation of the Financial Statement of Foreign Operations	
BALANCE AT JANUARY 1, 2020	34,184	\$ 341,848	\$ -	\$ 1,145,044	\$ 286,740	\$ 31,499	\$ 862,848	\$ (32,371)	\$ (2,222)	\$ 2,633,386
Appropriations of prior year's earnings										
Cash dividends to shareholders - NT\$22.00 per share	-	-	-	-	-	-	(752,946)	-	-	(752,946)
Net income for the three months ended March 31, 2020	-	-	-	-	-	-	218,206	-	-	218,206
Other comprehensive loss after tax	-	-	-	-	-	-	-	-	(339)	(339)
Comprehensive income (loss) for the three months ended March 31, 2020	-	-	-	-	-	-	218,206	-	(339)	217,867
Employee stock bonus	-	-	92,361	-	-	-	-	-	-	92,361
Issuance of restricted stock under employees share options on March 2, 2020	40	400	-	38,157	-	-	-	(38,557)	-	-
Compensation cost of restricted shares for employees	-	-	-	-	-	-	-	6,464	-	6,464
BALANCE AT March 31, 2020	<u>34,224</u>	<u>\$ 342,248</u>	<u>\$ 92,361</u>	<u>\$ 1,183,201</u>	<u>\$ 286,740</u>	<u>\$ 31,499</u>	<u>\$ 328,108</u>	<u>\$ (64,464)</u>	<u>\$ (2,561)</u>	<u>\$ 2,197,132</u>
BALANCE AT JANUARY 1, 2021	34,320	\$ 343,200	\$ -	\$ 1,273,540	\$ 369,858	\$ 34,592	\$ 1,028,380	\$ (41,675)	\$ (4,217)	\$ 3,003,678
Appropriations of prior year's earnings										
Cash dividends to shareholders - NT\$26.00 per share	-	-	-	-	-	-	(892,204)	-	-	(892,204)
Net income for the three months ended March 31, 2021	-	-	-	-	-	-	246,830	-	-	246,830
Other comprehensive income after tax	-	-	-	-	-	-	-	-	54	54
Comprehensive income for the three months ended March 31, 2021	-	-	-	-	-	-	246,830	-	54	246,884
Employee stock bonus	-	-	108,367	-	-	-	-	-	-	108,367
Issuance of restricted stock under employees share options on March 8, 2021	(5)	(45)	-	(4,239)	-	-	-	4,284	-	-
Compensation cost of restricted shares for employees	-	-	-	-	-	-	-	4,070	-	4,070
BALANCE AT March 31, 2021	<u>34,315</u>	<u>\$ 343,155</u>	<u>\$ 108,367</u>	<u>\$ 1,269,301</u>	<u>\$ 369,858</u>	<u>\$ 34,592</u>	<u>\$ 383,006</u>	<u>\$ (33,321)</u>	<u>\$ (4,163)</u>	<u>\$ 2,470,795</u>

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	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 308,880	\$ 278,322
Adjustments for:		
Depreciation expense	22,381	22,865
Amortization expense	30,574	28,155
Net loss on fair value changes of financial assets designated as at fair value through profit or loss	130	21,574
Finance costs	425	542
Interest income	(1,602)	(3,311)
Compensation cost of employee restricted shares	4,070	6,464
Loss on disposal of Property, plant and equipment	-	64
(Reversal) write-down of inventories	(1,349)	545
Net gain on foreign currency exchange	(20,228)	(20,908)
Recognition of provisions	1,385	1,470
Changes in operating assets and liabilities:		
Trade receivables (include related parties)	(54,938)	77,482
Inventories	31,834	(70,312)
Other current assets	(9,784)	(3,749)
Trade payables (include related parties)	15,942	67,739
Other payables	(8,719)	(4,546)
Other current liabilities	14,229	3,921
Accrued employees' compensation and remuneration of directors	30,491	34,378
Other non-current liabilities	-	(108)
Cash generated from operations	363,721	440,587
Interest paid	(425)	(542)
Income taxes paid	(537)	(201)
Net cash generated from operating activities	362,759	439,844
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through profit or loss	(166,176)	(176,211)
Payments for Property, plant and equipment	(8,912)	(58,365)
Disposal of property, plant and equipment	-	102
Decrease in refundable deposits	-	954
Payments for intangible assets	(3,429)	-
Interest received	854	3,405
Net cash used in investing activities	(177,663)	(230,115)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of the principal portion of lease liabilities	(6,090)	(5,995)
Net cash used in financing activities	(6,090)	(5,995)

(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	
	2021	2020
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>14,668</u>	<u>10,725</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	193,674	214,459
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	<u>1,548,713</u>	<u>1,421,959</u>
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u>\$ 1,742,387</u>	<u>\$ 1,636,418</u> (Concluded)