

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2021 Reviewed		December 31, 2020 Audited		June 30, 2020 Reviewed		LIABILITIES AND EQUITY	June 30, 2021 Reviewed		December 31, 2020 Audited		June 30, 2020 Reviewed	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							CURRENT LIABILITIES						
Cash and cash equivalents	\$ 2,183,909	48	\$ 1,548,713	42	\$ 1,603,881	41	Short-term borrowings	\$ 100,000	2	\$ -	-	\$ 440,000	11
Financial assets at fair value through profit or loss - current	440,070	10	352,850	10	339,816	9	Short-term bills payable	-	-	-	-	149,909	4
Trade receivable, net	714,135	15	515,341	14	702,796	18	Trade payables	192,783	4	87,414	2	248,780	6
Receivables from related parties, net	-	-	-	-	-	-	Payables to related parties	-	-	13,208	-	4,571	-
Inventories	137,948	3	166,062	4	213,737	5	Accrued employees' compensation and remuneration of directors	80,600	2	121,913	3	78,150	2
Prepayments and other current assets	15,652	-	92,218	2	18,422	-	Cash dividends payables	892,204	19	-	-	-	-
							Other payables	78,220	2	54,349	2	51,500	1
Total current assets	3,491,714	76	2,675,184	72	2,878,652	73	Current tax liabilities	170,295	4	149,615	4	151,240	4
NON-CURRENT ASSETS							Provisions - current	36,046	1	32,809	1	30,146	1
Financial assets at fair value through profit or loss - non-current	83,993	2	-	-	-	-	Lease liabilities - current	24,110	-	23,939	1	23,999	1
Property, plant and equipment	162,914	4	143,889	4	156,196	4	Other current liabilities	128,987	3	106,349	3	94,418	2
Right-of-use assets	78,055	2	89,749	3	103,010	3							
Goodwill	369,040	8	369,040	10	369,040	9	Total current liabilities	1,703,245	37	589,596	16	1,272,713	32
Other Intangible assets, net	334,795	7	379,252	10	386,261	10	NON-CURRENT LIABILITIES						
Deferred tax assets	44,275	1	40,144	1	34,460	1	Deferred tax liabilities	39,810	1	49,209	1	57,791	2
Refundable deposits	10,413	-	10,420	-	10,393	-	Lease liabilities - non-current	50,696	1	61,702	2	73,917	2
Other non-current assets	-	-	2,954	-	-	-	Provisions - non-current	6,447	-	6,447	-	6,447	-
Total non-current assets	1,083,485	24	1,035,448	28	1,059,360	27	Total non-current liabilities	96,953	2	117,358	3	138,155	4
							Total liabilities	1,800,198	39	706,954	19	1,410,868	36
							SHAREHOLDERS' EQUITY						
							Capital						
							Share capital	343,155	8	343,200	9	342,248	9
							Stock dividend to be distributed	108,367	2	-	-	92,361	2
							Total capital	451,522	10	343,200	9	434,609	11
							Capital surplus	1,269,301	28	1,273,540	34	1,183,201	30
							Retained earnings						
							Legal reserve	470,328	10	369,858	10	369,858	10
							Special reserve	45,891	1	34,592	1	34,592	1
							Unappropriated earnings	572,706	13	1,028,380	28	564,662	14
							Total retained earnings	1,088,925	24	1,432,830	39	969,112	25
							Other equity	(34,747)	(1)	(45,892)	(1)	(59,778)	(2)
							Total equity	2,775,001	61	3,003,678	81	2,527,144	64
TOTAL	\$ 4,575,199	100	\$ 3,710,632	100	\$ 3,938,012	100	TOTAL	\$ 4,575,199	100	\$ 3,710,632	100	\$ 3,938,012	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 June 30				For the Six Months Ended June 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Sales	\$ 916,265	100	\$ 901,353	100	\$ 1,666,300	100	\$ 1,633,572	100
Other operating revenue	171	-	-	-	651	-	149	-
Total operating revenue	916,436	100	901,353	100	1,666,951	100	1,633,721	100
OPERATING COSTS	318,169	35	338,661	38	588,831	35	613,976	37
GROSS PROFIT	598,267	65	562,692	62	1,078,120	65	1,019,745	63
OPERATING EXPENSES								
Selling and marketing expenses	16,988	2	23,470	2	33,194	2	42,157	3
General and administrative expenses	36,945	4	33,181	4	72,758	4	65,519	4
Research and development expenses	135,105	15	116,473	13	256,823	16	229,857	14
Total operating expenses	189,038	21	173,124	19	362,775	22	337,533	21
PROFIT FROM OPERATIONS	409,229	44	389,568	43	715,345	43	682,212	42
NON-OPERATING INCOME AND EXPENSES								
Interest income	1,003	-	2,923	1	2,605	-	6,234	-
Other income	1,188	-	1,635	-	2,791	-	2,030	-
Other gains and losses	(40,538)	(4)	(1,058)	-	(40,554)	(2)	(18,544)	(1)
Finance costs	(536)	-	(671)	-	(961)	-	(1,213)	-
Total non-operating income and expenses	(38,883)	(4)	2,829	1	(36,119)	(2)	(11,493)	(1)
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	370,346	40	392,397	44	679,226	41	670,719	41
INCOME TAX EXPENSE	68,877	7	69,632	8	130,927	8	129,748	8
NET PROFIT FOR THE PERIOD	301,469	33	322,765	36	548,299	33	540,971	33
OTHER COMPREHENSIVE INCOME (LOSS)								
Items reclassified subsequently to profit or loss:								
Exchange differences on translating financial statement of foreign operations	(953)	-	(649)	-	(899)	-	(988)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	\$ 300,516	33	\$ 322,116	36	\$ 547,400	33	\$ 539,983	33
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	\$ 301,469	33	\$ 322,765	36	\$ 548,299	33	\$ 540,971	33
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 300,516	33	\$ 322,116	36	\$ 547,400	33	\$ 539,983	33
EARNINGS PER SHARE								
Basic	\$ 8.81		\$ 9.46		\$ 16.00		\$ 15.83	
Diluted	\$ 8.78		\$ 9.43		\$ 15.94		\$ 15.76	

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	Share Capital			Capital Surplus	Retained Earnings			Other		Total Equity
	Shares (In Thousands)	Amount	Stock Bonus to be Distributed		Legal Reserve	Special Reserve	Unappropriated Earnings	Employee Unearned Compensation	Exchange Differences on Translating 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 2019 earnings										
Legal reserve	-	-	-	-	83,118	-	(83,118)	-	-	-
Special reserve	-	-	-	-	-	3,093	(3,093)	-	-	-
Cash dividends to shareholders - NT\$22.00 per share	-	-	-	-	-	-	(752,946)	-	-	(752,946)
Net income for the six months ended June 30, 2020	-	-	-	-	-	-	540,971	-	-	540,971
Other comprehensive loss after tax for the six months ended June 30, 2020	-	-	-	-	-	-	-	-	(988)	(988)
Comprehensive income (loss) for the six months ended June 30, 2020	-	-	-	-	-	-	540,971	-	(988)	539,983
Employee stock bonus- Record date: August 10, 2020	-	-	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	-	-	-	-	-	-	-	14,360	-	14,360
BALANCE AT JUNE 30, 2020	34,224	\$ 342,248	\$ 92,361	\$ 1,183,201	\$ 369,858	\$ 34,592	\$ 564,662	\$ (56,568)	\$ (3,210)	\$ 2,527,144
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 2020 earnings										
Legal reserve	-	-	-	-	100,470	-	(100,470)	-	-	-
Special reserve	-	-	-	-	-	11,299	(11,299)	-	-	-
Cash dividends to shareholders - NT\$26.00 per share	-	-	-	-	-	-	(892,204)	-	-	(892,204)
Net income for the six months ended June 30, 2021	-	-	-	-	-	-	548,299	-	-	548,299
Other comprehensive loss after tax for the six months ended June 30, 2021	-	-	-	-	-	-	-	-	(899)	(899)
Comprehensive income (loss) for the six months ended June 30, 2021	-	-	-	-	-	-	548,299	-	(899)	547,400
Employee stock bonus- Record date: August 2, 2020	-	-	108,367	-	-	-	-	-	-	108,367
Issuance of restricted stock under employees share options on March 8, 2020	(5)	(45)	-	(4,239)	-	-	-	4,284	-	-
Compensation cost of restricted shares for employees	-	-	-	-	-	-	-	7,760	-	7,760
BALANCE AT JUNE 30, 2021	34,315	\$ 343,155	\$ 108,367	\$ 1,269,301	\$ 470,328	\$ 45,891	\$ 572,706	\$ (29,631)	\$ (5,116)	\$ 2,775,001

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	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 679,226	\$ 670,719
Adjustments for:		
Depreciation expense	46,582	45,844
Amortization expense	61,888	56,334
Net loss (gain) on fair value changes of financial assets at fair value through profit or loss	(5,039)	5,258
Finance costs	961	1,213
Interest income	(2,605)	(6,234)
Compensation cost	7,760	14,360
Loss on disposal of property, plant and equipment	-	102
Write-down (Reversal of write-down) of inventories	(3,656)	2,864
Net Loss (gain) on foreign currency exchange	12,241	(13,063)
Recognition of provisions	3,237	3,575
Changes in operating assets and liabilities:		
Trade receivables (include related parties)	(195,408)	(69,123)
Inventories	31,770	(134,523)
Other current asset	76,563	1,687
Trade payables (include related parties)	90,016	97,055
Other payables	531	7,004
Other current liabilities	24,646	(48,294)
Accrued employees' compensation and remuneration of directors	67,054	67,010
Other non-current liabilities	-	(108)
Cash generated from operations	895,767	701,680
Interest paid	(896)	(1,082)
Income taxes paid	(123,777)	(115,485)
Net cash generated from operating activities	771,094	585,113
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through profit or loss	(166,174)	(182,133)
Payments for property, plant and equipment	(26,310)	(62,126)
Proceeds from disposal of property, plant and equipment	-	64
Decrease (increase) in refundable deposit	7	1,545
Payments for intangible assets	(17,431)	(550)
Interest received	2,605	6,536
Net cash used in investing activities	(207,303)	(236,664)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	\$ 100,000	\$ 440,000
Proceeds from short-term bills payable	-	149,909

(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	
	2021	2020
Repayments of the principal portion of lease liabilities	(12,175)	(11,920)
Dividends paid to owners of the Company	<u>-</u>	<u>(752,946)</u>
Net cash used in financing activities	<u>87,825</u>	<u>(174,957)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>(16,420)</u>	<u>8,430</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	635,196	181,922
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,548,713</u>	<u>1,421,959</u>
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u>\$ 2,183,909</u>	<u>\$ 1,603,881</u>

(Concluded)