

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2021		December 31, 2020		September 30, 2020	
	Reviewed		Audited		Reviewed	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents	\$ 1,899,078	44	\$ 1,548,713	42	\$ 1,642,556	43
Financial assets at fair value through profit or loss - current	463,858	11	352,850	10	297,844	8
Trade receivable, net	701,120	16	515,341	14	509,239	13
Inventories	142,983	3	166,062	4	286,933	8
Prepayments and other current assets	<u>18,792</u>	<u>1</u>	<u>92,218</u>	<u>2</u>	<u>49,547</u>	<u>1</u>
Total current assets	<u>3,225,831</u>	<u>75</u>	<u>2,675,184</u>	<u>72</u>	<u>2,786,119</u>	<u>73</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current	83,296	2	-	-	-	-
Property, plant and equipment	185,046	4	143,889	4	145,263	4
Right-of-use assets	71,534	2	89,749	3	96,379	2
Goodwill	369,040	9	369,040	10	369,040	10
Other Intangible assets, net	304,068	7	379,252	10	384,981	10
Deferred tax assets	48,039	1	40,144	1	37,167	1
Refundable deposits	10,413	-	10,420	-	10,388	-
Other non-current assets	<u>-</u>	<u>-</u>	<u>2,954</u>	<u>-</u>	<u>3,930</u>	<u>-</u>
Total non-current assets	<u>1,071,436</u>	<u>25</u>	<u>1,035,448</u>	<u>28</u>	<u>1,047,148</u>	<u>27</u>
TOTAL	<u>\$ 4,297,267</u>	<u>100</u>	<u>\$ 3,710,632</u>	<u>100</u>	<u>\$ 3,833,267</u>	<u>100</u>

LIABILITIES AND EQUITY	September 30, 2021		December 31, 2020		September 30, 2020	
	Reviewed		Audited		Reviewed	
	Amount	%	Amount	%	Amount	%
CURRENT LIABILITIES						
Short-term borrowings	\$ 300,000	7	\$ -	-	\$ 290,000	8
Trade payables	227,121	5	87,414	2	211,061	5
Payables to related parties	-	-	13,208	-	11,619	-
Accrued employees' compensation and remuneration of directors	109,891	2	121,913	3	95,709	2
Other payables	89,400	2	54,349	2	58,093	2
Current tax liabilities	141,307	3	149,615	4	108,707	3
Provisions - current	37,715	1	32,809	1	31,489	1
Lease liabilities - current	24,025	1	23,939	1	24,089	1
Other current liabilities	<u>153,673</u>	<u>4</u>	<u>106,349</u>	<u>3</u>	<u>108,799</u>	<u>3</u>
Total current liabilities	<u>1,083,132</u>	<u>25</u>	<u>589,596</u>	<u>16</u>	<u>939,566</u>	<u>25</u>
NON-CURRENT LIABILITIES						
Deferred tax liabilities	39,080	1	49,209	1	52,909	1
Lease liabilities - non-current	44,637	1	61,702	2	67,713	2
Provisions - non-current	<u>6,447</u>	<u>-</u>	<u>6,447</u>	<u>-</u>	<u>6,447</u>	<u>-</u>
Total non-current liabilities	<u>90,164</u>	<u>2</u>	<u>117,358</u>	<u>3</u>	<u>127,069</u>	<u>3</u>
Total liabilities	<u>1,173,296</u>	<u>27</u>	<u>706,954</u>	<u>19</u>	<u>1,066,635</u>	<u>28</u>
SHAREHOLDERS' EQUITY						
Capital						
Share capital	<u>343,730</u>	<u>8</u>	<u>343,200</u>	<u>9</u>	<u>343,200</u>	<u>9</u>
Capital surplus	<u>1,374,521</u>	<u>32</u>	<u>1,273,540</u>	<u>34</u>	<u>1,273,540</u>	<u>33</u>
Retained earnings						
Legal reserve	470,328	11	369,858	10	369,858	9
Special reserve	45,891	1	34,592	1	34,592	1
Unappropriated earnings	<u>916,968</u>	<u>21</u>	<u>1,028,380</u>	<u>28</u>	<u>797,792</u>	<u>21</u>
Total retained earnings	<u>1,433,187</u>	<u>33</u>	<u>1,432,830</u>	<u>39</u>	<u>1,202,242</u>	<u>31</u>
Other equity	<u>(27,467)</u>	<u>-</u>	<u>(45,892)</u>	<u>(1)</u>	<u>(52,350)</u>	<u>(1)</u>
Total equity	<u>3,123,971</u>	<u>73</u>	<u>3,003,678</u>	<u>81</u>	<u>2,766,632</u>	<u>72</u>
TOTAL	<u>\$ 4,297,267</u>	<u>100</u>	<u>\$ 3,710,632</u>	<u>100</u>	<u>\$ 3,833,267</u>	<u>100</u>

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			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Sales	\$ 939,001	100	\$ 732,508	100	\$ 2,605,301	100	\$ 2,366,080	100
Other operating revenue	<u>333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>984</u>	<u>-</u>	<u>149</u>	<u>-</u>
Total operating revenue	939,334	100	732,508	100	2,606,285	100	2,366,229	100
OPERATING COSTS	<u>324,276</u>	<u>34</u>	<u>266,186</u>	<u>36</u>	<u>913,107</u>	<u>35</u>	<u>880,162</u>	<u>37</u>
GROSS PROFIT	<u>615,058</u>	<u>66</u>	<u>466,322</u>	<u>64</u>	<u>1,693,178</u>	<u>65</u>	<u>1,486,067</u>	<u>63</u>
OPERATING EXPENSES								
Selling and marketing expenses	13,439	2	16,143	2	46,633	2	58,300	2
General and administrative expenses	39,026	4	33,387	5	111,784	4	98,906	4
Research and development expenses	<u>121,566</u>	<u>13</u>	<u>115,015</u>	<u>16</u>	<u>378,389</u>	<u>14</u>	<u>344,872</u>	<u>15</u>
Total operating expenses	<u>174,031</u>	<u>19</u>	<u>164,545</u>	<u>23</u>	<u>536,806</u>	<u>20</u>	<u>502,078</u>	<u>21</u>
PROFIT FROM OPERATIONS	<u>441,027</u>	<u>47</u>	<u>301,777</u>	<u>41</u>	<u>1,156,372</u>	<u>45</u>	<u>983,989</u>	<u>42</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	5,641	-	2,932	1	8,246	-	9,166	-
Other income	1,222	-	2,148	-	4,013	-	4,178	-
Other gains and losses	(12,454)	(1)	(14,673)	(2)	(53,008)	(2)	(33,217)	(1)
Finance costs	<u>(1,770)</u>	<u>-</u>	<u>(1,480)</u>	<u>-</u>	<u>(2,731)</u>	<u>-</u>	<u>(2,693)</u>	<u>-</u>
Total non-operating income and expenses	<u>(7,361)</u>	<u>(1)</u>	<u>(11,073)</u>	<u>(1)</u>	<u>(43,480)</u>	<u>(2)</u>	<u>(22,566)</u>	<u>(1)</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	433,666	46	290,704	40	1,112,892	43	961,423	41
INCOME TAX EXPENSE	<u>89,404</u>	<u>9</u>	<u>57,574</u>	<u>8</u>	<u>220,331</u>	<u>9</u>	<u>187,322</u>	<u>8</u>
NET PROFIT FOR THE PERIOD	344,262	37	233,130	32	892,561	34	774,101	33
OTHER COMPREHENSIVE INCOME(LOSS)								
Items reclassified subsequently to profit or loss:								
Exchange differences arising on translating financial statement of foreign operations	<u>6</u>	<u>-</u>	<u>(301)</u>	<u>-</u>	<u>(893)</u>	<u>-</u>	<u>(1,289)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 344,268</u>	<u>37</u>	<u>\$ 232,829</u>	<u>32</u>	<u>\$ 891,668</u>	<u>34</u>	<u>\$ 772,812</u>	<u>33</u>
NET PROFIT 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			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
Owners of the Company	<u>\$ 344,262</u>	<u>37</u>	<u>\$ 233,130</u>	<u>32</u>	<u>\$ 892,561</u>	<u>34</u>	<u>\$ 774,101</u>	<u>33</u>
TOTAL COMPREHENSIVE INCOME								
ATTRIBUTABLE TO:								
Owners of the Company	<u>\$ 344,268</u>	<u>37</u>	<u>\$ 232,829</u>	<u>32</u>	<u>\$ 891,668</u>	<u>34</u>	<u>\$ 772,812</u>	<u>33</u>
EARNINGS PER SHARE								
Basic	<u>\$ 10.04</u>		<u>\$ 6.82</u>		<u>\$ 26.04</u>		<u>\$ 22.64</u>	
Diluted	<u>\$ 10.01</u>		<u>\$ 6.80</u>		<u>\$ 25.94</u>		<u>\$ 22.54</u>	

(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		Capital Surplus	Retained Earnings			Others		Total Equity
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Employee Unearned Compensation	Exchange Differences Arising on Translations 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
Appropriation 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 nine months ended September 30, 2020	-	-	-	-	-	774,101	-	-	774,101
Other comprehensive loss after tax for the nine months ended September 30, 2020	-	-	-	-	-	-	-	(1,289)	(1,289)
Comprehensive income (loss) for the nine months ended September 30, 2020	-	-	-	-	-	774,101	-	(1,289)	772,812
Employee Stock Bonus - Record date: August 10, 2020	98	976	91,385	-	-	-	-	-	92,361
Issuance of restricted stock under employees share options on March 2, 2020	40	400	38,157	-	-	-	(38,557)	-	-
Cancellation of restricted stock under employees share options on August 3, 2020	(2)	(24)	(1,046)	-	-	-	1,070	-	-
Compensation cost of restricted stock for employees	-	-	-	-	-	-	21,019	-	21,019
BALANCE AT SEPTEMBER 30, 2020	34,320	\$ 343,200	\$ 1,273,540	\$ 369,858	\$ 34,592	\$ 797,792	\$ (48,839)	\$ (3,511)	\$ 2,766,632
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
Appropriation 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 nine months ended September 30, 2021	-	-	-	-	-	892,561	-	-	892,561
Other comprehensive income after tax for the nine months ended September 30, 2021	-	-	-	-	-	-	-	(893)	(893)
Comprehensive income for the nine months ended September 30, 2021	-	-	-	-	-	892,561	-	(893)	891,668
Employee Stock Bonus - Record date: August 13, 2021	60	602	107,763	-	-	-	-	-	108,365
Cancellation of restricted stock under employees share options on March 8, 2021	(5)	(45)	(4,239)	-	-	-	4,284	-	-
Cancellation of restricted stock under employees share options on August 11, 2021	(2)	(27)	(2,543)	-	-	-	2,570	-	-
Compensation cost of restricted stock for employees	-	-	-	-	-	-	12,464	-	12,464
BALANCE AT SEPTEMBER 30, 2021	34,373	\$ 343,730	\$ 1,374,521	\$ 470,328	\$ 45,891	\$ 916,968	\$ (22,357)	\$ (5,110)	\$ 3,123,971

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	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,112,892	\$ 961,423
Adjustments for:		
Depreciation expenses	70,160	69,059
Amortization expenses	93,392	85,529
Net loss on fair value changes of financial assets at fair value through profit or loss	6,797	6,985
Finance costs	2,731	2,693
Interest income	(8,246)	(9,166)
Compensation cost	12,464	21,019
Loss on disposal of property, plants and equipment	1,746	102
Net gain on disposal of financial assets	(378)	(7,740)
(Reversal of write-down) write-down of inventories	(1,217)	8,227
Net gain on foreign currency exchange	(1,503)	(6,047)
Recognition of provisions	4,906	4,918
Changes in operating assets and liabilities:		
Trade receivables (include related parties)	(178,750)	124,337
Inventories	24,296	(213,082)
Other current assets	73,432	(29,451)
Trade payables (include related parties)	126,011	66,491
Other payables	2,032	6,349
Other current liabilities	49,133	(32,616)
Accrued employees' compensation and remuneration of directors	96,343	84,569
Other non-current liabilities	-	(108)
Cash generated from operations	1,486,241	1,143,491
Interest paid	(2,604)	(2,617)
Income taxes paid	(246,663)	(223,181)
Net cash generated from operating activities	1,236,974	917,693
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	-	-
Purchase of financial assets at fair value through profit or loss	(219,111)	(201,888)
Proceeds from sale of financial assets at fair value through profit or loss	18,388	67,740
Payments for property, plant and equipment	(57,669)	(67,186)
Proceeds from disposal of property, plant and equipment	-	64
Decrease in refundable deposits	7	1,550
Payments for intangible assets	(18,208)	(22,834)
Increase in prepayments for equipment	-	(2,846)
Interest received	8,246	9,468
Net cash used in investing activities	(268,347)	(215,932)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	300,000	290,000
Repayments of the principal portion of lease liabilities	(18,316)	(17,822)
Dividends paid to owners of the Company	(892,204)	(752,946)

(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	
	2021	2020
Net cash used in financing activities	\$ (610,520)	\$ (480,768)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>(7,742)</u>	<u>(396)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	350,365	220,597
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 THE PERIOD	<u>\$ 1,899,078</u>	<u>\$ 1,642,556</u>

(Concluded)