

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2022 Reviewed		December 31, 2021 Audited		June 30, 2021 Reviewed		LIABILITIES AND EQUITY	June 30, 2022 Reviewed		December 31, 2021 Audited		June 30, 2021 Reviewed	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							CURRENT LIABILITIES						
Cash and cash equivalents	\$ 2,915,658	49	\$ 1,977,448	43	\$ 2,183,909	48	Short-term borrowings	\$ -	-	\$ -	-	\$ 100,000	2
Financial assets at fair value through profit or loss - current	541,749	9	532,115	12	440,070	10	Trade payables	424,344	7	264,119	6	192,783	4
Trade receivable, net	1,245,619	21	828,723	18	714,135	15	Accrued employees' compensation and remuneration of directors	146,190	3	159,208	3	80,600	2
Inventories	264,969	5	157,513	4	137,948	3	Cash dividends payables	1,202,427	20	-	-	892,204	19
Prepayments and other current assets	<u>20,545</u>	<u>-</u>	<u>12,967</u>	<u>-</u>	<u>15,652</u>	<u>-</u>	Other payables	62,717	1	81,622	2	78,220	2
Total current assets	<u>4,988,540</u>	<u>84</u>	<u>3,508,766</u>	<u>77</u>	<u>3,491,714</u>	<u>76</u>	Current tax liabilities	313,498	5	222,026	5	170,295	4
NON-CURRENT ASSETS							Provisions - current	44,707	1	39,686	1	36,046	1
Financial assets at fair value through profit or loss - non-current	76,009	1	82,686	2	83,993	2	Lease liabilities - current	26,007	-	23,668	-	24,110	-
Property, plant and equipment	155,925	3	188,662	4	162,914	4	Other current liabilities	<u>147,944</u>	<u>3</u>	<u>140,868</u>	<u>3</u>	<u>128,987</u>	<u>3</u>
Right-of-use assets	54,346	1	63,909	2	78,055	2	Total current liabilities	<u>2,367,834</u>	<u>40</u>	<u>931,197</u>	<u>20</u>	<u>1,703,245</u>	<u>37</u>
Goodwill	369,040	6	369,040	8	369,040	8	NON-CURRENT LIABILITIES						
Other Intangible assets	223,100	4	272,637	6	334,795	7	Deferred tax liabilities	36,664	1	35,143	1	39,810	1
Deferred tax assets	52,997	1	48,978	1	44,275	1	Lease liabilities - non-current	26,276	-	37,689	1	50,696	1
Refundable deposits	10,393	-	10,411	-	10,413	-	Provisions - non-current	<u>6,447</u>	<u>-</u>	<u>6,447</u>	<u>-</u>	<u>6,447</u>	<u>-</u>
Other non-current assets	<u>19,776</u>	<u>-</u>	<u>11,593</u>	<u>-</u>	<u>-</u>	<u>-</u>	Total non-current liabilities	<u>69,387</u>	<u>1</u>	<u>79,279</u>	<u>2</u>	<u>96,953</u>	<u>2</u>
Total non-current assets	<u>961,586</u>	<u>16</u>	<u>1,047,916</u>	<u>23</u>	<u>1,083,485</u>	<u>24</u>	Total liabilities	<u>2,437,221</u>	<u>41</u>	<u>1,010,476</u>	<u>22</u>	<u>1,800,198</u>	<u>39</u>
							SHAREHOLDERS' EQUITY						
							Capital						
							Share capital	343,551	6	343,694	8	343,155	8
							Employee share bonus and share dividends to be distributed	<u>175,873</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>108,367</u>	<u>2</u>
							Total capital	<u>519,424</u>	<u>9</u>	<u>343,694</u>	<u>8</u>	<u>451,522</u>	<u>10</u>
							Capital surplus	<u>1,327,523</u>	<u>22</u>	<u>1,371,130</u>	<u>30</u>	<u>1,269,301</u>	<u>28</u>
							Retained earnings						
							Legal reserve	601,620	10	470,328	10	470,328	10
							Special reserve	22,169	-	45,891	1	45,891	1
							Unappropriated earnings	<u>1,058,812</u>	<u>18</u>	<u>1,337,332</u>	<u>30</u>	<u>572,706</u>	<u>13</u>
							Total retained earnings	<u>1,682,601</u>	<u>28</u>	<u>1,853,551</u>	<u>41</u>	<u>1,088,925</u>	<u>24</u>
							Other equity	<u>(16,643)</u>	<u>-</u>	<u>(22,169)</u>	<u>(1)</u>	<u>(34,747)</u>	<u>(1)</u>
							Total equity	<u>3,512,905</u>	<u>59</u>	<u>3,546,206</u>	<u>78</u>	<u>2,775,001</u>	<u>61</u>
TOTAL	<u>\$ 5,950,126</u>	<u>100</u>	<u>\$ 4,556,682</u>	<u>100</u>	<u>\$ 4,575,199</u>	<u>100</u>	TOTAL	<u>\$ 5,950,126</u>	<u>100</u>	<u>\$ 4,556,682</u>	<u>100</u>	<u>\$ 4,575,199</u>	<u>100</u>

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			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Sales	\$ 1,424,955	100	\$ 916,265	100	\$ 2,576,326	100	\$ 1,666,300	100
Other operating revenue	<u>377</u>	<u>-</u>	<u>171</u>	<u>-</u>	<u>515</u>	<u>-</u>	<u>651</u>	<u>-</u>
Total operating revenue	1,425,332	100	916,436	100	2,576,841	100	1,666,951	100
OPERATING COSTS	<u>496,349</u>	<u>35</u>	<u>318,169</u>	<u>35</u>	<u>891,213</u>	<u>35</u>	<u>588,831</u>	<u>35</u>
GROSS PROFIT	<u>928,983</u>	<u>65</u>	<u>598,267</u>	<u>65</u>	<u>1,685,628</u>	<u>65</u>	<u>1,078,120</u>	<u>65</u>
OPERATING EXPENSES								
Selling and marketing expenses	22,750	1	16,988	2	43,684	2	33,194	2
General and administrative expenses	51,290	4	36,945	4	103,409	4	72,758	4
Research and development expenses	<u>160,698</u>	<u>11</u>	<u>135,105</u>	<u>15</u>	<u>298,773</u>	<u>11</u>	<u>256,823</u>	<u>16</u>
Total operating expenses	<u>234,738</u>	<u>16</u>	<u>189,038</u>	<u>21</u>	<u>445,866</u>	<u>17</u>	<u>362,775</u>	<u>22</u>
INCOME FROM OPERATIONS	<u>694,245</u>	<u>49</u>	<u>409,229</u>	<u>44</u>	<u>1,239,762</u>	<u>48</u>	<u>715,345</u>	<u>43</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	3,799	-	1,003	-	5,531	-	2,605	-
Other income	1,630	-	1,188	-	2,947	-	2,791	-
Other gains and losses	12,068	1	(40,538)	(4)	52,942	2	(40,554)	(2)
Finance costs	<u>(392)</u>	<u>-</u>	<u>(536)</u>	<u>-</u>	<u>(689)</u>	<u>-</u>	<u>(961)</u>	<u>-</u>
Total non-operating income and expenses	<u>17,105</u>	<u>1</u>	<u>(38,883)</u>	<u>(4)</u>	<u>60,731</u>	<u>2</u>	<u>(36,119)</u>	<u>(2)</u>
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	711,350	50	370,346	40	1,300,493	50	679,226	41
INCOME TAX EXPENSE	<u>147,938</u>	<u>10</u>	<u>68,877</u>	<u>7</u>	<u>269,016</u>	<u>10</u>	<u>130,927</u>	<u>8</u>
NET INCOME FOR THE PERIOD	563,412	40	301,469	33	1,031,477	40	548,299	33
OTHER COMPREHENSIVE INCOME (LOSS)								
Items reclassified subsequently to profit or loss:								
Exchange differences on translating financial statement of foreign operations	<u>1,177</u>	<u>-</u>	<u>(953)</u>	<u>-</u>	<u>2,303</u>	<u>-</u>	<u>(899)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 564,589</u>	<u>40</u>	<u>\$ 300,516</u>	<u>33</u>	<u>\$ 1,033,780</u>	<u>40</u>	<u>\$ 547,400</u>	<u>33</u>
NET INCOME ATTRIBUTABLE TO:								
Owners of the Company	<u>\$ 563,412</u>	<u>40</u>	<u>\$ 301,469</u>	<u>33</u>	<u>\$ 1,031,477</u>	<u>40</u>	<u>\$ 548,299</u>	<u>33</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	<u>\$ 564,589</u>	<u>40</u>	<u>\$ 300,516</u>	<u>33</u>	<u>\$ 1,033,780</u>	<u>40</u>	<u>\$ 547,400</u>	<u>33</u>
EARNINGS PER SHARE								
Basic	<u>\$ 14.90</u>		<u>\$ 8.00</u>		<u>\$ 27.30</u>		<u>\$ 14.54</u>	
Diluted	<u>\$ 14.87</u>		<u>\$ 7.98</u>		<u>\$ 27.22</u>		<u>\$ 14.50</u>	

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

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

	Share Capital				Retained Earnings			Other		Total Equity
	Shares (In Thousands)	Amount	Share Bonus and Share Dividends to be Distributed	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Employee Unearned Compensation	Exchange Differences on Translating Foreign Operations	
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 share bonus - Record date: August 13, 2021	-	-	108,367	-	-	-	-	-	-	108,367
Cancellation of restricted share under employees share options on March 8, 2021	(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
BALANCE AT JANUARY 1, 2022	34,369	\$ 343,694	\$ -	\$ 1,371,130	\$ 470,328	\$ 45,891	\$ 1,337,332	\$ (16,785)	\$ (5,384)	\$ 3,546,206
Appropriations of 2021 earnings										
Legal reserve	-	-	-	-	131,292	-	(131,292)	-	-	-
Special reserve	-	-	-	-	-	(23,722)	23,722	-	-	-
Cash dividends to shareholders - NT\$35.00 per share	-	-	-	-	-	-	(1,202,427)	-	-	(1,202,427)
Issuance of common share from capital surplus - Record date: July 4, 2022	-	-	34,355	(34,355)	-	-	-	-	-	-
Net income for the six months ended June 30, 2022	-	-	-	-	-	-	1,031,477	-	-	1,031,477
Other comprehensive income after tax for the six months ended June 30, 2022	-	-	-	-	-	-	-	-	2,303	2,303
Comprehensive income for the six months ended June 30, 2022	-	-	-	-	-	-	1,031,477	-	2,303	1,033,780
Cancellation of restricted share under employees share options on March 7, 2022	(14)	(143)	-	(9,252)	-	-	-	9,395	-	-
Employee share bonus	-	-	141,518	-	-	-	-	-	-	141,518
Compensation cost of restricted shares for employees	-	-	-	-	-	-	-	(6,172)	-	(6,172)
BALANCE AT JUNE 30, 2022	34,355	\$ 343,551	\$ 175,873	\$ 1,327,523	\$ 601,620	\$ 22,169	\$ 1,058,812	\$ (13,562)	\$ (3,081)	\$ 3,512,905

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	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,300,493	\$ 679,226
Adjustments for:		
Depreciation expense	48,738	46,582
Amortization expense	64,623	61,888
Net loss (gain) on fair value changes of financial assets at fair value through loss or profit	38,447	(5,039)
Finance costs	689	961
Interest income	(5,531)	(2,605)
(Reversal) recognition of compensation cost of employee restricted shares	(6,172)	7,760
Loss on disposal of financial instruments	4,443	-
Write-down (reversal) of inventories	6,663	(3,656)
Net (gain) loss on foreign currency exchange	(42,343)	12,241
Recognition of provisions	5,021	3,237
Changes in operating assets and liabilities:		
Trade receivables	(397,601)	(195,408)
Inventories	(114,119)	31,770
Other current asset	(7,602)	76,563
Trade payables	156,170	90,016
Other payables	(2,351)	531
Other current liabilities	(925)	24,646
Accrued employees' compensation and remuneration of directors	128,500	67,054
Cash generated from operations	1,177,143	895,767
Interest paid	(689)	(896)
Income taxes paid	(180,042)	(123,777)
Net cash generated from operating activities	996,412	771,094
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through profit or loss	(50,983)	(166,174)
Disposal of financial assets at fair value through profit or loss	5,134	-
Payments for property, plant and equipment	(19,952)	(26,310)
Decrease in refundable deposit	18	7
Payments for intangible assets	(23,362)	(17,431)
Interest received	5,533	2,605
Net cash used in investing activities	(83,612)	(207,303)

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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	
	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	\$ -	\$ 100,000
Repayments of the principal portion of lease liabilities	<u>(12,269)</u>	<u>(12,175)</u>
Net cash (used in) generated from financing activities	<u>(12,269)</u>	<u>87,825</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>37,679</u>	<u>(16,420)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	938,210	635,196
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,977,448</u>	<u>1,548,713</u>
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u>\$ 2,915,658</u>	<u>\$ 2,183,909</u> (Concluded)