

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	September 30, 2022		December 31, 2021		September 30, 2021	
	Reviewed		Audited		Reviewed	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents	\$ 2,502,407	47	\$ 1,977,448	43	\$ 1,899,078	44
Financial assets at fair value through profit or loss - current	522,361	10	532,115	12	463,858	11
Trade receivable, net	940,215	17	828,723	18	701,120	16
Inventories	370,605	7	157,513	4	142,983	3
Prepayments and other current assets	<u>37,030</u>	<u>1</u>	<u>12,967</u>	<u>-</u>	<u>18,792</u>	<u>1</u>
Total current assets	<u>4,372,618</u>	<u>82</u>	<u>3,508,766</u>	<u>77</u>	<u>3,225,831</u>	<u>75</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current	76,628	1	82,686	2	83,296	2
Property, plant and equipment	215,513	4	188,662	4	185,046	4
Right-of-use assets	47,892	1	63,909	2	71,534	2
Goodwill	369,040	7	369,040	8	369,040	9
Other Intangible assets	191,491	4	272,637	6	304,068	7
Deferred tax assets	49,807	1	48,978	1	48,039	1
Refundable deposits	10,415	-	10,411	-	10,413	-
Other non-current assets	<u>19,776</u>	<u>-</u>	<u>11,593</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-current assets	<u>980,562</u>	<u>18</u>	<u>1,047,916</u>	<u>23</u>	<u>1,071,436</u>	<u>25</u>
TOTAL	<u>\$ 5,353,180</u>	<u>100</u>	<u>\$ 4,556,682</u>	<u>100</u>	<u>\$ 4,297,267</u>	<u>100</u>

	September 30, 2022		December 31, 2021		September 30, 2021	
	Reviewed		Audited		Reviewed	
LIABILITIES AND EQUITY	Amount	%	Amount	%	Amount	%
CURRENT LIABILITIES						
Short-term borrowings	\$ -	-	\$ -	-	\$ 300,000	7
Trade payables	353,976	7	264,119	6	227,121	5
Accrued employees' compensation and remuneration of directors	202,240	4	159,208	3	109,891	2
Other payables	130,358	2	81,622	2	89,400	2
Current tax liabilities	269,200	5	222,026	5	141,307	3
Provisions - current	47,141	1	39,686	1	37,715	1
Lease liabilities - current	25,826	-	23,668	-	24,025	1
Other current liabilities	<u>117,464</u>	<u>2</u>	<u>140,868</u>	<u>3</u>	<u>153,673</u>	<u>4</u>
Total current liabilities	<u>1,146,205</u>	<u>21</u>	<u>931,197</u>	<u>20</u>	<u>1,083,132</u>	<u>25</u>
NON-CURRENT LIABILITIES						
Deferred tax liabilities	56,112	1	35,143	1	39,080	1
Lease liabilities - non-current	20,087	1	37,689	1	44,637	1
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>82,646</u>	<u>2</u>	<u>79,279</u>	<u>2</u>	<u>90,164</u>	<u>2</u>
Total liabilities	<u>1,228,851</u>	<u>23</u>	<u>1,010,476</u>	<u>22</u>	<u>1,173,296</u>	<u>27</u>
SHAREHOLDERS' EQUITY						
Capital						
Share capital	<u>378,871</u>	<u>7</u>	<u>343,694</u>	<u>8</u>	<u>343,730</u>	<u>8</u>
Capital surplus	<u>1,547,055</u>	<u>29</u>	<u>1,371,130</u>	<u>30</u>	<u>1,374,521</u>	<u>32</u>
Retained earnings						
Legal reserve	601,620	11	470,328	10	470,328	11
Special reserve	22,169	1	45,891	1	45,891	1
Unappropriated earnings	<u>1,657,155</u>	<u>31</u>	<u>1,337,332</u>	<u>30</u>	<u>916,968</u>	<u>21</u>
Total retained earnings	<u>2,280,944</u>	<u>43</u>	<u>1,853,551</u>	<u>41</u>	<u>1,433,187</u>	<u>33</u>
Other equity	<u>(82,541)</u>	<u>(2)</u>	<u>(22,169)</u>	<u>(1)</u>	<u>(27,467)</u>	<u>-</u>
Total equity	<u>4,124,329</u>	<u>77</u>	<u>3,546,206</u>	<u>78</u>	<u>3,123,971</u>	<u>73</u>
TOTAL	<u>\$ 5,353,180</u>	<u>100</u>	<u>\$ 4,556,682</u>	<u>100</u>	<u>\$ 4,297,267</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			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Sales	\$ 1,306,580	100	\$ 939,001	100	\$ 3,882,906	100	\$ 2,605,301	100
Other operating revenue	<u>-</u>	<u>-</u>	<u>333</u>	<u>-</u>	<u>515</u>	<u>-</u>	<u>984</u>	<u>-</u>
Total operating revenue	1,306,580	100	939,334	100	3,883,421	100	2,606,285	100
OPERATING COSTS	<u>460,743</u>	<u>35</u>	<u>324,276</u>	<u>34</u>	<u>1,351,956</u>	<u>35</u>	<u>913,107</u>	<u>35</u>
GROSS PROFIT	<u>845,837</u>	<u>65</u>	<u>615,058</u>	<u>66</u>	<u>2,531,465</u>	<u>65</u>	<u>1,693,178</u>	<u>65</u>
OPERATING EXPENSES								
Selling and marketing expenses	26,665	2	13,439	2	70,349	2	46,633	2
General and administrative expenses	56,150	5	39,026	4	159,559	4	111,784	4
Research and development expenses	<u>170,454</u>	<u>13</u>	<u>121,566</u>	<u>13</u>	<u>469,227</u>	<u>12</u>	<u>378,389</u>	<u>14</u>
Total operating expenses	<u>253,269</u>	<u>20</u>	<u>174,031</u>	<u>19</u>	<u>699,135</u>	<u>18</u>	<u>536,806</u>	<u>20</u>
PROFIT FROM OPERATIONS	<u>592,568</u>	<u>45</u>	<u>441,027</u>	<u>47</u>	<u>1,832,330</u>	<u>47</u>	<u>1,156,372</u>	<u>45</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	13,994	1	5,641	-	19,525	1	8,246	-
Other income	850	-	1,222	-	3,797	-	4,013	-
Other gains and losses	141,627	11	(12,454)	(1)	194,569	5	(53,008)	(2)
Finance costs	<u>(2,926)</u>	<u>-</u>	<u>(1,770)</u>	<u>-</u>	<u>(3,615)</u>	<u>-</u>	<u>(2,731)</u>	<u>-</u>
Total non-operating income and expenses	<u>153,545</u>	<u>12</u>	<u>(7,361)</u>	<u>(1)</u>	<u>214,276</u>	<u>6</u>	<u>(43,480)</u>	<u>(2)</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	746,113	57	433,666	46	2,046,606	53	1,112,892	43
INCOME TAX EXPENSE	<u>147,770</u>	<u>11</u>	<u>89,404</u>	<u>9</u>	<u>416,786</u>	<u>11</u>	<u>220,331</u>	<u>9</u>
NET PROFIT FOR THE PERIOD	598,343	46	344,262	37	1,629,820	42	892,561	34
OTHER COMPREHENSIVE INCOME(LOSS)								
Items reclassified subsequently to profit or loss:								
Exchange differences arising on translating financial statement of foreign operations	<u>2,582</u>	<u>-</u>	<u>6</u>	<u>-</u>	<u>4,885</u>	<u>-</u>	<u>(893)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 600,925</u>	<u>46</u>	<u>\$ 344,268</u>	<u>37</u>	<u>\$ 1,634,705</u>	<u>42</u>	<u>\$ 891,668</u>	<u>34</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			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
Owners of the Company	<u>598,343</u>	<u>46</u>	<u>\$ 344,262</u>	<u>37</u>	<u>1,629,820</u>	<u>42</u>	<u>\$ 892,561</u>	<u>34</u>
TOTAL COMPREHENSIVE INCOME								
ATTRIBUTABLE TO:								
Owners of the Company	<u>600,925</u>	<u>46</u>	<u>\$ 344,268</u>	<u>37</u>	<u>1,634,705</u>	<u>42</u>	<u>\$ 891,668</u>	<u>34</u>
EARNINGS PER SHARE								
Basic	<u>\$ 15.83</u>		<u>\$ 9.12</u>		<u>\$ 43.13</u>		<u>\$ 23.67</u>	
Diluted	<u>\$ 15.77</u>		<u>\$ 9.10</u>		<u>\$ 42.93</u>		<u>\$ 23.59</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)

	Share Capital - Common Share		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, 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 loss 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 Share Bonus - Record date: August 13, 2021	60	602	107,763	-	-	-	-	-	108,365
Cancellation of restricted share under employees share options on March 8, 2021	(5)	(45)	(4,239)	-	-	-	4,284	-	-
Cancellation of restricted share 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
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
Appropriation 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	3,436	34,355	(34,355)	-	-	-	-	-	-
Net income for the nine months ended September 30, 2022	-	-	-	-	-	1,629,820	-	-	1,629,820
Other comprehensive income after tax for the nine months ended September 30, 2022	-	-	-	-	-	-	-	4,885	4,885
Comprehensive income for the nine months ended September 30, 2022	-	-	-	-	-	1,629,820	-	4,885	1,634,705
Employee Share Bonus - Record date: August 9, 2022	52	525	140,992	-	-	-	-	-	141,517
Issuance of restricted stock under employees share options on August 8, 2022	44	440	78,540	-	-	-	(78,980)	-	-
Cancellation of restricted share under employees share options on March 7, 2022	(14)	(143)	(9,252)	-	-	-	9,395	-	-
Compensation cost of restricted share for employees	-	-	-	-	-	-	4,328	-	4,328
BALANCE AT SEPTEMBER 30, 2022	37,887	\$ 378,871	\$ 1,547,055	\$ 601,620	\$ 22,169	\$ 1,657,155	\$ (82,042)	\$ (499)	\$ 4,124,329

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	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,046,606	\$ 1,112,892
Adjustments for:		
Depreciation expenses	74,655	70,160
Amortization expenses	97,290	93,392
Net loss on fair value changes of financial assets at fair value through profit or loss	29,090	6,797
Finance costs	3,615	2,731
Interest income	(19,525)	(8,246)
Recognition of compensation cost of employee restricted shares	4,328	12,464
Loss on disposal of property, plants and equipment	-	1,746
Net loss (gain) on disposal of financial assets	26,713	(378)
Write-down (reversal of) inventories	22,847	(1,217)
Net gain on foreign currency exchange	(156,957)	(1,465)
Recognition of provisions	7,455	4,906
Changes in operating assets and liabilities:		
Trade receivables	(63,726)	(178,750)
Inventories	(235,939)	24,296
Other current assets	(23,875)	73,432
Trade payables (include related parties)	73,011	126,011
Other payables	(4,142)	1,994
Other current liabilities	(39,468)	49,133
Accrued employees' compensation and remuneration of directors	184,549	96,343
Cash generated from operations	2,026,527	1,486,241
Interest paid	(3,615)	(2,604)
Income taxes paid	(349,644)	(246,663)
Net cash generated from operating activities	1,673,268	1,236,974
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through profit or loss	(96,312)	(219,111)
Proceeds from sale of financial assets at fair value through profit or loss	56,319	18,388
Payments for property, plant and equipment	(30,630)	(57,669)
Increase in refundable deposits	(1)	-
Decrease in refundable deposits	-	7
Payments for intangible assets	(25,227)	(18,208)
Interest received	19,527	8,246
Net cash used in investing activities	(76,324)	(268,347)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	-	300,000
Repayments of the principal portion of lease liabilities	(19,028)	(18,316)
Cash dividends	(1,202,427)	(892,204)
Net cash used in financing activities	(1,221,455)	(610,520)

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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 Nine Months Ended September 30	
	2022	2021
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	\$ 149,470	\$ (7,742)
NET INCREASE IN CASH AND CASH EQUIVALENTS	524,959	350,365
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,977,448	1,548,713
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	\$ 2,502,407	\$ 1,899,078 (Concluded)